

**Draft as of  
11/03/2009**

PROJECT EDISON

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# Information Memorandum

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## 1. EXECUTIVE SUMMARY

### 1.1. OVERVIEW OF ENERTHERM

Enertherm has been operating since 2002 the district heating and cooling networks of La Défense, Europe's first business district by size. Enertherm enjoys a legal monopoly on La Défense area and its surroundings, through a 25-year concession granted in 2002 by SICUDEF<sup>1</sup>, an association of local municipalities.

The Company operates two state-of-the-art heating and cooling facilities, the Alençon and Noël Pons plants, with a total installed capacity of 547MW:

- Hot water is generated by the Company's 375MW heat generators and distributed through its 21km heating network;
- Refrigerated water is generated by the Company's 172MW cold generators and storage facilities, and distributed through its 14 km cooling network.

Enertherm generates its revenues under long term contracts through (i) the sale of heat to office and residential buildings, (ii) the sale of cold to office buildings and (iii) the sale of electricity obtained through co-generation to EDF.

#### ENERTHERM BUSINESS MODEL

|              | PRODUCTION                                                                               | CLIENTS                                         | REVENUES 09E |             |
|--------------|------------------------------------------------------------------------------------------|-------------------------------------------------|--------------|-------------|
|              |                                                                                          |                                                 | (€M)         | %           |
| HEAT         | Produced in the Alençon plant (fuel oil generators) and Noël Pons plant (gas generators) | 70% office buildings, 30% residential buildings | 25           | 53%         |
| COOLING      | Produced in the Alençon plant with electrical refrigerating units                        | 100% office buildings                           | 18           | 39%         |
| ELECTRICITY  | Produced in the Noël Pons plant through heat/electricity cogeneration                    | EDF (at regulated feed-in tariff)               | 4            | 8%          |
| Others       | Include sale of CO <sup>2</sup> quotas, subscription fees from new clients, etc.         |                                                 | 1            | 1%          |
| <b>TOTAL</b> |                                                                                          |                                                 | <b>48</b>    | <b>100%</b> |

Source: Enertherm

Heating and cooling tariffs, together with their annual revision mechanism, are defined in the concession agreement signed with SICUDEF.

Tariffs are revised on a monthly basis. In addition, every 8 years, the tariff revision mechanism is re-negotiated. Under the terms of the contract, the tariffs revision mechanism for heat and cold sales is a “cost plus” mechanism, allowing Enertherm to fully transfer to its clients any variation in the commodities prices (fuel oil, gas and power).

Electricity is sold at a feed-in tariff through a regulated contractual framework known as “DIGEC”, allowing a quasi-automatic pass-through of the production costs.

<sup>1</sup> Syndicat Mixte de Chauffage de la Région de la Défense

Enertherm undertook a 113M€ capital expenditure program over the 2006-2008 period, which resulted in a doubling of capacity and the commissioning of a brand new equipment, with an estimated lifetime exceeding 30 years.

#### INDUSTRIAL ASSET BASE

|                  | DESCRIPTION                                                                                                                                                                                                                                                                  | CAPACITY (MW) |            |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------|
|                  |                                                                                                                                                                                                                                                                              | HEAT          | COOLING    |
| <b>ALENÇON</b>   | <ul style="list-style-type: none"> <li>■ 195MW of heating capacity, produced with fuel oil generators</li> <li>■ 108MW of cooling capacity, produced with electrical refrigerating groups</li> <li>■ The largest ice storage unit in Europe, with a 40MW capacity</li> </ul> | 195           | 148        |
| <b>NOËL PONS</b> | <ul style="list-style-type: none"> <li>■ 180MW of heating capacity, produced with gas generators, including 12 MW of heat/electricity co-generation</li> </ul>                                                                                                               | 180           | -          |
| <i>Auxiliary</i> | <ul style="list-style-type: none"> <li>■ 24MW of cooling capacity in two auxiliary plants (CNIT and Grande Arche)</li> </ul>                                                                                                                                                 | -             | 24         |
| <b>TOTAL</b>     |                                                                                                                                                                                                                                                                              | <b>375</b>    | <b>172</b> |

Source: Enertherm

Enertherm is now fully equipped to carry out its concession contract until its end, with no need for further investments. Furthermore, Enertherm has a significant excess capacity in heating – and to a lesser extent in cooling – which will allow to expand its business outside the concession area without the need for significant incremental investments.

## 1.2. KEY INVESTMENT CONSIDERATIONS

### → Secured revenue stream

Revenue stream guaranteed through a 25 year concession contract, ensuring practically a monopoly position over the La Défense area. Enertherm operations, which started in 2002, are therefore secured until 2027.

It should be noted that office and residential building owners in the concession area do not have other alternative than Enertherm for their heating and cooling supply, as they do not have access to the gas distribution grid and district heating is by far more efficient and less expensive than individual heating installations.

### → Brand new industrial base, with no need for investments until the end of the concession in 2027

Thanks to its recently completed 113M€ investment program, Enertherm operates a state-of-the-art industrial base with an estimated lifetime exceeding the concession period. The Company has a significant excess capacity in heating – and to a lesser extent in cooling – which will allow to expand its business outside the concession area without the need for significant incremental investments.



### → Ideal location at La Défense, Continental Europe's largest business district

Enertherm benefits from an ideal location at La Défense, Continental Europe's largest business district. La Défense area encompasses the headquarters of some of France's largest companies (Total, EDF, Areva, Axa, Société Générale, etc.).

Around 70% of Enertherm's heating clients, and 100% of its cooling clients are office buildings occupied by large and well-established companies. Enertherm is thus less subject to tariffs "pressure" than other district heating players operating mainly in residential areas.

### → Significant development opportunities

Enertherm benefits from strong development perspectives in La Défense and its surrounding areas over the coming years.

- **Expansion plan of La Défense concession area** : in order to enhance the European appeal of La Défense district and help it compete against other European markets, a new expansion plan was launched by the French government in July 2006. More than a dozen new office buildings should be constructed in the coming years, generating significant revenues for Enertherm, which is positioned as the unique offering for efficient heating/cooling solutions in La Défense area.
- **Development outside the concession area** : two districts near the concession area are expected to be developed in the coming years, and as the municipality is unlikely to grant a permit for the construction of a new power plant, Enertherm anticipates to be the sole provider of heating and cooling services:
  - Enertherm is well-positioned to provide heating and cooling to *Cœur Université*, Nanterre's neighbourhood surrounding the university;
  - Enertherm is also well positioned to provide heat to the *Groues* area (a 70 hectares district located between Enertherm's Alençon and Noël Pons plants) which should be urbanized in the coming years.
- **Capacity expansion**: an additional 30-35MWe co-generation capacity could be constructed on the Noël Pons facility's site. The construction permit for this additional facility is already obtained, and the concession contract allows the Company to operate this additional co-generation.

### → Talented and experienced management team

Enertherm has an outstanding management team, with a long and proven track record in managing district heating operations, developing the Company and negotiating favourable tariff mechanisms.

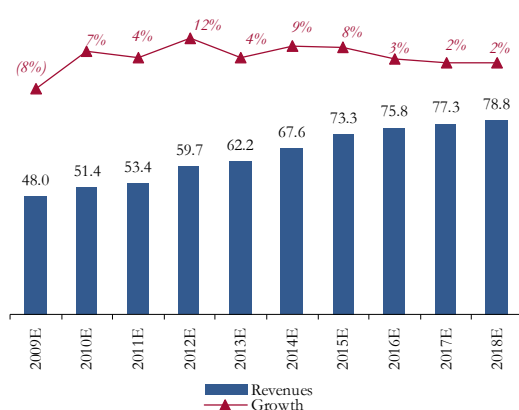
### A “LOW RISK” FINANCIAL PROFILE, WITH SIGNIFICANT GROWTH OPPORTUNITIES

|                     |                                                                                                                                                                                                                                                |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REVENUES            | <ul style="list-style-type: none"> <li>■ <b>Revenue stream secured</b> through a 25 year legal monopoly position over the La Défense area</li> <li>■ <b>Significant growth opportunities</b> inside and outside the concession area</li> </ul> |
| OPERATING MARGINS   | <ul style="list-style-type: none"> <li>■ <b>Margins secured thanks to “cost plus” tariff mechanisms</b> for heat, cooling and electricity sales, ensuring a full transfer to clients of any increase in commodities prices</li> </ul>          |
| CAPITAL EXPENDITURE | <ul style="list-style-type: none"> <li>■ <b>No need for capital expenditure</b> until the end of the concession period, except for some limited extension works</li> </ul>                                                                     |
| WORKING CAPITAL     | <ul style="list-style-type: none"> <li>■ <b>None</b> (working capital structurally close to zero)</li> </ul>                                                                                                                                   |

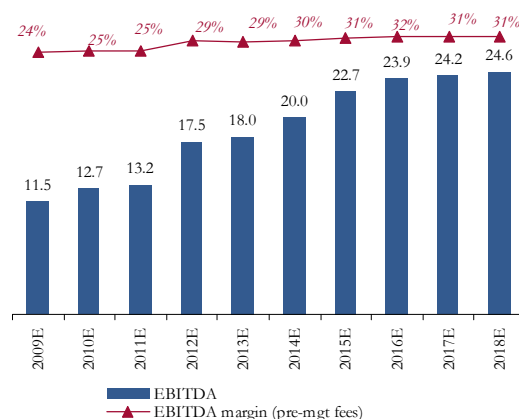
Source: Enertherm

### KEY FINANCIALS (€M)

#### REVENUES



#### EBITDA



Source: Management forecast

## 2. MARKET OVERVIEW

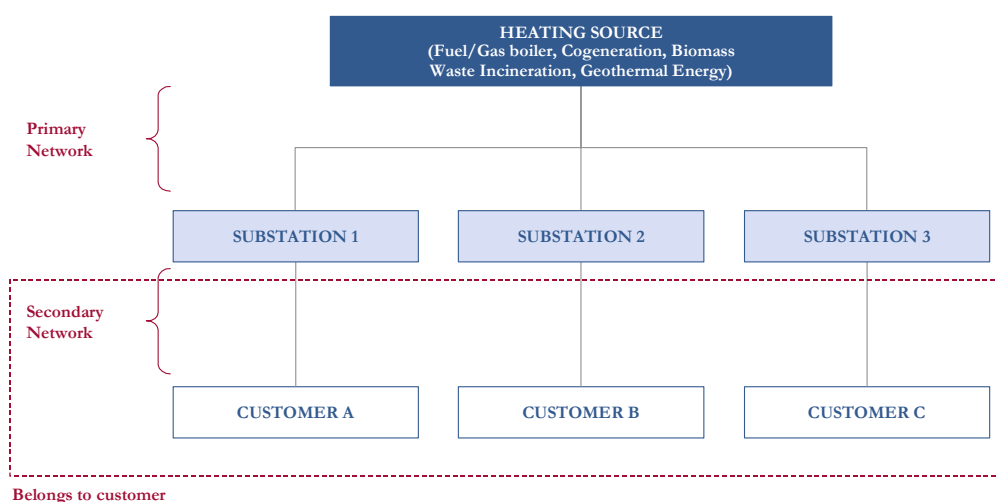
### 2.1. OVERVIEW OF A HEATING / COOLING NETWORK

A heating / cooling network is a highly efficient and centralized energy source which provides heating and cooling to residential communities and office buildings, most often through a public service delegation.

#### 2.1.1. Description

A district heating network is a central system with the scale of a town or a district, whereby one or several energy sources supply residential, office and administrative buildings with heating and / or cooling through a network of underground pipes.

#### SIMPLIFIED DESCRIPTION OF A DISTRICT NETWORK



A heating network commonly comprises four main sections:

- An upstream section, comprising one or several sources of heat production, sometimes combined with cooling production and electricity co-generation;
- A network of pipes referred to as “primary network”, following the patterns of both public and private roads, in which heat, in the form of hot water or steam, circulates. Such a network is composed of a closed circuit: transporting a fluid (water or steam) towards the sub-stations at a very high pressure of about 20 bars and at a temperature of usually between 90°C and 180°C; and returning towards the heat source (the temperature of the water or steam is in this case between 60°C and 90°C and the pressure is about 5 bars);
- Sub-stations: these facilities act as decentralised boiler rooms thanks to a heat exchanger, and transfer the heat from the primary network to the heating system of the end users: the sub-stations are the interface between the energy supplier and the client;
- A network of tubes referred to as “secondary network”, which belongs to the client, and which runs through the building to supply the radiators with heat.

A cooling network is organized similarly.

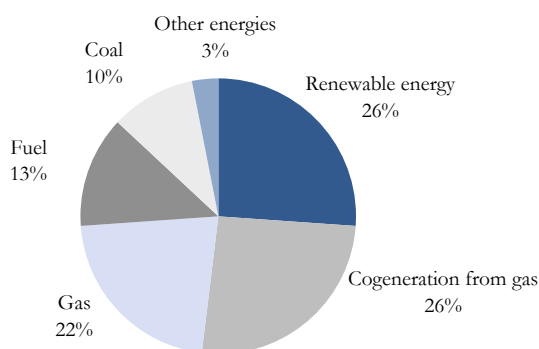


### 2.1.2. Sources of heat

Heat production is mainly ensured through the combustion of fuel oil or natural gas. It can also be provided through:

- **Combined heat and power production through turbine or engines:** simultaneous production of electricity and “useful” heat, most often based on gas turbines. This combination of heat and power allows network operators to sell, in addition to heat, the electricity generated by the installation. In France, the electricity is bought by EDF at subsidized rates, within a regulated contractual framework known as “DIGEC”, allowing a quasi-automatic pass-through of production costs, particularly those of gas supply<sup>(2)</sup>;
- **Incineration of household waste:** the heat created by the combustion of household waste is recovered and converted into useable heat;
- **Geothermal:** this source of renewable energy consists in extracting the heat stored in the ground. Several types of geothermal energy exist depending on the initial temperature of the water which is brought to the surface when pumped. District heating networks use geothermal energy referred to as “low energy” with temperatures ranging from 30°C to 100°C;
- **Biomass:** various sources of “green” combustibles are being developed at the moment such as wood, olive pulp and straw. These renewable energy production units are generally small-sized and subsidized.

#### BREAKDOWN OF ENERGY SOURCES USED IN HEATING PRODUCTION IN FRANCE



Source: GDF Suez

Heating networks operate mainly during autumn and winter. Their efficiency in creating energy, and thus their profitability, is higher when the outside temperature is between 0°C and 5°C.

Cooling networks utilization is at its highest during the warm seasons.

(2) A ceiling exists, however, for the gas component when calculating the price of electricity. In the context of high gas prices during 2008, co-generators negotiated with public authorities that this ceiling could be adjusted in a rolling manner.

During spring and summer, district heating and cooling networks operate little, often supplying only sanitary hot water. These periods are used for heavy maintenance.

### 2.1.3. Sources of cold

Cold is usually produced through refrigerating units driven by electric powered compressors.

However, during peak periods, cold can also be provided through storage units. In these facilities, a refrigerated product (e.g. glycol) circulates into a pool through a dense network of tubes in order to transform the water in quasi-ice. The cold water is then re-injected into the network. Cold storage units are used as complement for refrigerating units. The largest cold storage unit in Europe is located at the Alençon plant operated by Enertherm.

### 2.1.4. Price Competitiveness

**District heating networks are very competitive when compared to other heating sources.**

In spite of a steady increase over the past few years, the costs of heating through district heating networks have remained very competitive as compared to other heating sources.

#### PRICE EVOLUTION PER TYPE OF COMBUSTIBLE (REBASED AT 100)



Source: Xerfi 2008

However, the cost of heating through district heating networks varies significantly from one town to another because of the characteristics of each concession contract. The most common example being that the conceding authority requires the concessionary to operate in overcapacity, generating extra-costs which have an impact on tariff.

## 2.2. KEY TRENDS OF THE FRENCH DISTRICT HEATING MARKET

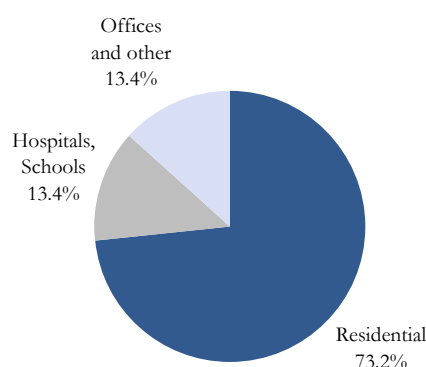
Development of heating networks in France is driven by strong fundamental trends which include the search for more efficient energy sources, a growing environmental awareness, and the resilience of the construction sector in France.

### 2.2.1. Historical development

The French district-heating market is far less developed than other European countries: only 5% of the heat consumed by the tertiary and residential sectors comes from district heating networks, vs. 12% in Germany and 50% in Denmark.

These disparities are due to the very different energy policies that were developed, particularly in reaction to the oil price peak in the 1970's, and for historical reasons (political regime in Eastern Germany...).

#### BREAKDOWN OF DISTRICT-HEATING END MARKETS IN FRANCE



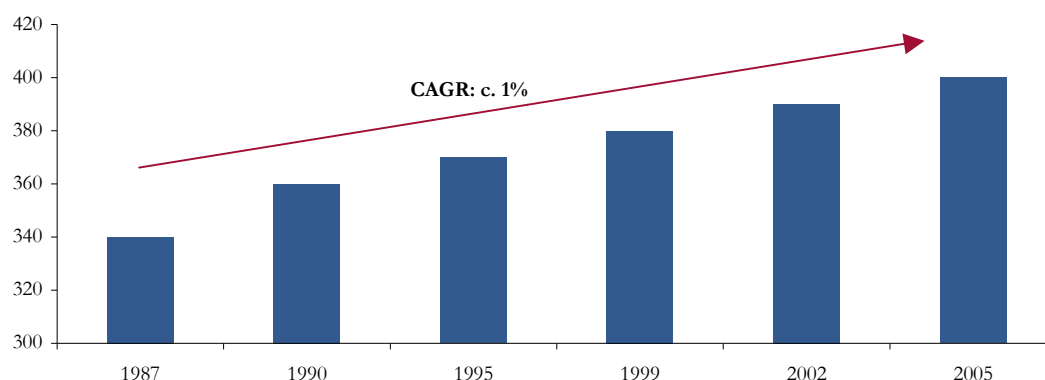
Source: Rapport du Ministère de l'Economie et des Finances 2006

Three main phases can be distinguished in the development of the market in France:

- **In the 1930's**, the first networks were created in Paris, Saint-Denis, Metz and Chambery;
- **In the 1960's and 1970's**, a new urban policy resulted in the development of Priority Urban Zones and in the creation of new towns such as Cergy-Pontoise with associated district heating networks;
- **In the 1970's and 1980's**, the two oil price peaks placed the concepts of energy-saving, diversification of sources of energy supply, and energy independence at the forefront of political concerns; district heating was perceived as being one of the ways to achieve these objectives. Therefore, most of the networks in operation today were created in the aftermath of the two oil price peaks, in two waves: approximately 150 at the end of the 1970's followed by about 200 in the 1980's.

Ever since, the number of networks has been growing gradually with about a dozen creations per annum, mainly under the impetus of local municipalities.

## NUMBER OF DISTRICT HEATING NETWORKS IN FRANCE SINCE 1987



Source: INSEE

The development of heat sources supplying district heating networks was also a response to very different energy concerns depending on the historical context:

- **In the 1980's**, geothermal energy was developed;
- **At the end of the 1990's**, co-generation increased considerably in scale (encouraged by the creation of the DIGEC 97-01 contract and its subsequent amendments);
- **Today**, as environmental considerations (re. global warming and pollution) are increasingly important in the energy policies of municipalities, “green” technologies such as biomass are increasingly used, mainly in semi-rural areas. There is also a strong willingness to develop geothermal energy.

### 2.2.2. Market growth

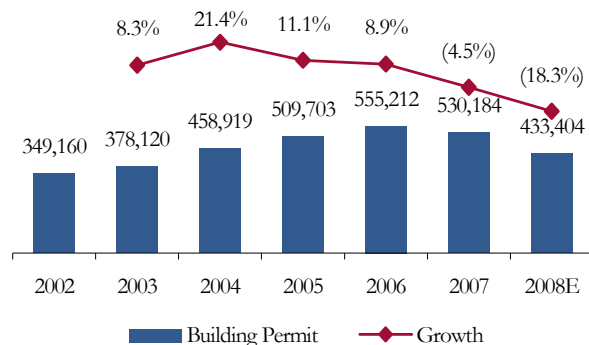
**In spite of a challenging macro-economic environment, heating/cold networks operators are considered to be resilient to the current economic crisis thanks to increasing environmental awareness and political support in construction, notably for residential and tertiary buildings.**

#### 2.2.2.1. Resilient trends in construction despite economic downturn

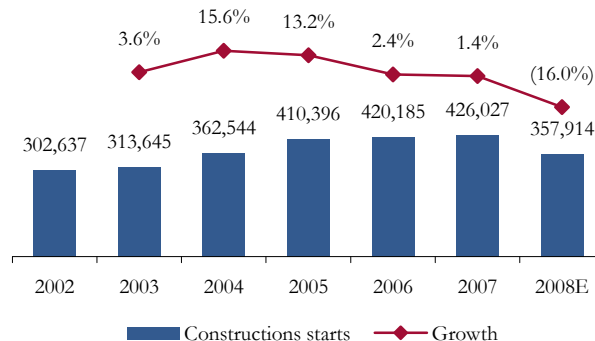
Construction is currently impacted by the economic downturn. However, in spite of its cyclicity, building constructions in France have demonstrated resilient trends in the long-run.

## EVOLUTION OF RESIDENTIAL AND NON RESIDENTIAL BUILDING PERMITS

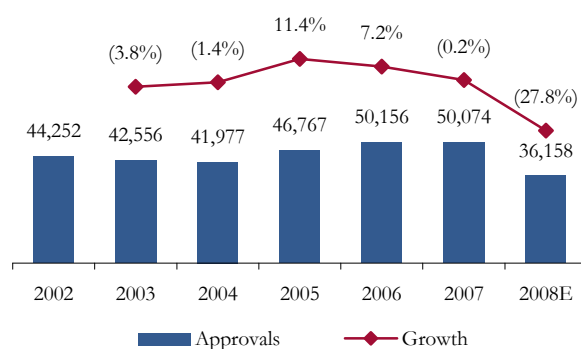
## NUMBER OF RESIDENTIAL BUILDING PERMITS



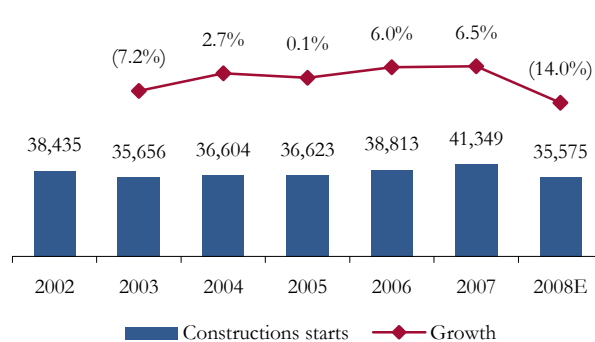
## RESIDENTIAL BUILDINGS CONSTRUCTION STARTS



## AREA OF NEW NON RESIDENTIAL BUILDINGS



## NON-RESIDENTIAL BUILDINGS CONSTRUCTION STARTS



Source: Xerfi

Though in a current downward trend, construction is expected to resist to the economic crisis thanks to pro-active policies in social housing and the announced renewal of several residential and business areas, such as La Défense district.

In addition, the French State has recently announced emergency measures to help investments for households, companies and local communities. The economic stimulus will include a plan to ease access to household credit, as well as the purchase by the State of 30,000 nearly built accommodations.

## 2.2.2.2. Rising environmental concerns in French policy-making

France has initiated since 2007 a number of high-profile political initiatives towards more energy-efficient schemes through the “Grenelle de l’Environnement”.

On November 17<sup>th</sup> 2008, the Minister for Energy and Environment Jean-Louis Borloo outlined actions the Government will take to substantially increase the role of renewable energy in France. The announcement was made at the annual Grenelle meeting of French environmental stakeholders. The plan aims to bring to 23% the share of renewable energy in the energy mix by 2020.

In this framework, buildings will be prompted to develop environmental-friendly energy consumption schemes. A “low consumption building” standard will be implemented in new

buildings. It aims at promoting the implementation of solutions involving renewable energy sources from 2012. As far as existing buildings are concerned, there will be new incentives to promote the deployment of renewable energy. 0%-rate eco-loans, exemption from land tax, etc., will be implemented in addition to current tax credit and the feed-in tariff for electricity produced by renewable sources.

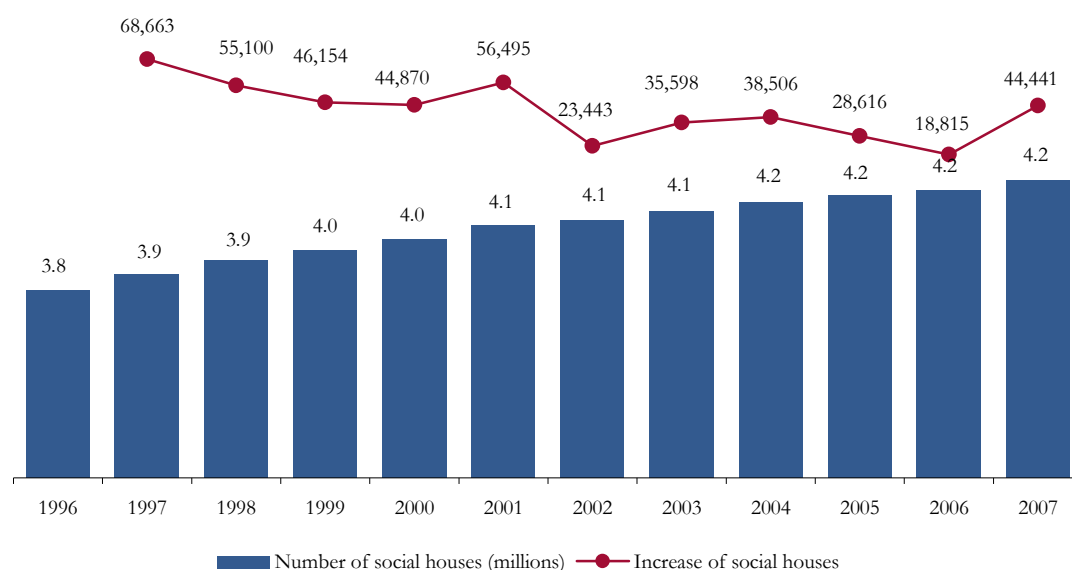
**This growing awareness will likely propel further development of centralized, energy efficient heating networks in urban and semi-urban areas** for two main reasons:

- District heating network operators already comply with the strictest environmental regulations. District heating is energy-efficient, as producers are given compulsory objectives in electricity and CO<sub>2</sub> emissions savings by public authorities;
- District heating network operators will be able to leverage their wide array of skills in the field of energy services to provide efficient and low-consumption heating and cooling services to buildings.

### 2.2.2.3. Strong social housing trends

The development of district heating networks is correlated to the growth of collective housing, in particular social housing. After years of relative stagnation, collective housing is now experiencing a significant increase.

#### EVOLUTION OF SOCIAL HOUSING IN FRANCE SINCE 1996



Source: INSEE

The nationwide programme of urban renovation, as defined by the recently amended Law of August 1<sup>st</sup>, 2003, plans a new offer of 250,000 social rented housing, the refurbishing of 400,000 social rented housing as well as the building of public equipment and urban facilities for the period from 2004 to 2013.

At the beginning of 2007, the National Agency for Urban Renovation ratified a programme of over €26 bn of renovations and constructions for the next 5 years.



#### 2.2.2.4. Resilient trends in La Défense

Since the start of the economic crisis in 2008, La Défense has been the only large business district to resist to the economic slowdown. There is currently a shortage in the short term offer in La Défense, with a decrease of vacancy rate and an increase in office values.

In the first nine months of 2008, 291,000sqm<sup>(3)</sup> have been sold in the area of La Défense, representing a 14.6% increase compared to the same period in 2007. The number of square meters sold in the first nine months of 2008 already reaches the number of square meters sold in 2007.

This result is all the more exceptional as demand decreased by 37% in Paris' business area and by 28% in other Western Paris's business areas (Boulogne Billancourt, Issy les Moulineaux, Levallois and Neuilly).

Around 56% of the transactions concerned new buildings, compared to only 5% in 2007.

For 2009, and beyond, given the currently depressed environment, some projects may be postponed, but no meaningful cancellation has so far been announced.

#### 2.2.2.5. Key drivers of the district heating and cooling industry

In a growingly depressed economic environment, district heating/cooling networks benefit from solid growth prospects, supported by:

- growing environmental awareness;
- political support for social housing, both for new construction and renovation;
- the resilience of large tertiary areas, especially La Défense.

In addition, for a given year, the key driver remains climatic variations, which have a stronger impact on heating than on cooling.

---

(3) Source: Immovée

## 2.3. REGULATORY ENVIRONMENT

### 2.3.1. European framework

There are few laws and regulations at an international level dealing with district-heating networks. These were chiefly drafted in the framework of the Kyoto agreements and subsequent renewable energy initiatives.

The 2004/11/CE directive of February 11<sup>th</sup>, 2004 clearly refers to the development of co-generation for the supply of heating. Heating from co-generation is currently a key objective of many European governments.

### 2.3.2. French regulatory environment

#### 2.3.2.1. Public service delegation

The majority of district-heating networks are regulated by the public service delegation framework. A public service delegation consists, for a public entity - which is most often local – in conceding to a private operator the management of a public service. In this framework, the conceding authority transfers the operating risks to the private operator, as well as the obligation to maintain the network and to develop it under a pre-defined plan. The private operator is given the right to collect a charge from the customers. The contract defines a period at the end of which the delegation is given back to the conceding authority.

The public service delegation may take three forms:

- **Concession:** the private operator is in charge of the design, construction, financing and operation of public infrastructure belonging to the concession. In addition to the operating risks, the concessionary must assume the risks of design, construction and financing;
- **Leasing:** the private operator does not invest in the assets necessary to operate the public service. It only bears the operating risk. In exchange for the right to receive a payment for services granted to users, it pays to the owner of the installations a charge reflecting the use of such installations;
- **The interested state control:** a company supplies a service in compensation for a remuneration indexed on the result of the service.

#### 2.3.2.2. Sapin Law (29 January 1993)

The allocation and management of delegation contracts of public service are regulated by chapter V of the Sapin Law of January 19<sup>th</sup>, 1993. The public tenders to which potential candidates respond are subject to the principles of publicity and competition described in the code of public markets under the conditions described by the State.

The free competition among candidates in a transparent procedure is a key principle of this law.

### 2.3.2.3. 2005-781 Law of 13 July 2005

Public service delegations have a limited timeframe. The Law mentions that, when the installations have to be maintained by the private operator, the convention of delegation takes into account the nature and the amount of the investment to be made. In this case, the investment cannot exceed the normal depreciation schedule of the assets installed by the new operator.

A public services delegation can nevertheless be extended, either for general interest (in this case, the extension cannot exceed a year), or when the private operator has to do some work not anticipated in the initial contract for the interest of public service or the extension of the geographic framework.

In addition, the promotion of French district heating networks is supported by the political objective of enhancing the use of renewable energy. Thus, four key political goals have been set by the July 13<sup>th</sup>, 2005 Law. They consist in energy independence and security of supply, competitive price of energy, preservation of public health and the environment, and access to energy for everyone.

### 2.3.2.4. TARTAM tariffs

Regulation on electricity tariffs has a strong impact on cooling networks, as their electricity consumption is very high.

The “transitory regulated tariff for market adjustment” (“TaRTAM”) is part of a Law dated December 7<sup>th</sup>, 2006, which aligned the French legislative framework with the European Directives of June 2003. The main terms of this Law include the preparation for opening of the market to household customers, some energy pricing measures, and new missions for the Energy Regulatory Commission (CRE).

A customer holding a “market contract” can benefit from the TaRTAM to the site(s) for which it has requested it from its supplier before July 1<sup>st</sup>, 2007. The TaRTAM can be no more than 25% higher than the regulated tariff, excluding tax, applicable to a consumption site with the same characteristics. Today the TaRTAM is much lower than current power market prices and therefore significantly benefits to district cooling network operators.

## 2.4. COMPETITIVE ENVIRONMENT

**In France, there are 82 companies (with more than 20 employees) operating tertiary and residential district heating and cooling networks. In total, these companies employ 22,000 people and generate a revenue of €4.5billion per annum. However, the market is dominated by just a limited number of industry participants.**

**Key players in the French heating networks include Elyo/Cofathec, Dalkia, Coriance, Idex and Compagnie Parisienne de Chauffage Urbain (CPCU).**

- **Elyo/Cofathec** belongs to GDF Suez. It offers services to clients in Europe, the Pacific, and Africa. Its activities are organized in 4 segments: on-site energy and utilities management, technical operations and maintenance, facilities management and network energy management.
- **Dalkia**, a subsidiary of Veolia (also partly owned by EDF), is a leading European provider of energy services to companies and municipalities. The company’s activities

include district heating and cooling, thermal and multi-technical services, industrial utilities, and comprehensive building management.

- **Coriance** was established in 1997 as a subsidiary of business unit of Cofathec (Gaz de France), and was acquired by A2A in 2008. The company is specialized in the delegation of public services in the district heating and cooling networks, and it currently operates 24 long-term contracts, mainly in the Paris area and in Rhones-Alpes.
- **Idex**, controlled by private equity firm Industri Kapital, was founded in 1963 by the Planchot Family. It is one of France's largest private energy and environmental services companies. Its *Energy Services* operations include heating systems management (its historical activity), cooling systems (air conditioning), co-generation, multi-technical services and industrial & utilities services.
- **CPCU** is a leading district heating operator in France. It belongs to the City of Paris (36%) and GDF Suez (64%), and is specialized in heating production and in the management of heating networks in the Paris area.

Key financials and operating data of the above market participants are summarized in the table below:

| COMPANY                         | FINANCIAL FIGURES                                                                                                    | OPERATIONAL FIGURES                                                                                                                                                                                                                                      |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Elyo/Cofathec (GDF Suez)</b> | <ul style="list-style-type: none"> <li>■ 2007 revenues: €2.3bn</li> </ul>                                            | <ul style="list-style-type: none"> <li>■ Runs 87 co-generation sites and 63 heating networks</li> <li>■ Heating production capacity: 16 GW</li> <li>■ Circ. 10,100 employees</li> </ul>                                                                  |
| <b>Dalkia (Veolia)</b>          | <ul style="list-style-type: none"> <li>■ 2007 revenues: €7.9bn</li> <li>■ 2007 EBIT: €502m (margin: 6.4%)</li> </ul> | <ul style="list-style-type: none"> <li>■ Heating production capacity: 87 GW</li> <li>■ Power production capacity: 6.6 GW, including 4.5 GW from co-generation</li> <li>■ Energy facilities managed: 102,700</li> <li>■ Circ. 55,000 employees</li> </ul> |
| <b>Coriance (A2A)</b>           | <ul style="list-style-type: none"> <li>■ 2007 revenues: €71m</li> <li>■ 2007 EBIT: €4m (margin: 5.4%)</li> </ul>     | <ul style="list-style-type: none"> <li>■ Heating power capacity: 45MW</li> <li>■ Electric power capacity: 111MW</li> <li>■ Network: 125 km</li> <li>■ Circ. 60 employees</li> </ul>                                                                      |
| <b>Idex (Industri Kapital)</b>  | <ul style="list-style-type: none"> <li>■ 2007 revenues: €337m</li> <li>■ 2007 EBIT: €13m (margin: 3.7%)</li> </ul>   | <ul style="list-style-type: none"> <li>■ Circ. 3,000 employees</li> </ul>                                                                                                                                                                                |
| <b>CPCU (GDF Suez)</b>          | <ul style="list-style-type: none"> <li>■ 2007 revenues: €329m</li> <li>■ 2007 EBIT: €33m (margin: 10.1%)</li> </ul>  | <ul style="list-style-type: none"> <li>■ Heating power capacity: 4,300 MW</li> <li>■ Network: 440km</li> <li>■ Circ. 500 employees</li> </ul>                                                                                                            |

CPCU (controlled by GDF Suez) is the largest single district heating network in France, but its assets are decentralized. **Enertherm is the second largest individual network**, and operates the largest ice storage facility in Europe. Most other large city networks are operated by Dalkia.

### 3. COMPANY OVERVIEW

Enertherm is a single-asset company which manages, maintains and operates La Défense district heating and cooling networks. It has a quasi-monopoly on La Défense and its surroundings, through a 25-year concession granted in 2002 by SICUDEF (Syndicat Mixte de Chauffage de la Région de la Défense, an inter-city authority).

#### 3.1. OVERVIEW OF LA DÉFENSE CONCESSION

##### 3.1.1. A very favourable location

Enertherm benefits from an ideal location at La Défense, which is Continental Europe's largest business district.

###### 3.1.1.1. La Défense

###### a) History of La Défense

Located in the cities of Nanterre, Puteaux and Courbevoie, La Défense is Paris' largest and fastest growing business hub. It consists chiefly of high-rise office buildings located on a large pedestrian esplanade (*Le Parvis de La Défense*) measuring 31 hectares.

Created following a decision of President Charles de Gaulle in the 1960's, La Défense has thrived ever since, and has recently unveiled an ambitious expansion plan.

The origins of La Défense district date back to September 1958, when the French government formed the EPAD organisation (*Établissement Public pour l'Aménagement de La Défense*) to build, manage and develop the district. The CNIT building (*Centre des Nouvelles Industries et Technologies*) was opened in 1958. An initial development plan was approved by the government in 1964. Progressively, the existing factories and other former constructions gave way to new office and residential buildings, the first of which being the Esso Tower.

The original plan specified **first-generation** towers to an identical format, on a basis measuring 42 metres by 24, with height limited to 100 metres and a surface area of 30,000 square metres. The Nobel Tower was the first tower to be completed at La Défense, in 1966.

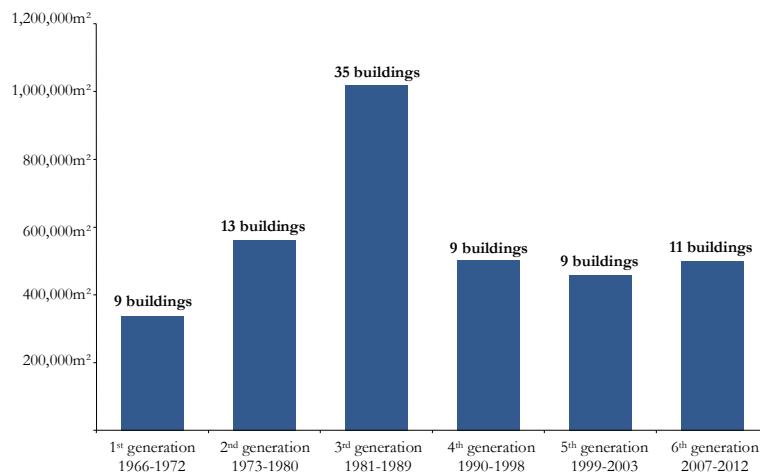
**Second-generation** towers appeared in response to rising market demand in the early seventies. The 1964 plan was modified in order to increase the surface area of new buildings, and towers measuring 100,000 square metres were built, such as the 44-floor Fiat Tower (Areva Tower today), 184 metre high. Then following the economic crisis of 1973, office development at La Défense was put to a halt.

Under plans to revitalise construction of the La Défense district, the **third-generation** towers of the early eighties adopted a more economical model: narrower and lower, like the Pascal Tower, the Voltaire Tower and the buildings of the Michelet area. In 1982, EPAD, with the backing of French President François Mitterrand, launched the *Tête Défense* competition culminating in the construction of the Grande Arche. Over the same period, hotels were built, the CNIT building was remodelled (1989) and Line 1 of the Paris metro was extended (1992) in order to improve communications between La Défense and Paris city centre.

After a second recession for La Défense in 1993, a spectacular upswing followed in 1997. La Défense today offers 3.3 million square metres of office space, and has become Europe's second biggest business district after the City of London. Banks and insurance companies

have moved in, leaving their traditional city-centre headquarters between Opéra and the Paris Bourse. In addition, some departments of the French Ministry of Transport and Equipment are also located at Grande Arche and the Pascal Tower.

#### SUCCESSIVE GENERATIONS OF BUILDINGS AT LA DÉFENSE



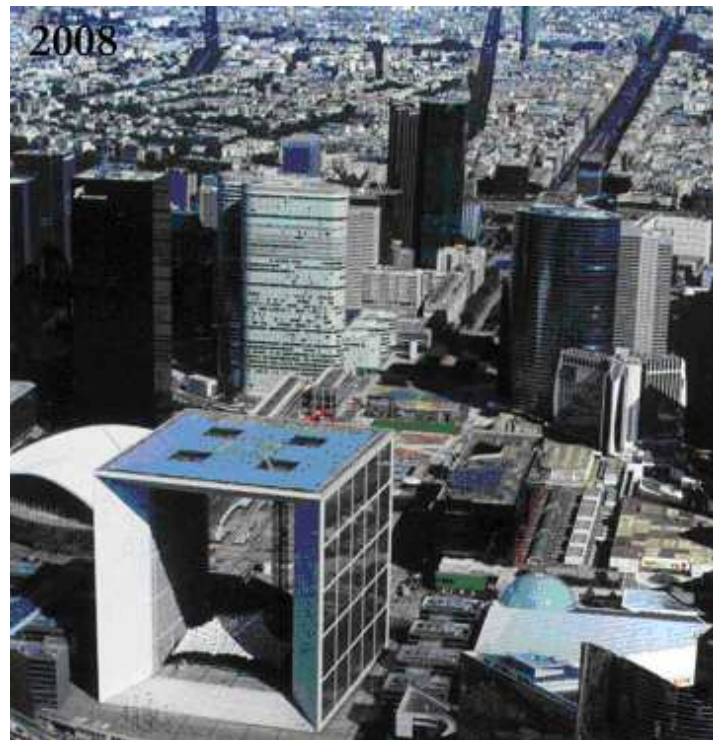
Source: MBF Conseil, EPAD

#### DEVELOPMENT OF LA DEFENSE





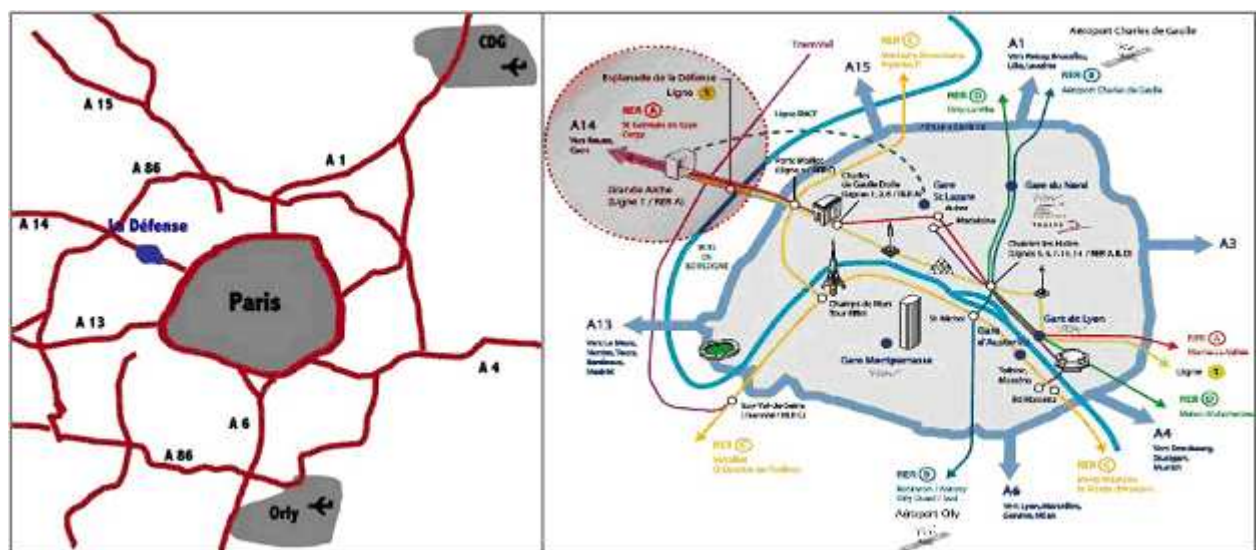
## LA DEFENSE IN 2008



## b) Transport

La Défense forms one of the densest transport nodes in the Paris region, a transit point for over 400,000 passengers per day. All available public transport modes in the region converge here: main-line trains, RER regional rail, metro, tram and bus.

## ACCESS TO LA DEFENSE

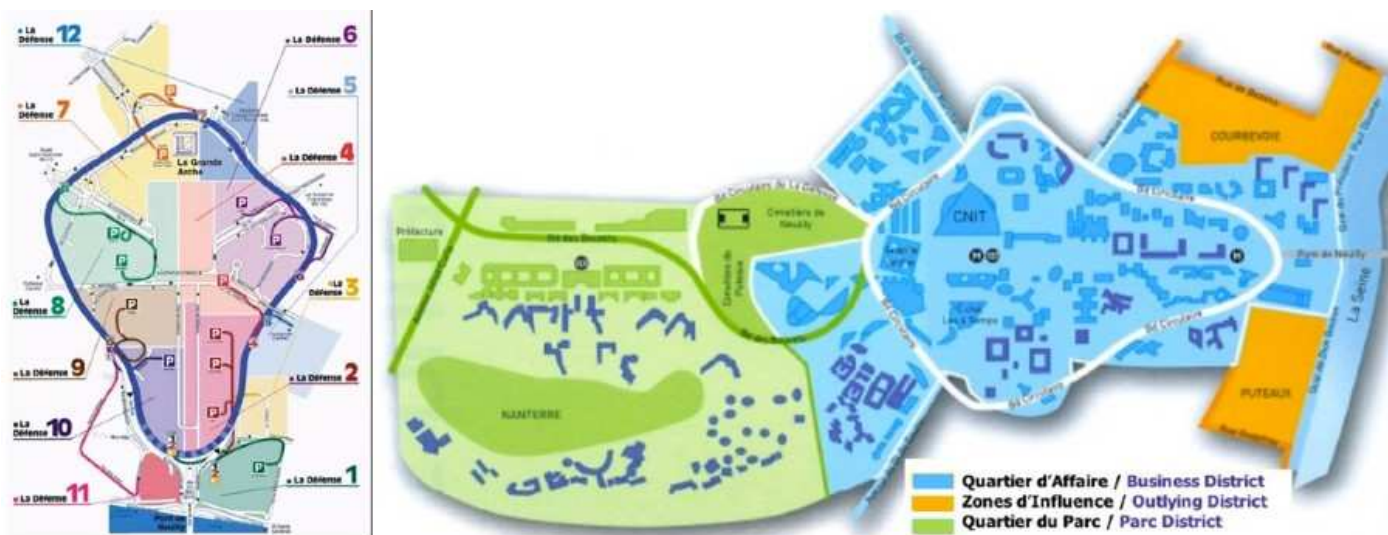




## c) La Défense district

The 3.3 million square metres of office space at La Défense can be split between three distinct areas:

## LA DEFENSE DISTRICT



Source: EPAD

- **Quartier des Affaires:** 12 EPAD sectors within the “Boulevard Circulaire” ring road (around 2,880,000 square meters);
- **Quartier du Parc:** bordered by Avenue Joliot-Curie (RD 131) to the west, in the locality of Nanterre, by André Malraux Park to the south, and by the Quartier des Affaires to the east (280,000 square meters);
- **Zones d’Influence:** buildings along the Seine River on either side of the Neuilly bridge, in the municipalities of Puteaux and Courbevoie (180,000 square meters).

The typology of buildings in these three areas varies widely in regards to construction dates and rental values. The *Quartier des Affaires* is known as a prime location for the headquarters of major banks, insurance companies and industrial groups. The *Quartier du Parc*, still under development, offers extensions to companies already located at La Défense. And the *Zone d’Influences* tends to address small or midium-sized businesses and service companies, in the IT sector in particular.

Companies with their headquarters (or French or European head offices) at La Défense include Axa, Bayer, EDF, Ernst & Young, ING, Marsh McLennan, Mazars, Société Générale and Total.

In 2007, La Défense had 1,500 companies, including 14 of the top 20 in France and 15 of the top 50 worldwide, the total workforce reached 150,000 and the residential population 20,000. In addition, there are 130,000 square metres of shops at the “Quatre Temps” mall and 100,000 square metres of neighbourhood shops, 2,600 hotel rooms and 50 café and restaurant areas, 31 hectares of pedestrian esplanade and walkways and 11 hectares of garden areas.

Since 2008, the Energy Services division of GDF Suez has relocated a high number of units issued from the merger between Gaz de France and Suez in the tower “T1” and another part

in the building “B”, on nearly 70,000 m<sup>2</sup>. Société Générale also took the decision to build its own trading floor nearby the “Granite” tower, on an area reaching 43,000 m<sup>2</sup>. Axa undertook the extension of the building “Grand Axe” in the area of Nanterre, and AGF reinforced its presence in various areas of La Défense.

#### d) Expansion plan

In order to enhance the European appeal of La Défense district and help it face competition from other European capitals, a new expansion plan was submitted to the French government at the end of 2005. The French government announced the revitalisation plan of La Défense in July 2006.

##### i) Improved access

The first set of measures in the revitalisation plan concerns access to the business district, starting with an extension of the RER line E from Saint-Lazare station to La Défense, then on to Versailles and Mantes-la-Jolie. A high-speed rail station will be built in the immediate vicinity of the site. These projects will further strengthen the La Défense transport hub and improve links with Charles de Gaulle Airport at Roissy and major French cities including Lille, Rennes, Bordeaux and Lyon.

Other public infrastructure such as the “ring road” (Boulevard Circulaire) will also be overhauled and extended.

##### ii) Real estate preservation and extension

The second set of measures in the plan arises from a willingness to renew existing real estate properties through extensive tower restructuring, sometimes involving demolition and reconstruction works, the aim being to keep abreast of competing business districts in other European cities, both established (as London) and emerging (as Milan and Amsterdam). A number of legislative and regulatory changes has been introduced in order to set up a favourable legal and tax environment.

- **Renovation of existing towers:** demolition and reconstruction operations within the La Défense district will not require special approval for extensions up to 40,000 square metres or 50% of the initial surface area. And such operations will be exempt from the tax on new office space in the Paris region, for up to 70% of the initial surface area. These measures could lead to an additional 150,000 square metres of net floor area being built by 2013. Most existing towers will be renovated. Renovation will primarily focus on obsolete towers such as Franklin or Areva, which are highly energy-inefficient.
- **Construction of new towers:** construction of new towers may be authorised up to a net floor area of 300,000 square metres from 2007 to 2013. The purpose of these new buildings will be to attract major corporations to La Défense.

The additional 450,000m<sup>2</sup> of office space could enhance the appeal of the site without flooding the market. The increase represents 13% of total office space in the sector over the next six years, a rate of 1.9% per year.

By comparison, surface areas increased as follows from 1980 to 2005:

- **19%** (3.6% per year on average) **from 2000 to 2005** (an additional 540,796 m<sup>2</sup>)
- **122%** (5.2 per year on average) **from 1980 to 2000** (an additional 1,798,437 m<sup>2</sup>)

In addition, 100,000m<sup>2</sup> of housing will be developed, most of which through innovative and “green” architectural projects. Moreover, a 100,000m<sup>2</sup> area will be developed for the ministry of equipment.

All these measures have been taken in order to transform La Défense into a European model for green development. Following their renovation, the towers will likely consume less heat but they will symmetrically consume more cold, as they will be better isolated and will retain the heat, requiring extra-cold in warm seasons.

The plan is due to be achieved by 2013.

In 2013, La Défense should thus look close to the image below. New buildings and buildings renewed are coloured.

#### OUTLOOK OF LA DÉFENSE IN 2013

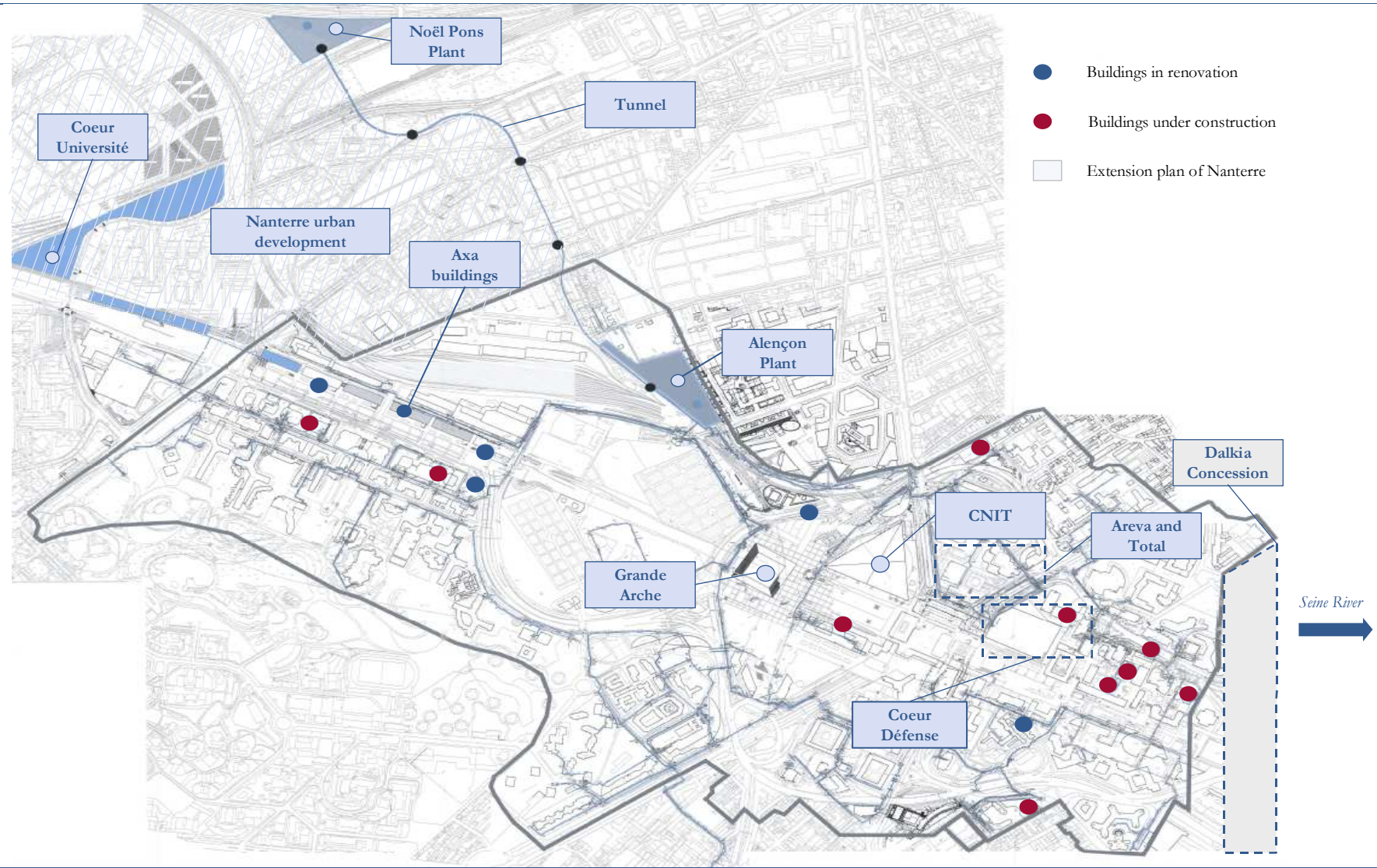


#### e) Enertherm in La Défense

Enertherm has a quasi-monopoly on the entire La Défense area, with only Dalkia operating a network which covers the Eastern edge of La Défense, on the Seine river bank. This is highlighted by the following map:



OVERVIEW OF ENERTHERM CONCESSION



In addition to covering the largest existing buildings, Enertherm concession encompasses fields which are currently un-developed, but which will host most of La Defense upcoming expansion plan.

Below is a selection of the main projects that are currently being developed, and to which the Enertherm network will provide heating and cooling services by 2013:

| PROJECT                            | PHOTOS                                                                              | DATE OF DELIVERY                                            | DIMENSIONS                                                                                   | INVESTOR                                         | DEVELOPER                                        |
|------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| TOUR MAJUNGA                       |    | By 2010                                                     | The surface area will reach 65,000 m <sup>2</sup> , and the building will be 205 meter high  | Unibail-Rodamco                                  | Unibail-Rodamco                                  |
| TOUR D2                            |    | By 2013 (the construction will start in the course of 2009) | The surface area will reach 54,000 m <sup>2</sup> , and the building will be 180 meter high  | SOGECAP                                          | Sogeprom and Bouygues Immobilier                 |
| TOUR PHARE                         |   | By 2013.                                                    | The surface will reach 128,000 m <sup>2</sup> , and it will be 300 meter high                | Unibail-Rodamco                                  | Unibail-Rodamco                                  |
| TOUR SIGNAL                        |  | By 2013 (the construction will start in October 2010)       | The surface will reach 140,000 m <sup>2</sup>                                                | Medea and Layetana                               | Medea and Layetana                               |
| TOUR AVA                           |  | By 2013 (the construction will start in the course of 2009) | The building will be 140 meter high and the surface area will reach 65,000 m <sup>2</sup>    | Générale Continentale Investissements and Benson | Générale Continentale Investissements and Benson |
| TOUR CB 21                         |  | By 2013                                                     | The surface area will reach 100,000 m <sup>2</sup> , and the building will be 230 meter high | Foncière des Régions                             | Foncière des Régions                             |
| CARPE DIEM                         |  | 2012                                                        | The surface area will be 45,000 m <sup>2</sup> and there will be 32 stores                   | Aviva                                            | Aviva                                            |
| SALLE DES MARCHES SOCIÉTÉ GÉNÉRALE |  | 2011                                                        | The surface area will reach 43,000m <sup>2</sup>                                             | Société Générale                                 | Nexity                                           |
| PRAETORIUM (construction)          |  | First semester of 2009                                      | The surface area will reach 10,400 m <sup>2</sup> , and the building will be 35 meter high   | Capital et Continental                           | Capital et Continental                           |
| HOTEL 4 ÉTOILES                    |  | 2010                                                        | The surface area will reach 23,900m <sup>2</sup>                                             | Vinci Immobilier                                 | Vinci Immobilier                                 |

| PROJECT                           | PHOTOS                                                                            | DATE OF DELIVERY | DIMENSIONS                                                                        | INVESTOR        | DEVELOPER                                    |
|-----------------------------------|-----------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------|-----------------|----------------------------------------------|
| CB31 (AXA)<br>(reconstruction)    |  | End of 2010      | The surface area will reach 87,000m <sup>2</sup> , and it will measure 220 meters | Beacon Partners | Cogedim                                      |
| TOUR AIR2<br>(reconstruction)     |  | 2013             | The surface will reach 79,000m <sup>2</sup> and it will measure about 200 meters  | Carlyle         | BNP Paribas Immobilier & Bouygues Immobilier |
| TOUR GENERALI<br>(reconstruction) |  | By 2013          | The surface will reach 90,000m <sup>2</sup>                                       | Generali        | Vinci Immobilier                             |

### 3.1.1.2. Surrounding areas offering high growth perspectives

The city of Nanterre began a renovation program in 2004, with the objective to renovate and build accommodations, social houses and offices in the area.

In all, twenty-three new areas will be developed or renovated.

Among all the various projects, the University of Nanterre is the principal one to be developed in the area through the “Coeur Université” project. On February 7<sup>th</sup>, 2008, the city obtained the agreement of the “ANRU” (National Agency for Urban Renovation) for 35,000m<sup>2</sup> of houses, 68,500m<sup>2</sup> of offices, 40,000m<sup>2</sup> of stores and activities, 12,000m<sup>2</sup> of hotels and 3,000m<sup>2</sup> of public equipment which will be developed in the area. A new subway station, “Nanterre Université”, will also be built. It will be a multi-modal station, dedicated to SNCF and RER trains as well as tramways.

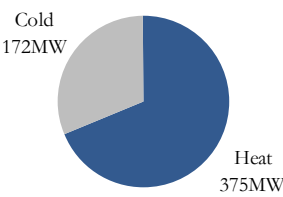


3.2. INDUSTRIAL FACILITIES

3.2.1. A very significant capacity expansion in recent years

Enertherm operates state-of-the art heat and cold-generating capacity. Current installed capacity amounts to 547MW, and is predominantly dedicated to heat production:

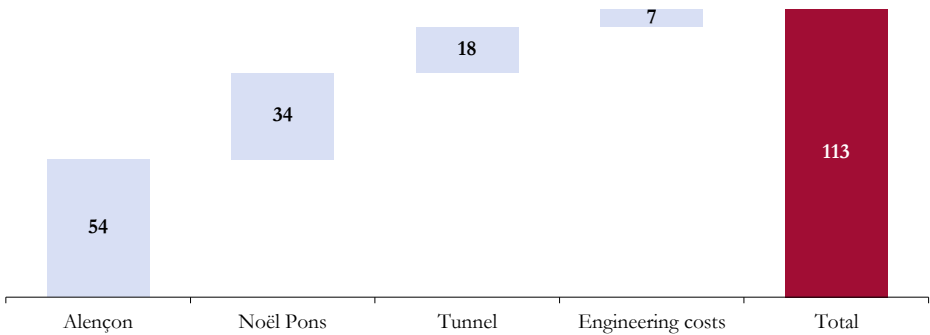
BREAKDOWN OF INSTALLED CAPACITY



Upon the grant of the concession, Enertherm undertook a €113m investment plan which resulted in a doubling of capacity and the modernization of existing assets:

- **Overhaul of the existing Alençon plant in Courbevoie.** The plant had been severely affected by an accident in 1994, which had destroyed the entire heat production capacities, and damaged cold production facilities. The renewal led to the establishment of brand new equipment, with the refurbishment of the entire heat and cold generating equipment and the addition of a 240MWh ice storage unit, the largest in Europe.
- **Construction of Noël Pons plant in Nanterre.** This plant is exclusively dedicated to the production of heat. It has a total installed capacity of 180MW including 12MW combined heat and power turbine. Natural gas is the facility’s only energy source.
- The construction of an **underground technical tunnel** of 1.6km linking both plants in order to secure supplies and allow some diversification of energy sources.

BREAKDOWN OF EXTENSION PLAN COSTS (€M)

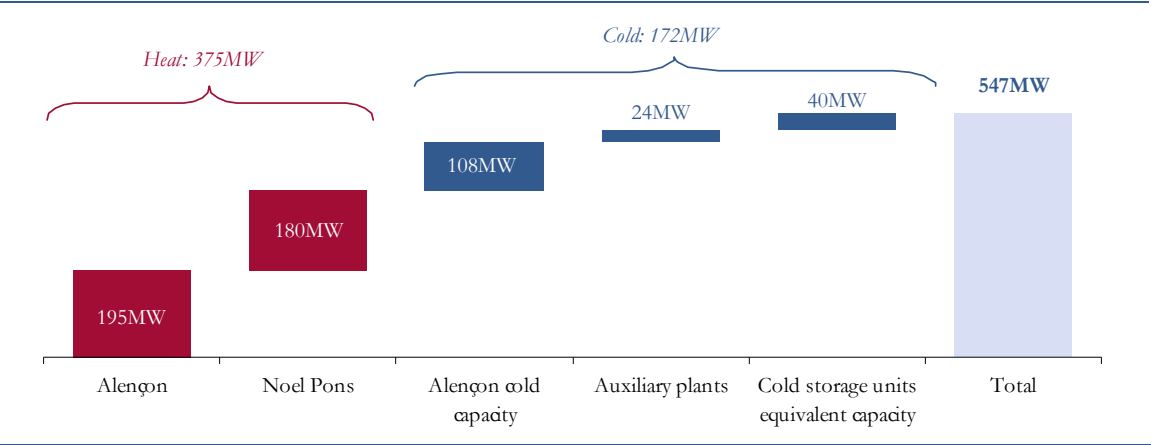


Following the investment plan, heating network represents 21km of pipes, vs. 14 km for cold.

In addition to Alençon and Noël Pons plants, Enertherm operates two auxiliary plants (CNIT and Grande Arche), with an installed capacity of cold of 24MW.

The total capacity of Enertherm is shown below:

BREAKDOWN OF CAPACITY (MW)



Note: 180MW of heat capacity at Noël Pons includes 12MW of cogeneration

3.2.2. Overview of industrial assets

Enertherm operates La Défense heating and cooling networks via the power station of Alençon, the power station of Noël Pons and a tunnel linking both plants.

Noël Pons and Alençon's power stations are both located along railways, as shown in the following picture:

NOËL PONS AND ALENCON'S POWER PLANTS IMPLEMENTATIONS



### 3.2.2.1. Alençon's power station

Located in Courbevoie and connected to rail tracks for fuel oil supply, the Alençon power plant has been thoroughly modernized following the grant of the concession.

With the help of architect Jean-Paul Hamonic, Enertherm management team transformed the plant into a fine-looking, green, and state-of-the art facility.

The Alençon site concentrates the headquarters of Enertherm, fuel oil heating and cold generating equipment, and the ice storage facility.

In addition, the plant centralizes all the IT systems of Enertherm, and runs a control room which operates 24/7 in order to manage the industrial plants and provide instant reaction in case of any technical issue in the network.

The plant is equipped with state-of-the-art systems enabling the detection of bacteria such as legionella and applies the strictest sanitary rules so as to ensure compliance with current regulations and avoid employee contamination.

The building has a useful volume of 15,000 m<sup>3</sup>.

| CHARACTERISTICS |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HEATING         | <ul style="list-style-type: none"> <li>■ Production of heating power reaching 180°C and 20 bars</li> <li>■ Energy: fuel with a very low concentration in sulfur</li> <li>■ Storage: half-buried depot of 2,500 m<sup>3</sup></li> <li>■ Supply: railway</li> <li>■ 4 hot water generators of 45 MW per unit</li> <li>■ 2 steam generators of 10 bars, 10t/h, 7.5 MW per unit</li> <li>■ Total installed power: 195 MW in Alençon + 180MW in Noel Pons</li> <li>■ Maximum flow: 1,500 m<sup>3</sup> per hour</li> </ul> |
| COOLING         | <ul style="list-style-type: none"> <li>■ 7 refrigerating groups of centrifugal compressors (among which 3 working in negative regime) of a unique refrigerating power comprised between 8, 12 and 24 MW (liquid refrigerant HFC134a)</li> <li>■ Total installed power: 108 MW + 24 MW (2 auxiliary plants)</li> <li>■ Maximum flow: 9,000 m<sup>3</sup>/h</li> <li>■ Ice storage (external process) of a capacity reaching 40 MW made up of 6 swimming pools of 1,000 m<sup>3</sup> each (7m x 15m x 9m)</li> </ul>    |
| COLD STORAGE    | <ul style="list-style-type: none"> <li>■ The pool has a storage capacity of 240MWh</li> <li>■ There is 1 level with the patch exchangers (-5.9m), and an intermediary level with pumps – 12m)</li> </ul>                                                                                                                                                                                                                                                                                                               |

Below is a picture of Enertherm’s Alençon power plant. The plant is composed of production of heat and cold, an area to store it, and the power station itself.

ALENÇON’S POWER STATION



3.2.2.2. Noël Pons’s power station

Noël Pons currently operates as Alençon's auxiliary plant, and was constructed to comply with the conceding authority’s requirement to double capacities following the 1994 accident. Under normal conditions, only the combined heat and power turbine is working. Alençon’s control room has been duplicated at Noël Pons. A team of technicians is operating the “virtual” control room 24/7 and is able to take the lead at any time in case of a malfunctioning at Alençon.

CHARACTERISTICS

|                            |                                                                                                                                                                                                                               |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Power Station of Noël Pons | <ul style="list-style-type: none"><li>■ Used energy: natural gas</li><li>■ Cogeneration (production of heating coupled with electricity production): gas turbine of 12 MW</li><li>■ Total installed power of 180 MW</li></ul> |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

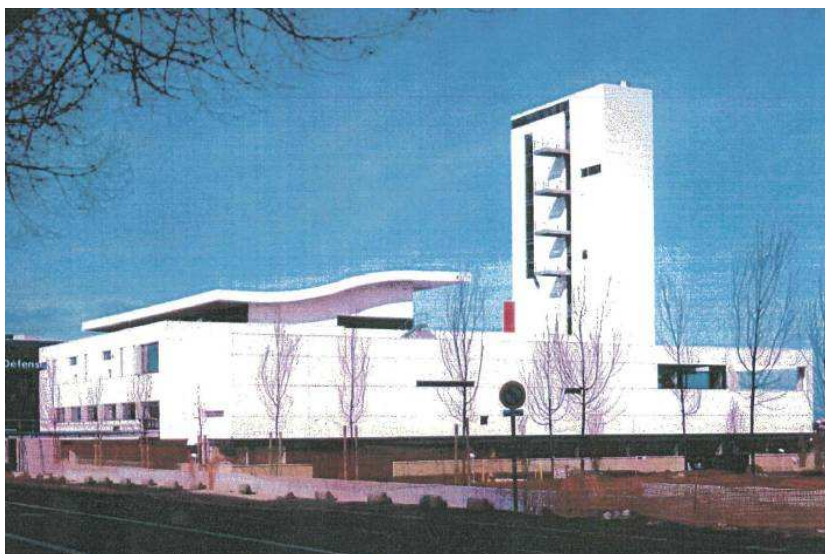
The Noël Pons power station has been built on a large land area, which still encompasses sizeable unused areas which are available for potential extension works in the future or construction of a new cooling power station.



Below is an overview of Noël Pons's power station:

#### NOËL PONS'S POWER STATION

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#### 3.2.2.3. Tunnel linking both plants

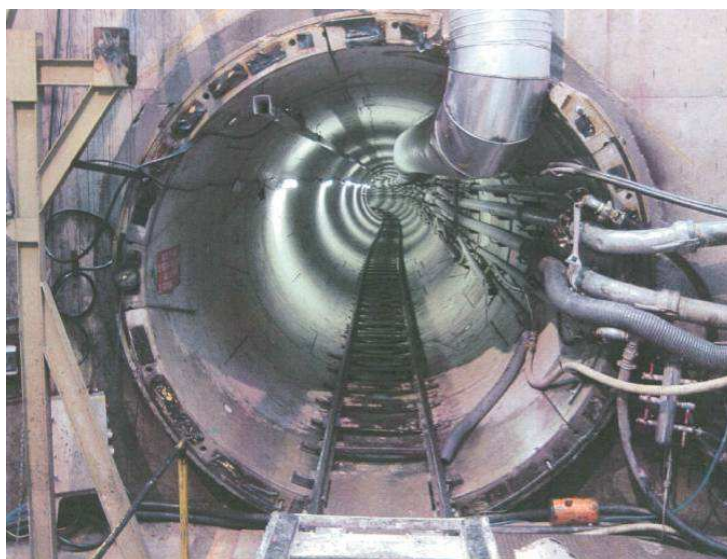
The construction of the underground technical gallery of 1.6km linking both plants in order to secure supplies and diversify energy sources was undertaken in the renovation program of La Défense. Its main purpose is to continue to supply the network in case of a malfunctioning of Alençon with heat produced at Noël Pons.

The tunnel transports currently hot water only, with a temperature reaching 190°C. It has a diameter of 3 meters, large enough to permit potential cold water transport in the future. It has been built at a depth of circ. 10 meters.

Following is a view of the existing tunnel linking the plants:

#### TUNNEL

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### 3.3. SERVICES AND CUSTOMER BASE

#### 3.3.1. Key service offering

##### 3.3.1.1. Heat

Heat is transmitted to customers through hot water with temperatures ranging between 110 and 190°. Hot water is injected at outflows of up to 1,500m<sup>3</sup> into the primary network until a heat exchanger at the building's. Water then flows back to the plant at a significantly lower temperature.

##### 3.3.1.2. Cold

Cold is distributed to the client through cold water with temperatures of around 4.5°, at a maximum outflow of 9,000m<sup>3</sup>/h. Cold water is injected into an exchanger at the building level.

Some clients have a low utilization of cold water supplied, and therefore water is still cold when returned to the plant. The R3 factor, which charges the volume of cold water circulated, has been especially implemented to take this element into account.

##### 3.3.1.3. Electricity cogeneration

Noël Pons plant is equipped with a 12MW combined heat and power gas turbine. It operates 5 months a year and injects the power directly into the EDF electricity network, at 20,000 volts.

The power is sold to EDF under the framework of the DIGEC contract.

#### 3.3.2. Customer base

Enertherm operates in a captive market, and has secured a strong customer base in La Defense district. This customer base is expected to increase significantly in the coming years, thanks to the planned development of the La Defense district.

##### 3.3.2.1. An Existing customer base reflecting Enertherm quasi-monopoly position

- All clients within the concession boundaries have opted for a contract with Enertherm, and the Company has also some clients just outside the contractual boundaries of the concession.
- As of December 2008, Enertherm's customer base includes 155 office buildings, 54 housing buildings and 115 stores.



The below table presents Enertherm's top 20 clients as of December 2008:

#### RANKING OF THE 20 BIGGEST CUSTOMERS

| CUSTOMER                                | HEAT   | COLD   | TOTAL  | VAR.<br>RANK<br>2008 | VAR.<br>KW R2<br>2008 |
|-----------------------------------------|--------|--------|--------|----------------------|-----------------------|
| Client 1 (Large real estate company)    | 11.495 | 20.439 | 31.934 | ➔                    | 1%                    |
| Client 2 (Blue chip French industrial)  | 10.250 | 13.617 | 23.867 | ➔                    | -2%                   |
| Client 3 (Public body)                  | 14.641 | 5.531  | 20.172 | ⬆+1                  | 17%                   |
| Client 4 (Large real estate company)    | 10.013 | 8.482  | 18.495 | ⬇-1                  | -4%                   |
| Client 5 (Large real estate company)    | 8.180  | 6.138  | 14.318 | ➔                    | 0%                    |
| Client 6 (French bank)                  | 3.793  | 7.984  | 11.777 | ⬆+3                  | 10%                   |
| Client 7 (Large real estate company)    | 7.061  | 4.646  | 11.707 | ⬆+6                  | 49%                   |
| Client 8 (Public body)                  | 11.310 | 63     | 11.373 | ⬇-1                  | 0%                    |
| Client 9 (French bank)                  | 5.185  | 5.812  | 10.997 | ⬇-1                  | 8%                    |
| Client 10 (Blue chip French industrial) | 7.900  | 2.800  | 10.700 | ⬇-2                  | 0%                    |
| Client 11 (Network operator)            | 4.085  | 5.715  | 9.800  | ⬇-5                  | -18%                  |
| Client 12 (Real estate company)         | 5.806  | 3.350  | 9.156  | ➔                    | 30%                   |
| Client 13 (Public body)                 | 3.850  | 4.920  | 8.770  | ⬇-1                  | 0%                    |
| Client 14 (Real estate company)         | 3.000  | 2.600  | 5.600  | ➔                    | 0%                    |
| Client 15 (Public body)                 | 3.550  | 1.970  | 5.520  | ➔                    | 0%                    |
| Client 16 (Public body)                 | 5.210  |        | 5.210  | ➔                    | 0%                    |
| Client 17 (Real estate company)         | 4.650  |        | 4.650  | ⬆+2                  | 0%                    |
| Client 18 (Large real estate company)   | 2.100  | 2.300  | 4.400  | ⬆+1                  |                       |
| Client 19 (Large real estate company)   | 4.100  |        | 4.100  | ⬇-2                  | -24%                  |
| Client 20 (Large real estate company)   | 1.150  | 1.800  | 3.300  | ⬆+1                  |                       |

|                          |                |               |                |
|--------------------------|----------------|---------------|----------------|
| <b>Total power</b>       | <b>127.679</b> | <b>98.167</b> | <b>225.846</b> |
| % total subscribed power | 62%            | 79%           | 69%            |

Source: Enertherm

### 3.3.2.2. Substantial development of the customer base within the existing perimeter

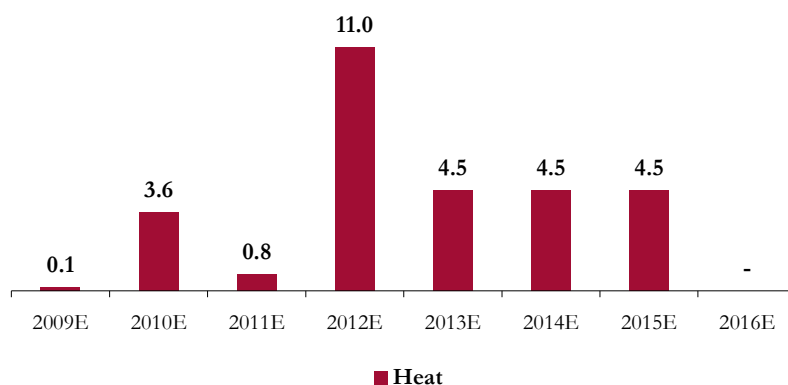
Enertherm is well positioned to benefit from a development of its activities due to its monopoly position on La Défense fastest growing areas, and will likely expand its customer base substantially.

#### ■ Inside the concession perimeter

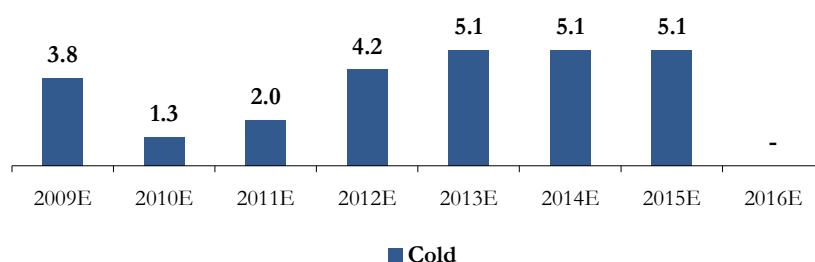
Key projects to be developed in the coming years include Tour Majunga, Tour D2, Tour Signal and Tour Phare (cf. previous table).

Most of the “landmark” projects have an urban policy or environmental purpose and therefore benefit from the backing of public authorities. Some of them may nevertheless be postponed by 1 or 2 years (from their original construction schedule) due to the current economic crisis.

#### ADDITIONAL CAPACITY SUBSCRIBED (MW) – HEATING



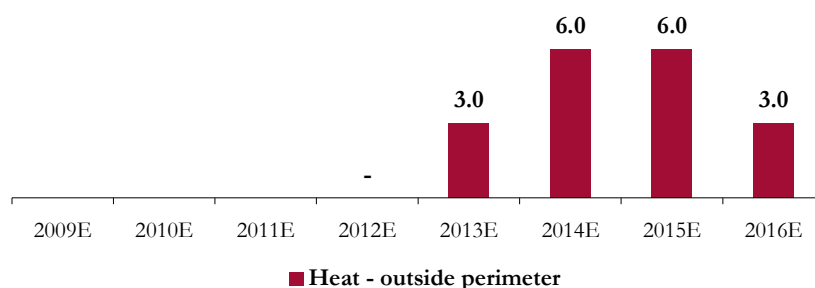
#### ADDITIONAL CAPACITY SUBSCRIBED (MW) – COOLING



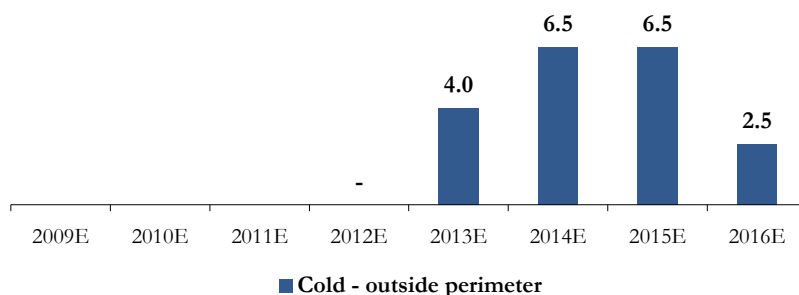
### ■ Outside of the concession perimeter

Enertherm is well-positioned to provide heat and cold to Cœur Université, Nanterre's neighbourhood surrounding the university. The area is indeed expected to be entirely overhauled in the coming years. The current municipality is unlikely to grant a permit for the construction of a new power plant, allowing Enertherm to be the University's sole provider of heat and cold.

#### ADDITIONAL CAPACITY SUBSCRIBED (MW) – HEATING



#### ADDITIONAL CAPACITY SUBSCRIBED (MW) – COOLING

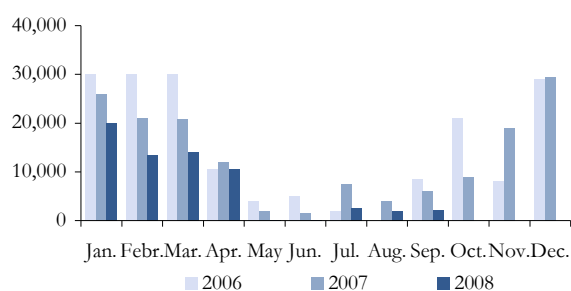


### 3.4. COMPLIANCE WITH ENVIRONMENTAL STANDARDS

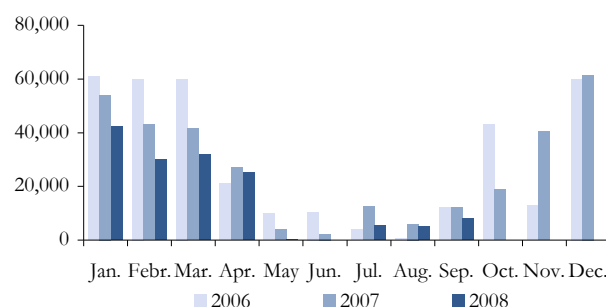
Enertherm's emission of main pollutants has been substantially decreasing since 2006, and especially in 2008. The graphs below show a significant decrease in the emission of pollutants at nearly every month of the year:

#### POLLUTING EMISSIONS

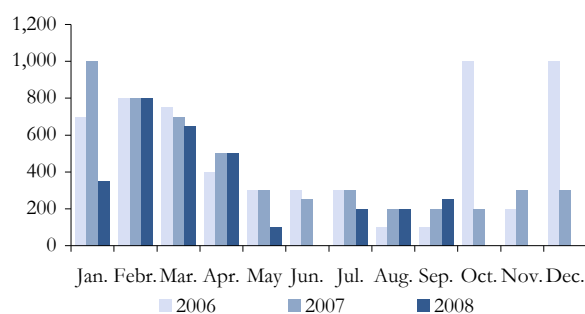
##### NOX ISSUED (KG)



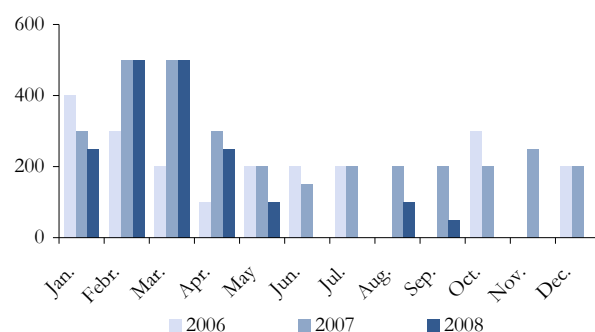
##### SO2 ISSUED (KG)



##### TPS ISSUED (KG)



##### N2O ISSUED (KG)



Source: Enertherm

### 3.5. KEY SUPPLIERS

Enertherm's main supply contracts are renewed on an annual basis following a tender process.

As of January 2009, key suppliers were:

#### KEY SUPPLIERS

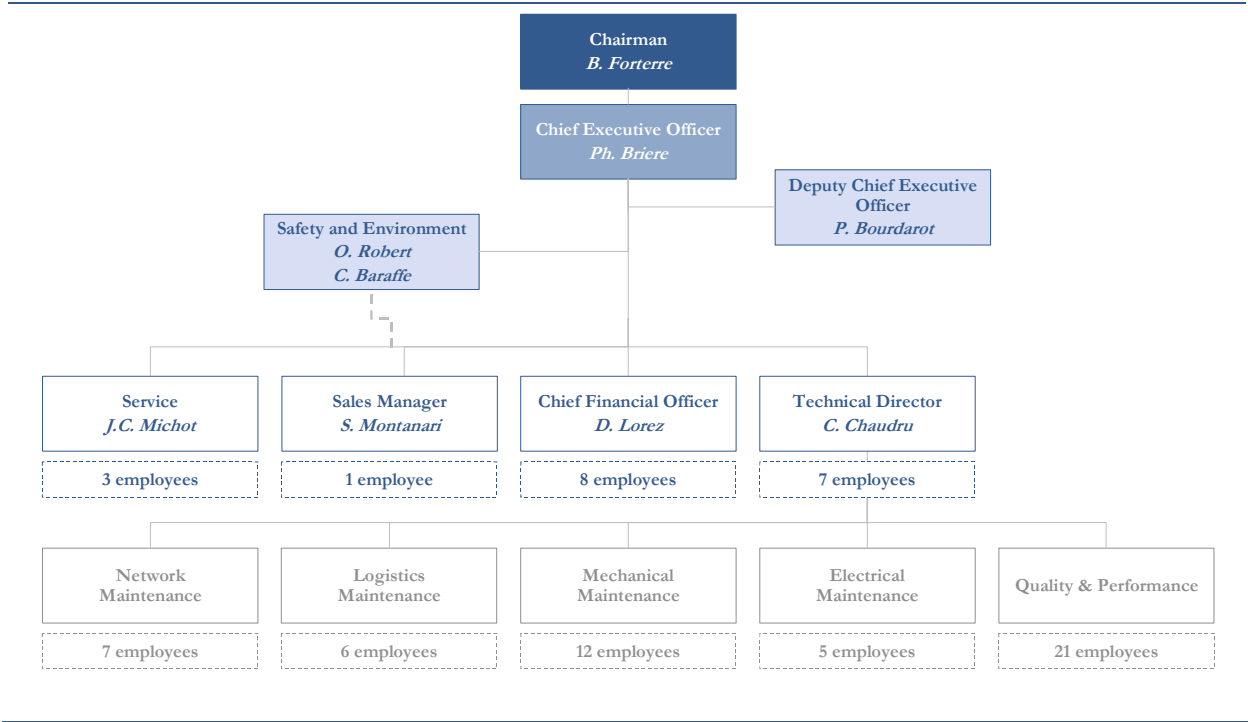
| COMPANY                                                                             | PROVIDER OF: | COMMENTS                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | Fuel oil     | <ul style="list-style-type: none"> <li>Total is the largest supplier on the French market for very low sulphur fuel oil</li> <li>Contract renewed annually</li> <li>Price flexibility within a given year</li> </ul> |
|  | Electricity  | <ul style="list-style-type: none"> <li>Contract renewed annually</li> <li>Atel retained following a competitive tender process</li> <li>Electricity purchased at TaRTAM tariff</li> </ul>                            |
|  | Gas          | <ul style="list-style-type: none"> <li>Contract renewed annually</li> <li>Competitive tender has allowed Enertherm to obtain low gas prices</li> </ul>                                                               |

Regarding maintenance, there is no preferred contractors for heavy maintenance or spare parts replacements. The assets being brand new, Enertherm has not put in place a regular heavy maintenance contractual framework. Usual/recurrent maintenance is performed by the Enertherm staff.

3.6. CORPORATE ORGANIZATION

3.6.1. Organization chart

ENERTHERM’S ORGANIZATION CHART





### 3.6.2. An outstanding management team

Enertherm has an outstanding management team, with a long and proven track record in energy services.

| NAME                        | POSITION<br>HELD  | BIOGRAPHY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bernard<br/>FORTERRE</b> | <i>Chairman</i>   | <ul style="list-style-type: none"> <li>■ Since 2000: President of Enerpart and of Enertherm</li> <li>■ Former co-CEO of <b>Compagnie Générale des Eaux</b> until 1996</li> <li>■ Former CEO of Groupe Générale de Chauffage-Esys Montenay, which has become the first European company in energy services</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Philippe<br/>BRIERE</b>  | <i>CEO</i>        | <ul style="list-style-type: none"> <li>■ Since 2002: <b>Chief Executive of Enertherm</b></li> <li>■ 1986-2001: <b>Dalkia</b> <ul style="list-style-type: none"> <li>■ 1999-2001: Director of the French operations</li> <li>■ 1990-1999: Director of the regional centres in Basse-Normandie – Lorraine – Pays-de-Loire</li> <li>■ 1992: In charge of the implementation of the Macao plant</li> <li>■ Held other positions as a project manager and a plant manager</li> </ul> </li> <li>■ 1976-1986: <b>Compagnie Générale Maritime Société de Navigation</b> <ul style="list-style-type: none"> <li>■ Responsible of maritime expeditions, employees and machines</li> </ul> </li> <li>■ Graduated from DESMM</li> </ul> |
| <b>Pierre<br/>BOURDAROT</b> | <i>Deputy CEO</i> | <ul style="list-style-type: none"> <li>■ Since 2002: <b>SEEM</b> <ul style="list-style-type: none"> <li>■ President of Sogesth, Chief Executive of SEEM Ile de France, Co chief Executive of Enertherm, Director of SEEM</li> </ul> </li> <li>■ 1983-2002: <b>Dalkia</b> <ul style="list-style-type: none"> <li>■ 1999-2002: Director of the centre “Grand Lyon”</li> <li>■ 1997-1999: Director of the operations in the Nord-Pas de Calais area</li> <li>■ Held other positions in the company, and notably realized the construction of Lille’s urban heating network</li> </ul> </li> <li>■ 1982: graduated from Ecole Centrale de Lille</li> </ul>                                                                      |

### 3.6.3. An experienced and highly-skilled staff

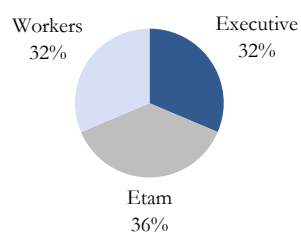
Apart from Mr. Brière and Bourdarot, all the existing staff are former employees of Climadef, and have thus been able to develop a significant expertise in district-heating operations, with an in-depth knowledge of La Défense networks characteristics.

## 3.6.3.1. Breakdown of employees

Enertherm has 73 employees who can be classified as follows:

|              | NUMBER<br>OF EMPLOYEES | ANNUAL<br>SALARY (K€) | AVERAGE<br>ANNUAL SALARY<br>(K€) |
|--------------|------------------------|-----------------------|----------------------------------|
| Executives   | 23                     | 1,611                 | 70                               |
| ETAM         | 27                     | 1,072                 | 40                               |
| Workers      | 23                     | 699                   | 30                               |
| <b>TOTAL</b> | <b>73</b>              | <b>3,382</b>          |                                  |

## BREAKDOWN OF EMPLOYEES



## 4. KEY FEATURES OF THE CONCESSION CONTRACT

### 4.1.1. Key terms of the concession contract

Enertherm revenue stream is guaranteed through a 25 years concession contract signed with SICUDEF in December 2001. Under the terms of the contract, Enertherm operations, which started in 2003, are secured until 2027.

Tariffs are reviewed on a yearly basis, at the end of August. In addition, every 8 years, price calculation mechanism is revised.

### 4.1.2. Price calculation mechanism

#### 4.1.2.1. Overview

Prices of heat and cold invoiced to end-users are calculated according to a specific formula contained in the concession contract.

Prices are reviewed on an annual basis in August, and the terms of the concession contracts provides for a price formula to be reviewed every eight years. Therefore, negotiations will start in 2009 for a price revision to occur in 2010.

#### 4.1.2.2. Heat Tariffs

##### a) Formula

The terms of the concession contract provide that all customers must be treated equally. If a customer is granted a rebate, all others are theoretically entitled to the same amount of rebate.

- Heat Tariff (R) is defined according to the following formula:

$$R = (R1c) \times \text{Subscriber consumption (in MWh)} + (R2c) \times \text{Subscribed capacity (in kW/year)}$$

- R1 is proportional to customer consumption. It is correlated to raw materials prices, according to a certain indexation formula.
- R2 represents the fixed cost associated to the capacity subscribed by the customer.
- As of 31/08/2001, the basic components of R were equal to:
  - $R1c = 41.2425 \text{ €/MWh}$
  - $R2c = 33.7189 \text{ €/Kw/year}$
  - Housing buildings benefit from a 10% rebate vs. the base tariff
  - Other buildings benefit from a 2.5% rebate vs. the base tariff

##### b) Indexation mechanisms

##### i) Evolution of R1 tariff

- When heat is produced from fuel oil, the indexation formula is:

$$R1cf = R1Cf_0 (F/F_0)$$

F is the price per ton of low-sulphate fuel oil

- It is the same mechanism when heat is produced from gas.
- When heat is produced from a mix of fuel and gas, it increases according to the weighted average of fuel and gas evolutions.

ii) *Evolution of R2 tariff*

- R2 formula is defined as follows:

$$R2 = R2_0 (0.15 + 0.30 (ICHTTS1 / ICHTTS1_0) + 0.15 (PSDC / PSDC_0) + 0.40 (BT40 / BT40_0))$$

- ICHTTS1 designates the hourly workforce cost index
- PSDC designates the various products and services cost index
- BT40 designates the cost of building and construction

#### 4.1.2.3. Cold

a) *Formula*

- Tariff R is defined for heat according to the following formula:

$$R = (R1c) \times \text{Subscriber consumption (In MWh)} + (R2c) \times \text{subscribed capacity} + R3 \times \text{Water flow (in m}^3\text{)}$$

- R3 designates the cost factor related to water consumption
- As of 31/08/2001, the basic components of R were equal to:
  - $R1f = 27.9570 \text{ €/MWh}$
  - $R2f = 44.5365 \text{ €/Kw/year}$
  - $R3f = 0.0933 \text{ €/m}^3$
- Customers have the possibility to choose a “long utilization” tariff:
  - $R1f = 21.2307 \text{ €/MWh}$
  - $R2f = 86.5665 \text{ €/Kw/year}$
  - $R3f = 0.0713 \text{ €/m}^3$

## b) Indexation mechanisms

i) *Evolution of R1 tariff*

- When cold is produced through electricity:

$$R1Fe = R1Fe_0(Q)$$

$Q$  = price variation in MWh provided by EDF

ii) *Evolution of R2 tariff*

R2= same as heat

iii) *Evolution of R3 tariff*

$$R3 = R3_0 \times Q$$

## 4.1.2.4. Other items

Enertherm is allowed to increase its final prices when it is in charge of maintaining a secondary network, a cost which is usually at the client's expense. Prices can then usually increase up to 20% vs. contractual tariffs.

## 4.1.2.5. Termination of concession

Due to the terms of the concession contract an early termination of such contract is very unlikely.

The conceding authority can terminate the concession contract for the sake of « Common interest » (« Résiliation pour motif d'intérêt general » (Article 88)).

The tenant is then given a 12-month notice period.

In case of a termination, the conceding authority is required to pay to the tenant each of the following :

- An amount equal to the five previous year average EBIT for each remaining year of the concession;
- An amount equal to the gross unamortized fair value of the assets which the tenant has at least partly financed;
- An amount equal to the aggregate amount of break-up fees to all suppliers and partners;
- An amount equal to the fair value of existing inventories.

To the financing bank, the conceding authority shall pay :

- An amount equal to the outstanding capital;
- An amount equal to all early redemption penalties.

## 5. FINANCIAL INFORMATION

Historical accounts detailed in section 5.1 and 5.2 are issued from audited financial accounts and have been established in accordance with French GAAP.

### 5.1. HISTORICAL INCOME STATEMENT

Enertherm's revenues are divided into 3 segments of activities:

- **Heat sales** to office and residential buildings
- **Cold sales** to office buildings
- **Electricity sales**, obtained through combined heat/electricity cogeneration

A marginal part of revenues (accounted for as “other revenues”) includes sales of CO<sub>2</sub> quotas and subscription fees of new clients.

#### PROFIT & LOSS ACCOUNT

| <i>As of 30-09, in €m</i>    | 2003A         | 2004A         | 2005A         | 2006A         | 2007A         | 2008A         | CAGR<br>03A-08A |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| Heat sales                   | 20.7          | 19.7          | 21.2          | 30.2          | 23.4          | 32.0          | 9.1%            |
| Cold sales                   | 14.7          | 14.7          | 16.4          | 19.0          | 18.2          | 17.7          | 3.8%            |
| Electricity sales            | -             | -             | -             | -             | -             | -             |                 |
| CO2 quotas sales             | -             | -             | 0.7           | 1.7           | 1.0           | -             |                 |
| Others                       | 0.1           | 1.3           | 2.8           | 2.8           | 0.3           | 2.5           | 89.2%           |
| <b>Total revenues</b>        | <b>35.5</b>   | <b>35.6</b>   | <b>41.2</b>   | <b>53.7</b>   | <b>42.9</b>   | <b>52.2</b>   | <b>8.0%</b>     |
| <i>growth (%)</i>            |               | 0.3%          | 15.7%         | 30.5%         | (20.1%)       | 21.6%         |                 |
| Gas consumption              | -             | -             | -             | -             | -             | (0.2)         |                 |
| Electricity consumption      | (3.5)         | (3.7)         | (4.1)         | (5.0)         | (4.6)         | (4.5)         |                 |
| Fuel consumption             | (7.9)         | (7.4)         | (8.5)         | (13.5)        | (10.6)        | (16.1)        |                 |
| Maintenance                  | (3.9)         | (4.1)         | (4.0)         | (4.5)         | (5.0)         | (5.3)         |                 |
| Salaries                     | (4.3)         | (4.5)         | (4.8)         | (5.2)         | (5.0)         | (5.3)         |                 |
| Structure costs              | (2.0)         | (1.4)         | (1.7)         | (1.8)         | (1.6)         | (1.5)         |                 |
| Taxes                        | (0.8)         | (1.1)         | (2.0)         | (3.4)         | (2.0)         | (2.9)         |                 |
| Others                       | (2.9)         | (3.1)         | (3.4)         | (5.0)         | (4.1)         | (5.1)         |                 |
| <b>Total operating costs</b> | <b>(25.3)</b> | <b>(25.5)</b> | <b>(28.5)</b> | <b>(38.3)</b> | <b>(33.0)</b> | <b>(40.9)</b> |                 |
| <b>EBITDA <sup>(1)</sup></b> | <b>10.2</b>   | <b>10.1</b>   | <b>12.6</b>   | <b>15.4</b>   | <b>9.9</b>    | <b>11.3</b>   | <b>2.1%</b>     |
| <i>margin (%)</i>            | 28.8%         | 28.3%         | 30.7%         | 28.7%         | 23.1%         | 21.7%         |                 |

Source: Enertherm

<sup>(1)</sup> Pre management fees

Key operating costs include :

- Cost of energy : gas, electricity and fuel
- Maintenance
- Insurance
- Salaries



### 5.1.1. Heat Revenues

Heat revenues encompass heat (in MWh) sold to clients as well as the capacity guaranteed to them:

$$\begin{aligned} \text{Heat revenues} = & \text{Heat quantity sold (MWh)} \times \text{R1 Heat Tariff (€/MWh)} \\ & + \\ & \text{Capacity made available (MW)} \times \text{R2 Heat Tariff (€/KW)} \end{aligned}$$

Heat quantity sold to office and residential buildings is mainly driven by (i) the number of clients and (ii) the level of temperatures during the weather season

- Enertherm sold a record heat quantity in 2006, with 381 GWh of heat quantity sold, due to an exceptionally cold winter
- In 2007, a warmer winter led to a significant decrease in heat quantity sold to around 312 GWh
- In 2008, heat quantity sold was around 329 GWh

### 5.1.2. Cold Revenues

Cold revenues encompass cold (in MWh) sold to clients as well as the capacity guaranteed to them. The Cold quantity sold to clients is measured in MWh and in cubic meters of refrigerated water, in order to take into account the efficiency of each client's heat exchange installation<sup>4</sup>.

$$\begin{aligned} \text{Cold revenues} = & \text{Cold quantity sold (MWh)} \times \text{R1 Cold Tariff (€/MWh)} \\ & + \\ & \text{Capacity made available (MW)} \times \text{R2 Cold Tariff (€/KW)} \\ & + \\ & \text{Cold water quantity circulated (m}^3\text{)} \times \text{R3 Cold Tariff (€/m}^3\text{)} \end{aligned}$$

Cold quantity sold to office buildings is mainly driven by (i) the number of clients and (ii) the level of temperatures during the summer season

- Enertherm sold a record Cold quantity in 2003 – with 217 GWh of Cold quantity sold – due to the “heat wave” of summer 2003
- Enertherm sold 205 GWh of Cold quantity in 2006 due to an exceptionally hot summer
- Summer 2005 and 2007 had normal average temperatures, with around 195 GWh
- Summer 2008 had lower than average temperatures, and Enertherm sold around 183 GWh

<sup>4</sup> For a similar need in Cold quantity in MWh, a client with a less efficient heat exchange installation (i.e offering a lower heat exchange) will need a higher flow of water. Therefore the Cold sales are charged in MWh and cubic meter consumed

### 5.1.3. Electricity Revenues

Electricity revenue stemming from combined heat/electricity cogeneration are expected to start generate revenues in 2009, with around 36 GWh to be produced. A 12 year contract has been signed with EDF, ensuring a feed-in tariff of around 99€/MWh.

### 5.1.4. Other revenues

Other revenues mainly include the sale of CO<sub>2</sub> quotas and the subscription fees paid by new clients.

Enertherm sold €0.7m, €1.7m, €1.0m and €1.9m CO<sub>2</sub> quotas in 2005, 2006, 2007 and 2008 respectively.

### 5.1.5. Cost of energy

Energy needed to produce cold and heat is obtained through the consumption of fuel oil, gas and electric power:

- The Alençon power plant produces hot water through the consumption of fuel oil ; and cold water through the consumption of electric power
- The Noël Pons power plant, which started operations in late 2008, produces heat/electricity cogeneration through the consumption of gas

#### *Fuel oil*

Enertherm buys its fuel oil from Total, at current market price, through a contract renewed each year.

Fuel consumption is directly driven by the heat produced in the Alençon plant. Over the 2003-2007 period, the Alençon plant was the only operating plant of Enertherm, therefore the fuel oil consumption was directly driven by the Heat sales over this period.

Starting 2009, hot water will be partially generated by the Noël Pons plants which is more efficient thanks to the heat/electricity cogeneration. The Alençon plant will run at a lower capacity and fuel consumption is therefore expected to decrease in the coming years.

#### *Electricity*

Electricity expenses are directly driven by Cold sales, as electricity is used to produce cold water through 7 refrigerating units, with a capacity ranging from 8 to 24 MW.

Enertherm has a contract with Atel to buy electricity at the TARTAM<sup>5</sup> tariff, which is a regulated tariff.

#### *Gas*

There is no gas expenses in the historical accounts, as gas is only used in the Noël Pons power plant which started its operations in late 2008. Enertherm has signed a contract with Tegaz to buy its gas consumption.

### 5.1.6. Cost of maintenance

Maintenance of the power plants and network is divided into two segments:

- **Heavy/non-recurring maintenance** (large maintenance operations, replacement of units, etc.) is subcontracted (Bouygues, Vinci, etc.) and charged in the income statement
- **Usual /recurring maintenance** is done by Enertherm and charged in the income statement

Enertherm has no maintenance-related capital expenditure in its cash flows statement, as all maintenance is directly charged in its income statement

#### **COST OF MAINTENANCE**

| <i>As of 30-09, in €m</i> | <b>2003A</b> | <b>2004A</b> | <b>2005A</b> | <b>2006A</b> | <b>2007A</b> | <b>2008A</b> |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Heavy maintenance         | 2.0          | 2.3          | 1.6          | 2.1          | 1.7          | 2.2          |
| Usual maintenance         | 1.9          | 1.9          | 2.4          | 2.4          | 3.3          | 3.1          |
| <b>Total maintenance</b>  | <b>3.9</b>   | <b>4.1</b>   | <b>4.0</b>   | <b>4.5</b>   | <b>5.0</b>   | <b>5.3</b>   |

*Source: Enertherm*

### 5.1.7. Cost of employees

Enertherm had 73 employees as of December 2008, with an average cost per employee of €77 thousands.

<sup>5</sup> Tarif réglementé Transitoire d'Ajustement au Maché

## COST OF EMPLOYEES

| <i>As of 30-09, in €m</i>         | 2005A      | 2006A      | 2007A      | 2008A      |
|-----------------------------------|------------|------------|------------|------------|
| <b>Number of employees</b>        | <b>72</b>  | <b>72</b>  | <b>73</b>  | <b>73</b>  |
| Salaries (€m)                     | 3.2        | 3.4        | 3.3        | 3.5        |
| Social charges (€m)               | 1.6        | 1.7        | 1.7        | 1.8        |
| Profit-sharing (€m)               | 0.3        | 0.3        | 0.3        | 0.3        |
| <b>Total employee costs</b>       | <b>5.1</b> | <b>5.4</b> | <b>5.3</b> | <b>5.6</b> |
| <b>Avg. cost / employee (th€)</b> | <b>71</b>  | <b>75</b>  | <b>72</b>  | <b>77</b>  |

*Source: Enertherm*

## 5.1.8. Management fees

Upon the completion of the proposed disposal of Neo-Electra's equity interest in Enerpart (see section 6), SEEM will receive €900k of annual management fees. Such fees will be adjusted annually in line inflation.

## 5.2. HISTORICAL BALANCE SHEET

In this section, an overview of the balance sheets of Enertherm and Enerpart is provided, as well as an analysis of the combined net financial debt of the transaction perimeter.

### *Enertherm Balance Sheet*

#### BALANCE SHEET - ENERTHERM

| <i>As of 30-09, in €m</i>        | 2006A       | 2007A       | 2008A       |
|----------------------------------|-------------|-------------|-------------|
| Tangible assets                  | -           | -           | -           |
| Assets in concession             | 10.0        | 11.7        | 23.3        |
| Intangible assets                | 3.0         | 1.3         | 2.4         |
| Financial assets                 | 0.1         | 0.1         | 0.1         |
| <b>Total fixed assets</b>        | <b>13.1</b> | <b>13.2</b> | <b>25.8</b> |
| Stocks                           | 1.9         | 1.9         | 2.0         |
| Receivables                      | 12.3        | 8.3         | 7.4         |
| Cash & cash equivalent           | 10.1        | 9.2         | 4.1         |
| Other current assets             | 25.7        | 26.6        | 27.6        |
| <b>Total assets</b>              | <b>63.1</b> | <b>59.2</b> | <b>66.9</b> |
| Shareholders equity              | 10.6        | 9.8         | 11.2        |
| Provisions                       | 23.9        | 22.7        | 24.6        |
| Financial debt                   | 0.0         | 1.8         | 1.4         |
| Shareholders loan                | 2.9         | 3.1         | 3.0         |
| Payables                         | 9.9         | 6.5         | 6.7         |
| Other liabilities <sup>(1)</sup> | 15.8        | 15.2        | 20.1        |
| <b>Total liabilities</b>         | <b>63.1</b> | <b>59.2</b> | <b>66.9</b> |

Source: Enertherm

<sup>(1)</sup> Includes €8.0m payables to Enerpart, mainly related to dividends

### *Fixed Assets*

The majority of fixed assets are included in the concession perimeter and are financed through financial leases.

A significant investment plan of €106 million was launched in 2006 to develop the company's industrial assets:

- Construction of the new Noël Pons gas/cogeneration plant (€34 million)
- Renovation of Alençon plant and installation of a new cold storage facility (€54 million)
- Tunnel connecting the old and new plants (€18 million)

## ENERTHERM INVESTMENTS OVER THE 2006-2009 PERIOD

| <i>As of 30-09, in €m</i> | 2006A     | 2007A    | 2008A     | 2009E    | Total      |
|---------------------------|-----------|----------|-----------|----------|------------|
| <b>Investments</b>        | <b>20</b> | <b>4</b> | <b>79</b> | <b>3</b> | <b>106</b> |

*Source: Enertherm*

Enertherm industrial assets have benefited from a significant renewal and capacity expansion over the 2006-2008 period, and the company is now fully equipped to operate its concession contract until its end, and to expand its business outside the concession area without any significant capital expenditure until 2027.

#### *Working capital*

Enertherm's working capital is structurally close to zero, since suppliers payment terms cover clients payment terms.

#### ■ **Heat sales:**

- Variable tariff (R1) is billed at the end of each month
- Fixed tariff (R2) is billed on September 30 and December 31 (i.e in advance at the beginning of the cold season)
- Bills are paid in an average 30 days period after they are charged/sent

#### ■ **Cold sales:**

- Variable tariff (R1 and R3) is billed at the end of each month
- Fixed tariff (R2) is billed on March 31 and June 30 (i.e in advance at the beginning of the hot season)
- Bills are paid in an average 30 days period after they are charged/sent

#### ■ **Electricity sales:**

- Electricity sold is billed at the end of each month

#### ■ **Procurements:**

- Fuel is paid 5 days after the end of each month
- Gas is paid 15 days after the end of each month
- Electricity is paid 30 days after the end of each month



***Enerpart Balance Sheet*****BALANCE SHEET - ENERPART**

| <i>As of 30-09, in €m</i>                 | <b>2007A</b> | <b>2008A</b> |
|-------------------------------------------|--------------|--------------|
| Enertherm shares                          | 6.8          | 6.9          |
| Loan to Enertherm <sup>(1)</sup>          | -            | 3.0          |
| <b>Total fixed assets</b>                 | <b>6.8</b>   | <b>9.9</b>   |
| Receivables from Enertherm <sup>(2)</sup> | 6.2          | 8.0          |
| Cash & cash equivalents                   | 0.2          | 0.3          |
| <b>Total assets</b>                       | <b>13.3</b>  | <b>18.2</b>  |
| Shareholders equity                       | 10.5         | 9.5          |
| Financial debt                            | 0.0          | 0.0          |
| NeoElectra loan <sup>(1)</sup>            | -            | 3.0          |
| Dividends payable to current shareholders | 2.8          | 5.0          |
| <b>Payables to shareholders</b>           | <b>2.8</b>   | <b>8.1</b>   |
| Payables                                  | 0.1          | 0.6          |
| <b>Total liabilities</b>                  | <b>13.3</b>  | <b>18.2</b>  |

Source: Enerpart

<sup>(1)</sup> Shareholder loan granted by NeoElectra to Enerpart, and transferred by Enerpart to Enertherm under the form of a shareholder loan

<sup>(2)</sup> Mainly related to dividends

The *NeoElectra loan* and *Dividends payable to current shareholders* bear an interest rate of Euribor 3M + 150bp.

***Combined net debt of the transaction perimeter***

The combined net debt of the transaction perimeter as of 30-09-2008 is comprised of (i) a 15 years €66.4m financial lease repayable in 2024, (ii) a €3.0m shareholder loan, a (iii) €1.4m bank debt, (iv) €5.0m dividends payable to current Enerpart's shareholders and (v) €4.4m of cash.

**Combined net debt as of 30-09-2008 amounts to €71.3m.**

**NET FINANCIAL DEBT**

| <b>Combined Net debt as of 30-09-2008</b>             | <b>(€m)</b> |
|-------------------------------------------------------|-------------|
| <b>At Enertherm level</b>                             |             |
| Financial lease (off-balance sheet under French GAAP) | 66.4        |
| Financial debt                                        | 1.4         |
| Cash & cash equivalents                               | (4.1)       |
| <b>At Enerpart level</b>                              |             |
| Dividends payable to current Enerpart shareholders    | 5.0         |
| Shareholder loan from NeoElectra                      | 3.0         |
| Financial debt                                        | 0.0         |
| Cash & cash equivalents                               | (0.3)       |
| <b>Combined Net Debt of the transaction perimeter</b> | <b>71.3</b> |

Source: SEEM

### 5.3. BUSINESS PLAN

The business plan was established by Enertherm's Management in January 2009, based on the anticipated tariff evolutions, the anticipated evolution in commodities prices, and other factors. Operating costs have been also been forecasted on a function-by-function basis.

**The business plan has been established through a conservative approach, based on reasonable commodities price evolutions.** Enertherm's Management is confident about its ability to exceed the expected growth in case of a more significant increase in commodities prices.

**Key growth drivers** for Enertherm's revenues are (i) **the gain of new clients** generated by the significant development of the La Défense district and (ii) **the evolution in commodities prices** (fuel oil and gas).

#### 5.3.1. Key assumptions of the business plan – inside the concession perimeter

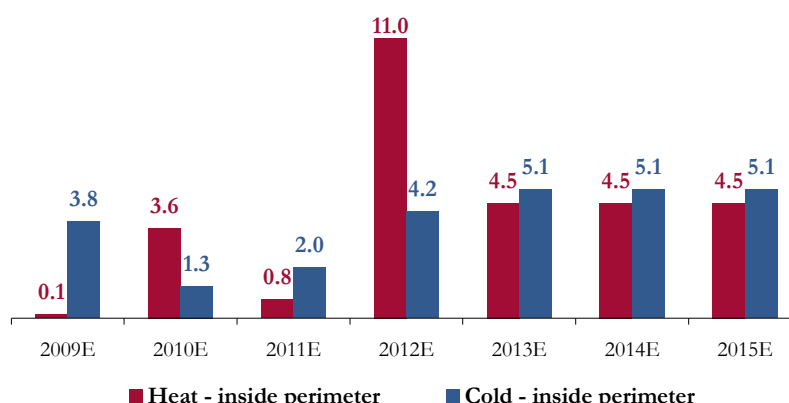
##### Gain of new clients

**Enertherm expects a substantial gain of new clients inside the concession area.**

A new expansion plan of La Défense area was launched by the French government in 2006, aiming at enhancing the European appeal of La Défense district. More than a dozen of new office buildings should be constructed in the coming years, representing significant new clients gains for Enertherm, which is naturally positioned as the unique option for efficient heating/cooling solutions in La Défense area.

The Management estimates the gain of new clients in the coming years will represent a new capacity (R2) of 29 MW and 27 MW in heat and cold respectively.

#### ADDITIONAL CAPACITY SUBSCRIBED (R2, IN MW) WITHIN THE CONCESSION PERIMETER



Source: Enertherm

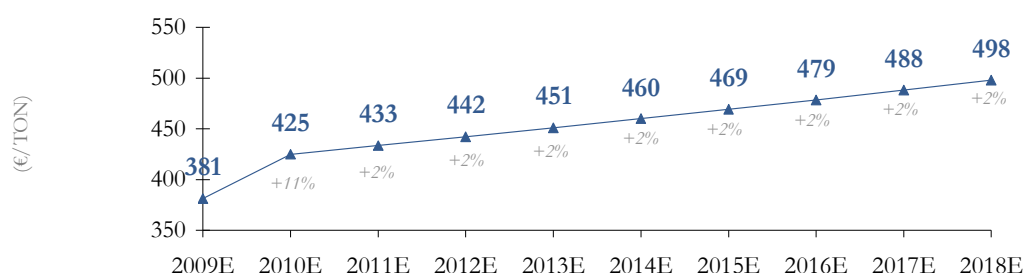
## Evolution in commodities prices

Evolution in commodities (fuel oil and gas) prices is a key driver of the business plan revenues, since any variation is fully transferred to the clients, resulting in an increase/decrease of revenues.

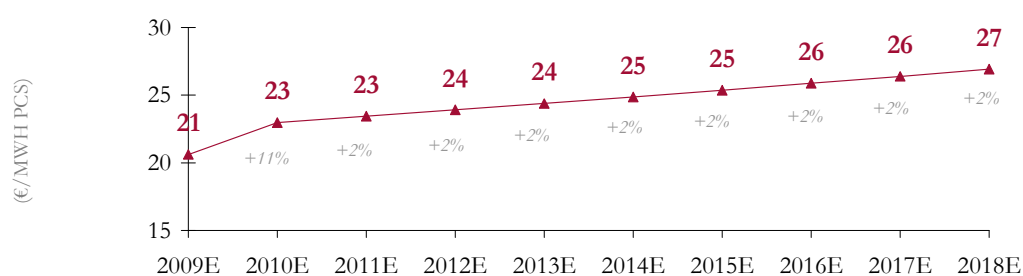
Enertherm's management has made the following macro-economic assumptions for the business plan:

### COST OF COMMODITIES ASSUMPTIONS

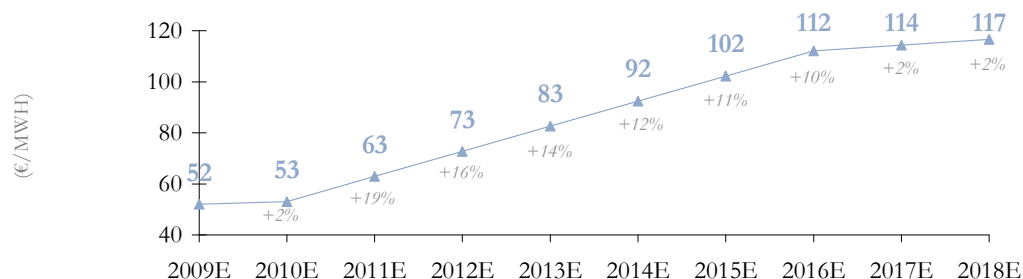
#### COST OF FUEL (€/TON)



#### COST OF GAS (€/MWH PCS)



#### COST OF ELECTRICITY (€/MWH)



Source: Enertherm

Note: The fuel oil used by Enertherm is a special fuel type with less than 0.5% sulphur content

As shown above, the cost of fuel and gas increases by 2% annually starting 2011.

The cost of power is assumed to grow by 13% annually between 2010 and 2016, reflecting a progressive transition from the current TaRTAM tariff to market prices.

In a conservative approach, the management has included in the business plan **significant commercial rebates** for cold sales following tariff negotiations: Cold sales include an annual rebate of €0.7 million starting 2011E, such rebate growing progressively to reach €3.5 million in 2016E, then growing at +2.0% afterwards.

The table below summarizes the key operating and financial assumptions of the business plan within the concession perimeter:

|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HEATING     | <ul style="list-style-type: none"> <li>■ <b>Volumes:</b> <ul style="list-style-type: none"> <li>■ Power sold (R1) : average annual growth of +1.3% over the 2009-2015 period, flat thereafter</li> <li>■ Capacity sold (R2): average annual growth of +2.2% over the 2009-2015 period, flat thereafter</li> </ul> </li> <li>■ <b>Tariffs</b> <ul style="list-style-type: none"> <li>■ R1 : +2.0% annually over the business plan period</li> <li>■ R2 : +2.0% annually over the business plan period</li> </ul> </li> <li>■ <b>Upsides not taken into account:</b> Possibility to add 35MW of heating/co-generation capacity to be sold at market tariffs, for which the company has already a construction permit and available land area</li> </ul>                                                                                                                                                                                                                                                                      |
| COOLING     | <ul style="list-style-type: none"> <li>■ <b>Volumes:</b> <ul style="list-style-type: none"> <li>■ Power sold (R1) : average annual growth of +1.5% over the 2009-2015 period, flat thereafter</li> <li>■ Capacity sold (R2): average annual growth of +2.7% over the 2009-2015 period, flat thereafter</li> <li>■ Circulated water (R3): average annual growth of +1.8% over the 2009-2015 period, flat thereafter</li> </ul> </li> <li>■ <b>Tariffs</b> <ul style="list-style-type: none"> <li>■ R1 : +12% annually over the 2010-2016 period, representing a progressive transition from regulated to non-regulated electricity tariffs</li> <li>■ R2 : +2.0% annually over the business plan period</li> <li>■ R3 : +12% annually over the 2010-2016 period</li> </ul> </li> <li>■ <b>Annual rebate</b> of €0.7m in 2011E, up to €3.5m in 2016 in order to take into account tariffs renegotiation in 2011E and increasing profits due to the transition from regulated to non-regulated electricity tariffs</li> </ul> |
| ELECTRICITY | <ul style="list-style-type: none"> <li>■ <b>Flat volume</b> over the business plan period</li> <li>■ Tariff of 109.6€/MWh in 2009 then <b>flat tariff</b> of 103.2€/MWh over the 2010-2018 period representing the regulated tariff</li> <li>■ <b>Possibility to add 35MW of heating/cogeneration not taken into account</b></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

COST OF  
ENERGY

- **Gas:**
  - Decrease of –32% in 2009E (reflecting evolution in market prices) , then increase of +11% in 2010E
  - +2.0% annually starting 2011E
- **Electricity:**
  - +13% annually over the 2010-2016 period, representing a progressive transition from regulated (TARTAM) to non-regulated electricity tariffs, +2% thereafter
- **Fuel oil:**
  - Decrease of –20% in 2009E, then increase of +12% in 2010E
  - +2.0% annually starting 2011E

CAPITAL  
EXPENDITURE

- The significant investment plan over the 2006-2009 period will allow Enertherm to operate its concession contract, without any need for new investments in its industrial plants
- Since the heavy maintenance is charged in the income statement, the business plan does not take into account any maintenance-related capital expenditure over the 2010-2027 period
- The only capital expenditure taken into account in the business plan are related to the extension of the Enertherm network to gain new clients over the 2009E-2015E period

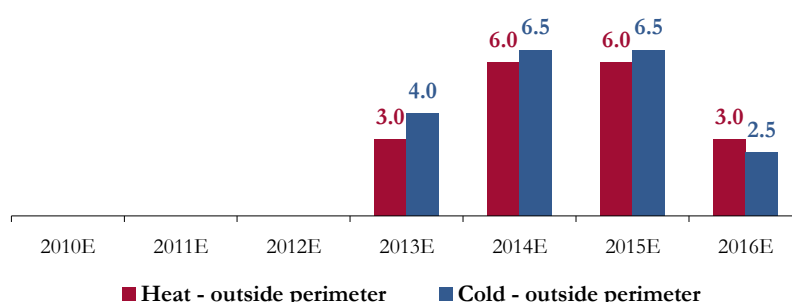
WORKING  
CAPITAL

- Since working capital is structurally close to zero, the business plan does not take into account any working capital impact

### 5.3.2. Key assumptions of the business plan – outside of the concession perimeter

The Management has identified attractive development opportunities outside the concession area: **two districts near the concession area are expected to be developed in the coming years, and the municipality is unlikely to grant the permit for the construction of a new power plant, leaving room for Enertherm to be the sole provider of heat and cold.**

EXPECTED NEW CLIENTS GAINS (R2, IN MW) OUTSIDE OF THE CONCESSION PERIMETER



Source: Enertherm

#### “Coeur Université” district

Enertherm is well-positioned to provide heat and cold to Cœur Université, Nanterre’s new neighbourhood surrounding the university. The area is expected to be completely overhauled in the coming years, and the municipality is unlikely to grant the permit for the construction of a new power plant, leaving room for Enertherm to be the sole provider of heating and cooling services. **The estimated project size is around 9MW of heat and 12MW of cold.**

The management estimates that an investment of €5.2m is needed to develop this project. This investment, mainly related to a technical tunnel to be built, is to be carried out in FY2010.

## ESTIMATED FINANCIAL IMPACT OF THE “COEUR UNIVERSITE” PROJECT

| <i>In k€</i>                              | 2010E   | 2011E | 2012E | 2013E   | 2014E   | 2015E     |
|-------------------------------------------|---------|-------|-------|---------|---------|-----------|
| <b>HEAT</b>                               |         |       |       |         |         |           |
| Phasing                                   |         |       |       | 33%     | 67%     | 100%      |
| Potential capacity (MW)                   |         |       |       | 3.0     | 6.0     | 9.0       |
| <i>of which tertiary</i>                  |         |       |       | 1.5     | 3.0     | 4.5       |
| <i>of which residential</i>               |         |       |       | 1.5     | 3.0     | 4.5       |
| Consumption (hours)                       |         |       |       |         |         |           |
| <i>of which tertiary</i>                  |         |       |       | 1000    | 1000    | 1000      |
| <i>of which residential</i>               |         |       |       | 1600    | 1600    | 1600      |
| Production sold (MWh)                     |         |       |       | 3,900   | 7,800   | 11,700    |
| Heat tariffs <sup>(1)</sup>               |         |       |       |         |         |           |
| R1 (€/MWh)                                |         |       |       | 69.5    | 70.9    | 72.3      |
| R2 (€/kW)                                 |         |       |       | 42.9    | 43.7    | 44.6      |
| Revenues                                  |         |       |       | 400     | 815     | 1,247     |
| <i>of which R1</i>                        |         |       |       | 271     | 553     | 846       |
| <i>of which R2</i>                        |         |       |       | 129     | 262     | 401       |
| EBITDA                                    |         |       |       | 179     | 366     | 560       |
| R1 margin (%)                             |         |       |       | 33%     | 33%     | 33%       |
| R2 margin (%)                             |         |       |       | 70%     | 70%     | 70%       |
| <b>COLD</b>                               |         |       |       |         |         |           |
| Potential capacity (MW)                   |         |       |       | 4.0     | 8.0     | 12.0      |
| <i>of which tertiary</i>                  |         |       |       | 4.0     | 8.0     | 12.0      |
| <i>of which residential</i>               |         |       |       | -       | -       | -         |
| Consumption (hours)                       |         |       |       |         |         |           |
| <i>of which tertiary</i>                  |         |       |       | 650     | 650     | 650       |
| <i>of which residential</i>               |         |       |       |         |         |           |
| Production sold (MWh)                     |         |       |       | 2,600   | 5,200   | 7,800     |
| Consumption (cold water, m <sup>3</sup> ) |         |       |       | 463,099 | 926,198 | 1,389,297 |
| Cold tariffs <sup>(1)</sup>               |         |       |       |         |         |           |
| R1 (€/MWh)                                |         |       |       | 60.6    | 68.0    | 75.3      |
| R2 (€/kW)                                 |         |       |       | 59.2    | 60.4    | 61.6      |
| R3 (€/m <sup>3</sup> )                    |         |       |       | 0.2     | 0.2     | 0.2       |
| Revenues                                  |         |       |       | 486     | 1,041   | 1,665     |
| <i>of which R1 &amp; R3</i>               |         |       |       | 249     | 558     | 926       |
| <i>of which R2</i>                        |         |       |       | 237     | 483     | 739       |
| EBITDA                                    |         |       |       | 315     | 673     | 1,073     |
| R1 & R3 margin (%)                        |         |       |       | 60%     | 60%     | 60%       |
| R2 margin (%)                             |         |       |       | 70%     | 70%     | 70%       |
| Revenues                                  |         |       |       | 886     | 1,856   | 2,913     |
| EBITDA                                    |         |       |       | 495     | 1,039   | 1,633     |
| Capex                                     | (5,200) | -     | -     |         |         |           |

Source: Enertherm

<sup>(1)</sup> Assuming tariffs outside the concession perimeter will be equivalent to current levels



### “Groues” district

Enertherm is also well positioned to be the sole provider of heat and cold to the Groues area (a 70 hectares district located between Enertherm’s Alençon and Noël Pons plants) that should be urbanized in the coming years.

The estimated project size is around 9MW of heat and 7.5MW of cold.

The Management does not anticipate any material capital expenditure requirement in connection with such extension plan.

#### ESTIMATED FINANCIAL IMPACT OF THE “GROUES” PROJECT

| <i>In k€</i>                                   | 2011E | 2012E | 2013E | 2014E   | 2015E   | 2016E   |
|------------------------------------------------|-------|-------|-------|---------|---------|---------|
| <b>Phasing</b>                                 |       |       |       | 33%     | 67%     | 100%    |
| <b>Potential capacity (MW)</b>                 |       |       |       | 3.0     | 6.0     | 9.0     |
| <i>of which tertiary</i>                       |       |       |       | 1.5     | 3.0     | 4.5     |
| <i>of which residential</i>                    |       |       |       | 1.5     | 3.0     | 4.5     |
| <b>Consumption (hours)</b>                     |       |       |       |         |         |         |
| <i>of which tertiary</i>                       |       |       |       | 1000    | 1000    | 1000    |
| <i>of which residential</i>                    |       |       |       | 1600    | 1600    | 1600    |
| <b>Production sold (MWh)</b>                   |       |       |       | 3,900   | 7,800   | 11,700  |
| <b>Heat tariffs<sup>(1)</sup></b>              |       |       |       |         |         |         |
| R1 (€/MWh)                                     |       |       |       | 70.9    | 72.3    | 73.7    |
| R2 (€/kW)                                      |       |       |       | 43.7    | 44.6    | 45.5    |
| <b>Revenues</b>                                |       |       |       | 408     | 832     | 1,272   |
| <i>of which R1</i>                             |       |       |       | 276     | 564     | 863     |
| <i>of which R2</i>                             |       |       |       | 131     | 268     | 410     |
| <b>EBITDA</b>                                  |       |       |       | 183     | 373     | 571     |
| R1 margin (%)                                  |       |       |       | 33%     | 33%     | 33%     |
| R2 margin (%)                                  |       |       |       | 70%     | 70%     | 70%     |
| <b>Potential capacity (MW)</b>                 |       |       |       | 2.5     | 5.0     | 7.5     |
| <i>of which tertiary</i>                       |       |       |       | 2.5     | 5.0     | 7.5     |
| <i>of which residential</i>                    |       |       |       | -       | -       | -       |
| <b>Consumption (hours)</b>                     |       |       |       |         |         |         |
| <i>of which tertiary</i>                       |       |       |       | 650     | 650     | 650     |
| <i>of which residential</i>                    |       |       |       |         |         |         |
| <b>Production sold (MWh)</b>                   |       |       |       | 1,625   | 3,250   | 4,875   |
| <b>Consumption (cold water, m<sup>3</sup>)</b> |       |       |       | 289,437 | 578,874 | 868,311 |
| <b>Cold tariffs<sup>(1)</sup></b>              |       |       |       |         |         |         |
| R1 (€/MWh)                                     |       |       |       | 68.0    | 75.3    | 82.7    |
| R2 (€/kW)                                      |       |       |       | 60.4    | 61.6    | 62.8    |
| R3 (€/m <sup>3</sup> )                         |       |       |       | 0.2     | 0.2     | 0.3     |
| <b>Revenues</b>                                |       |       |       | 325     | 694     | 1,106   |
| <i>of which R1 &amp; R3</i>                    |       |       |       | 174     | 386     | 635     |
| <i>of which R2</i>                             |       |       |       | 151     | 308     | 471     |
| <b>EBITDA</b>                                  |       |       |       | 210     | 447     | 711     |
| R1 & R3 margin (%)                             |       |       |       | 60%     | 60%     | 60%     |
| R2 margin (%)                                  |       |       |       | 70%     | 70%     | 70%     |
| <b>Revenues</b>                                |       |       |       | 733     | 1,526   | 2,378   |
| <b>EBITDA</b>                                  |       |       |       | 393     | 821     | 1,282   |
| <b>Capex</b>                                   | -     | -     |       |         |         |         |

Source: Enertherm

<sup>(1)</sup> Assuming tariffs outside the concession perimeter will be equivalent to current levels

### 5.3.3. Management business plan

Enertherm Management business plan is summarized below, and shows a very significant increase in revenues and EBITDA over the next 10 years:

#### ENERTHERM BUSINESS PLAN

| <i>As of 30-09, in €m</i>                                 | 2008A         | 2009E         | 2010E         | 2011E         | 2012E         | 2013E         | 2014E         | 2015E         | 2016E         | 2017E         | 2018E         |
|-----------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Heat sales                                                | 32.0          | 25.1          | 27.6          | 28.2          | 29.8          | 30.8          | 31.9          | 33.0          | 33.7          | 34.4          | 35.0          |
| Cold sales                                                | 17.7          | 18.4          | 19.1          | 21.0          | 23.1          | 25.5          | 28.1          | 30.9          | 33.0          | 33.7          | 34.4          |
| Electricity sales                                         | -             | 3.9           | 3.8           | 3.8           | 3.8           | 3.8           | 3.8           | 3.8           | 3.8           | 3.8           | 3.8           |
| Others                                                    | 2.5           | 0.5           | 0.9           | 0.5           | 3.0           | 1.2           | 1.2           | 1.2           | -             | -             | -             |
| <b>Revenues - within concession</b>                       | <b>52.2</b>   | <b>48.0</b>   | <b>51.4</b>   | <b>53.4</b>   | <b>59.7</b>   | <b>61.3</b>   | <b>65.0</b>   | <b>68.8</b>   | <b>70.5</b>   | <b>71.8</b>   | <b>73.2</b>   |
| <i>growth (%)</i>                                         |               | (8%)          | 7%            | 4%            | 12%           | 3%            | 6%            | 6%            | 2%            | 2%            | 2%            |
| Revenues - outside of the concession                      | -             | -             | -             | -             | -             | 0.9           | 2.6           | 4.4           | 5.4           | 5.5           | 5.6           |
| <i>growth (%)</i>                                         |               |               |               |               |               | 192%          | 71%           | 21%           | 2%            | 2%            |               |
| <b>Total revenues</b>                                     | <b>52.2</b>   | <b>48.0</b>   | <b>51.4</b>   | <b>53.4</b>   | <b>59.7</b>   | <b>62.2</b>   | <b>67.6</b>   | <b>73.3</b>   | <b>75.8</b>   | <b>77.3</b>   | <b>78.8</b>   |
| <i>growth (%)</i>                                         |               | (8%)          | 7%            | 4%            | 12%           | 4%            | 9%            | 8%            | 3%            | 2%            | 2%            |
| Gas consumption                                           | (0.2)         | (4.1)         | (4.6)         | (4.6)         | (4.7)         | (4.8)         | (4.9)         | (5.0)         | (5.1)         | (5.2)         | (5.3)         |
| Electricity consumption                                   | (4.5)         | (4.5)         | (4.6)         | (5.4)         | (6.2)         | (7.1)         | (8.1)         | (9.0)         | (9.8)         | (10.0)        | (10.2)        |
| Fuel consumption                                          | (16.1)        | (7.8)         | (9.1)         | (9.4)         | (10.0)        | (10.3)        | (10.7)        | (11.1)        | (11.4)        | (11.6)        | (11.8)        |
| Maintenance                                               | (5.3)         | (6.0)         | (6.1)         | (6.1)         | (6.2)         | (6.0)         | (6.9)         | (7.2)         | (6.6)         | (6.8)         | (6.9)         |
| Salaries                                                  | (5.3)         | (5.7)         | (5.8)         | (6.0)         | (6.2)         | (6.4)         | (6.6)         | (6.8)         | (7.0)         | (7.2)         | (7.4)         |
| Structure costs                                           | (1.5)         | (1.7)         | (1.7)         | (1.7)         | (1.8)         | (1.8)         | (1.9)         | (1.9)         | (1.9)         | (2.0)         | (2.0)         |
| Taxes                                                     | (2.9)         | (2.3)         | (2.3)         | (2.4)         | (2.4)         | (2.5)         | (2.5)         | (2.6)         | (2.6)         | (2.7)         | (2.7)         |
| Others                                                    | (5.1)         | (4.4)         | (4.4)         | (4.5)         | (4.7)         | (4.8)         | (4.9)         | (5.0)         | (5.1)         | (5.2)         | (5.2)         |
| <b>Total operating costs</b>                              | <b>(40.9)</b> | <b>(36.5)</b> | <b>(38.7)</b> | <b>(40.2)</b> | <b>(42.2)</b> | <b>(43.8)</b> | <b>(46.5)</b> | <b>(48.6)</b> | <b>(49.5)</b> | <b>(50.6)</b> | <b>(51.7)</b> |
| Operating costs - outside concession                      | -             | -             | -             | -             | -             | (0.4)         | (1.2)         | (2.0)         | (2.4)         | (2.5)         | (2.5)         |
| <b>Total EBITDA</b>                                       | <b>11.3</b>   | <b>11.5</b>   | <b>12.7</b>   | <b>13.2</b>   | <b>17.5</b>   | <b>18.0</b>   | <b>20.0</b>   | <b>22.7</b>   | <b>23.9</b>   | <b>24.2</b>   | <b>24.6</b>   |
| <i>margin (%)</i>                                         | 22%           | 24%           | 25%           | 25%           | 29%           | 29%           | 30%           | 31%           | 32%           | 31%           | 31%           |
| Management fees <sup>(1)</sup>                            | (1.0)         | (0.9)         | (0.9)         | (0.9)         | (1.0)         | (1.0)         | (1.0)         | (1.0)         | (1.0)         | (1.1)         | (1.1)         |
| <b>EBITDA post mgmt fees</b>                              | <b>10.3</b>   | <b>10.6</b>   | <b>11.8</b>   | <b>12.3</b>   | <b>16.5</b>   | <b>17.0</b>   | <b>19.0</b>   | <b>21.7</b>   | <b>22.9</b>   | <b>23.1</b>   | <b>23.5</b>   |
| <i>margin (%)</i>                                         | 20%           | 22%           | 23%           | 23%           | 28%           | 28%           | 29%           | 31%           | 32%           | 32%           | 32%           |
| <b>Capex</b>                                              | <b>(79.5)</b> | <b>(2.9)</b>  | <b>(5.9)</b>  | <b>(0.3)</b>  | <b>(2.9)</b>  | <b>(0.8)</b>  | <b>(0.8)</b>  | <b>(0.8)</b>  | -             | -             | -             |
| <i>of which new network connections</i>                   | (0.5)         | (0.1)         | (0.7)         | (0.3)         | (2.9)         | (0.8)         | (0.8)         | (0.8)         | -             | -             | -             |
| <i>of which 2006-2009 investment plan</i>                 | (79.0)        | (2.9)         |               |               |               |               |               |               |               |               |               |
| <i>of which related to development outside concession</i> |               |               | (5.2)         | -             | -             | -             | -             |               |               |               |               |

<sup>(1)</sup> Until 2008, management fees were paid to both shareholders of Enerpart. From 2009 onward, management fees are assumed to be paid to SEEM only

Note: Since the majority of Enertherm's investments are very recent, precise depreciation figures are not available at this stage. However the management believes annual depreciation figure to be at around €5.3m, based on an €113m investment