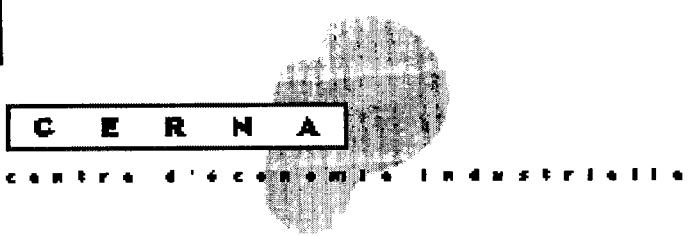




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Mergers and Acquisitions in the European Electricity Sector Cases and Patterns

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The report surveys 96 M&As in the EU from January 1998 to August 2002. Cases are described in Part I and patterns in Part II. The report was prepared for the second edition of the international symposium on the M&As in the EU electricity sector (Ecole des Mines de Paris, September, 23, 2002).

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E.ON

| | |
|---|---|
| Country | Germany |
| Businesses | Energy (electricity and natural gas), oil (Veba Oel), telecommunication (Connect Austria ONE, Bouygues Telecom) and real estate (Viterra). Electricity: Capacity: 29.4 MW, Distribution: 220 TWh |
| Position in the domestic electricity market | 2 nd largest power company after RWE with a market share of around 25% in terms of power generation. |
| Features | Turnover: Eur 92.3 billion (E.ON energy's turnover: Eur 13.0 billion) E.ON is a vertically integrated power company: Generation, Transmission, and Supply. E.ON Activities outside Germany: UK (Powergen), Sweden (Sydkraft), Denmark, Norway, Italy (Thüga & Contigas), electricity and gas distribution, Benelux (acquisition in 2000 of the Dutch generating company, EZH), Hungary (E.ON Hungaria), also in Poland, the Czech Republic, Lithuania... |
| Additional remarks | According to its strategy of focusing on its core energy business, E.ON have started its divestment program of its non-energy assets. For instance, E.ON sold its Stinnes shareholding to Deutsche Bahn AG (distribution/logistics), its Orange shareholding to France Telecom (telecommunication), its Degussa shareholding to RAG (chemicals), 51% stake in Veba Oel to BP (oil), and VAW aluminium to Norsk Hydro. |

VEBA/VIAG (1999-2000)

| | |
|------------------------------|---|
| VIAG | <p>VIAG is an international conglomerate which operates in the electricity, natural gas, oil, chemicals, telecommunications, packaging, water, waste disposal, aluminium, steel trading and logistics sectors.</p> <p>Its energy activities are grouped together in the affiliate Bayernwerk AG which is also one of the largest German interconnected power companies with a market share of 12.2% of the electricity supplied. Bayernwerk has an 11 GW generation capacity and a 5,500 km transmission network.</p> |
| VEBA | <p>VEBA is a diversified group with businesses in electricity, natural gas, oil, chemicals, telecommunications, water, waste disposal, steel trading, logistics and waste management. The group operates at all levels of the electricity industry through its subsidiary PreussenElektra AG. PreussenElektra is one of the largest German interlinked power companies; its traditional supply area comprises the Northern Länder of Schleswig-Holstein and Lower Saxony and large parts of Hessen. It has a market share of 21.2% of the electricity supplied at the interconnected level in Germany, a 17.5 GW generation capacity (17.6% of total installed capacity in Germany) and a 6,600 km transmission network.</p> |
| Description of the operation | <p>Merger between VEBA and VIAG to form E.ON: the former shareholders of VEBA will have 65% to 70% of the share capital of the new entity.</p> |
| Features | <p><i>September 1999:</i> Official negotiations are revealed and rapidly lead to an agreement between the head of VEBA and the head of VIAG.</p> <p><i>April 2000:</i> the European Commission states that there are some competition concerns about the VEBA-VIAG and RWE-VEW mergers. Indeed, the two combined firms will operate 80% of the German power plants with 70% of the domestic electricity market.</p> <p><i>May 2000:</i> VEBA and VIAG announce that they have reached an agreement with the EU Competition Commission: 50% of their shares that they hold in VEAG, the main power distributor in the East of Germany, will be divested; VEBA and VIAG will also sell their shares in BEWAG, the electricity firm based in Berlin. Moreover, VEBA-VIAG committed to continue to purchase electricity from VEAG for seven years. Last, VEBA/VIAG and RWE/VEW undertake not to charge the transmission fee known as the “T-component”.</p> |
| Rationale | <p>Becoming one of the world's utility leaders (presently Nr 2 in Europe after EDF).</p> <p>Synergies: Eur 700 million.</p> <p>Multi-utility concept (electricity, gas and water):</p> <ul style="list-style-type: none"> -> create additional growth opportunities via cross-selling (entry into new markets), -> cost savings (sales and marketing, joint branding, administration and billing), -> multi-utility and higher retention of customers: E.ON will acquire shareholdings in other non electric utilities (3.5% in Ruhrgas, 52% to 80% in |

Gelsenwasser, water; 13% to 25% in Berliner GASAG; 50% to 100% in Bayerische Wasserkraftwerke, water; 48% to 72% in Erdgas Schwaben) in Germany mainly from RWE (in exchange E.ON will sell its 18% shares in VEW).

Trading: E.ON intends to develop its trading activity.

Veba (Preussen Elektra)/EZH (2000)

| | |
|--|---|
| N.V. Electriciteitsbedrijf Zuid-Holland (EZH) | EZH is the smallest of the four electricity generating companies in the Netherlands. Generation: 14% of the Dutch market with an installed capacity of 1,770 MW for an output of 8,491 GWh (1999) |
| Turnover (1999): Eur 678 million | |
| Description of the operation | Amount of the bid: Eur 930 million Shares: 100% |
| Features | <i>August 2000:</i> Veba purchases EZH from the former shareholders which were public entities, i.e. the province of Zuid-Holland and the cities of Rotterdam, Gravenhage, Dordrecht, Delft and Leiden. EZH becomes E.ON-Benelux generation. <i>September 2000:</i> The European Commission approves the take-over, because no competition concerns arise. |
| Rationale | Veba wishes to enter the Dutch market, and particularly consolidate its Benelux position. The acquisition of EZH strengthens E.ON's core businesses. |

Contigas (E.ON)/Stadtwerke Heide (2000)

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|------------------------------|--|
| Contigas Deutsche Energie | Contigas is an electricity, water and gas utility whose activities are mainly located in Bayern, Thüringen, Nordrhein-Westfalen, Baden-Württemberg and Niedersachsen. |
| | Contigas is part of VIAG group (now E.ON) |
| Stadtwerke Heide | Heide is located in Schleswig-Holstein. Stadtwerke Heide supplies the city with gas, electricity, water and heat. |
| Description of the operation | Acquisition by Contigas of 49% of Stadtwerke Heide from the city of Heide. |
| Features | <i>October 2000:</i> the Bundeskartellamt approves the concentration subject to some conditions. Nevertheless, these conditions were only to remedy to some problems occurring in the gas market (and not in the electricity market where neither E.ON nor Stadtwerke Heide had dominant positions). |

Thüga Aktiengesellschaft (E.ON)/ Stadtwerke Ansbach (2000)

| | |
|------------------------------|---|
| Thüga | Thüga is active in gas (mainly) and power distribution. E.ON Energie holds 56.3% of the shares of Thüga. Since August 2002, E.ON has increased its stake in Thüga to around 86 %. |
| Description of the operation | Acquisition by Thüga of 40% of the shares of Stadtwerke Ansbach from Stadt Ansbach. |
| Features | <i>October 2000:</i> the operation receives the approval of the Bundeskartellamt. |

E.ON Bayern (2001)

| | |
|------------------------------|---|
| E.ON Bayern | E.ON Bayern AG, is Germany's largest regional utility. E.ON Bayern has a sales volume of 35 TWh and annual sales of around Eur 2.8 billion. |
| Description of the operation | Merger on sales activities of five Bavarian regional utilities EVO, IAW, OBAG and ÜWU to form a new entity E.ON Bayern. |
| Features | <i>December 2001:</i> E.ON announces the creation of the new entity E.ON Bayern . |

E.ON/Hein Gas (2001)

| | |
|------------------------------|--|
| Hein Gas | Hein Gas supplies gas and heat to more than 700,000 customers in Hamburg, Schleswig-Holstein, and Lower Saxony, while its wholly-owned subsidiary, HGW HanseGas, serves another 50,000 customers in Mecklenburg-Vorpommern. With a combined workforce of 1,550, Hein Gas and HGW HanseGas deliver around 40 billion kWh of gas and have sales of roughly Eur 870 million. |
| Description of the operation | E.ON Energie's takeover. In exchange for Hein Gas, E.ON Energie handed over its 49% share in Bewag to Hamburgische Electricitäts- Werke (HEW) and also received a cash settlement worth roughly Eur 850 million. Other Shareholders: Thuga (28,05%) in which E.ON holds 57%. |
| Features | <i>August 2000:</i> HEW purchases the 49% shares held by E.ON in Bewag in exchange for its 17.5% in Sydkraft and its 61.9% in Hein Gas. <i>September 2000:</i> The Bundeskartellamt gives its approval under conditions, particularly E.ON must sell its shares in HEW. <i>May 2001:</i> E.ON Energie completes the acquisition of 61.9% stake in the company from HEW and the acquisition increases E.ON Energie Group's holdings in the gas distribution firm to 89.9% <i>July 2002:</i> E.ON acquires 10.1 % from BEB Erdgas and Erdöl GmbH in Hannover. Thus, E.ON Energie increases its stake to 71.95% and E.ON Energie Group's gains the full control of Hein Gas. |
| Rationale | E.ON expands its leading position in gas distribution. The acquisition Hein Gas increases E.ON Energie's gas delivery volume by 50%, boosting gas sales to roughly Eur 2.5 billion. Through its subsidiaries and affiliates, the E.ON Energie Group's share of the German gas distribution market now exceeds 40%, and the Group is also present in other European gas markets. E.ON Energie has direct and indirect holdings in gas supply companies in Italy, Austria, the Czech Republic, Hungary, Latvia, Sweden, and the Netherlands. Acquiring Hein Gas strengthens E.ON's position on the gas market. Because this market is growing faster than the electricity market, E.ON gives high priority to intensifying its presence in the gas business. |

E.ON/Sydkraft (2001)

| | |
|------------------------------|--|
| Sydkraft | <p>Business: Power and heat production and distribution, power marketing and sale, gas distribution, marketing and sale, energy trading</p> <p>Electricity: generation: 30.805 TWh; distribution: 43,7 TWh</p> <p>Position on the domestic market: 20% of the Swedish electricity market, second largest power group in Sweden.</p> <p>Sydkraft is a subsidiary to E.ON (60%) since May 2001.</p> <p>Turnover: Eur 2.098 million</p> <p>Sydkraft is quite a vertically integrated power company: Power generation, power distribution.</p> <p>It sells its power generation mainly in Sweden but it also has some power activities in the Nordic market:</p> <p>Norway: Oslo region, Denmark: island of Sjaeland (acquisition of Elektra Energihandel in 1999), Poland.</p> |
| Description of the operation | <p>The transaction involves the acquisition by E.ON of the majority of shares in Sydkraft in which E.ON already held a stake.</p> <p>Value of transaction: about Eur 900 million.</p> |
| Features | <p><i>August 2000:</i> E.ON will acquire in 2001 15.7 % shareholding in Sydkraft from HEW (E.ON also acquires 61.9% in HEIN GAS and a cash payment of Eur 248 million; in return E.ON transfers its 49% share in BEWAG to HEW).</p> <p><i>January 2001:</i> Four Swedish municipalities announce the sale of their shareholdings in Sydkraft to E.ON (5.3% of the capital and 8.5% of the voting rights) for a total price of Eur 272 million. The deal lifts E.ON's stake to 29.4% of Sydkraft's capital and 42.8% of its voting rights.</p> <p><i>February 2001:</i> E.ON follows the Swedish take-over regulation according to which a buyer of a Swedish company has to make a take-over bid when its voting rights exceed 40% (at the beginning of 2001 E.ON holds 45.1% of Sydkraft share capital and 45.4% of its voting rights:).</p> <p><i>April 2001:</i> The EU Commission authorises without conditions the acquisition of Sydkraft by E.ON.</p> <p><i>May 2001:</i> E.ON holds a 60.6% participation in Sydkraft (65.7% of the voting rights). Nevertheless Statkraft, the main Norwegian power company, still owns 37.5% of the group.</p> |

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| Rationale | E.ON wants to expand outside Germany where profits have been hit by a drop in electricity prices in the wake of power market liberalisation in April 1998. |
| | Sydkraft is eminently sensible because it will allow E.ON to expand its activities to Scandinavia and to use its existing transmission capacity (Baltic Cable, 600 MW). |

Sydkraft/Nörrköping Miljö & Energi (NME) (1999)

| | |
|------------------------------|---|
| NME | The group focuses on electricity, district heating, water and waste-based energy in Sweden. The sales of the group represent Eur 120 million. |
| Description of the operation | Acquisition of 49% of the shares of NME by Sydkraft |
| Features | <i>September 1999:</i> acquisition of 49% of the shares of NME for about Eur 155 million. |
| Rationale | Sydkraft pursues a growth strategy in Sweden and the acquisition of NME accounts for the 12.8% growth in Sydkraft's turnover in 2000. |

Sydkraft/Ostfold Energi Nett AS & Ostfold Energi Kraftalg AS (2000)

| | |
|------------------------------|--|
| OEN AS& OEK AS | They have 91,000 km network and 98,000 electricity customers in Sweden. |
| Description of the operation | <i>January 2000:</i> Sydkraft acquires 49% of the shares in OEN AS& OEK AS. The price is Eur 91 million. |

E.ON/Verbund/Energie Allianz (2001-2002)

| | |
|------------------------------|--|
| Verbund | Verbund which produces more than three-quarters of Austria's hydro power is Austria's biggest electricity generator. Verbund is also involved in electricity transmission. The Austrian State owns 51% of Verbund. |
| Energie Allianz | Energie Allianz, is owned by EVN, Austria's second-biggest listed utility, and Wien Energie, Vienna's city-owned electric utility |
| Description of the operation | Merger of assets in hydroelectricity |
| Features | <p><i>July 2001:</i> E.ON and Verbund say they would bring together their hydroelectricity operations.</p> <p>The new company, European Hydro Power, will be 60% owned by Verbund and 40% by E.ON and will run 200 hydroelectric power stations with a capacity of 9,600 MW. The concentration will create Europe's third-largest hydropower company.</p> <p><i>April 2002:</i> Verbund abandoned plans for an alliance with Eon</p> <p>Verbund has decided to cooperate with another Austrian company Energie Allianz. Two companies jointly controlled will be created.</p> <p>Energie Allianz, is expected to take a one-third stake in a new company which will save an estimated Eur 80 million by co-ordinating the utilisation of hydroelectric power production by the two groups. The Verbund will have a two-thirds stake.</p> <p>A second company, 67% owned by Energie Allianz, and 33% by Verbund, will oversee electricity sales to large customers. Energie Allianz produces far less power than Verbund but it has a far bigger customer base.</p> |
| Rationale | <p>The move would boost E.ON's presence in the Austrian energy market just as the country prepares for full liberalisation. It would allow the German electricity giant to increase the volume of energy it produces in hydroelectric power stations. Hydroelectricity is often cheaper to produce than conventional electricity and can be sold at a premium in environmentally aware Germany.</p> <p>Initially the deal was seen as good for competition and evidence that the new centre-right Austrian government was not going to make the same mistake as its predecessor and protect inefficient Austrian companies from foreign acquisitions.</p> <p>However, there has been growing concern inside Austria that the joint venture with Eon would eventually lead to a takeover of Verbund by the much larger German utility, and hasten the day when Austria might have to rely on imported nuclear power to provide its electricity.</p> |

E.ON/Powergen (2001-2002)

| | |
|------------------------------|--|
| Powergen | <p>Powergen is an Anglo-American vertically integrated energy company. In UK, Powergen owns and operates 7,836 MW of power plants in England and Wales, which accounts for around 10% of the country's electricity needs. Through East Midlands Electricity, Powergen supplies electricity to around 2.3 million customers. Powergen sells electricity, gas and other essential services to residential, commercial and industrial customers. Energy trading is also one of its business. Furthermore, Powergen focuses its activity on the UK and US markets. Powergen entered the US through the acquisition of LG&E Energy, a vertically integrated energy group based in Kentucky.</p> <p>Generation (2000): installed capacity of 7,836 MW, which generated 43.2 TWh in the UK.</p> <p>Distribution (2000): 2.3 millions customers in the UK.</p> <p>Turnover (2000): Eur 6.6 billion</p> |
| Description of the operation | <p>Take-over bid of E.ON</p> <p>Amount of the bid: Eur 8.2 billion</p> |
| Features | <p><i>January 2001:</i> Powergen confirms it is in take-over talks with E.ON.</p> <p><i>April 2001:</i> E.ON launches a take-over bid for Powergen.</p> <p><i>October 2001:</i> The E.ON/Powergen deal receives the approvals from US Energy Regulator (FERC) and state regulators in Kentucky and Virginia.</p> <p><i>November 2001:</i> The European Commission has concluded that no competition concerns arise from the transaction and so approves the take-over.</p> <p><i>April 2002:</i> The acquisition by E.ON is endorsed by Powergen shareholders.</p> <p><i>June 2002:</i> The US Securities and Exchange Commission (SEC) approves the acquisition, giving E.ON five years to divest its chemical and real estate units and make additional investments in them to make them more attractive to potential buyers.</p> <p><i>July 2002:</i> E.ON completes the acquisition of Powergen.</p> |
| Rationale | <p>Since the merger of Veba and Viag, E.ON has generated proceeds of roughly Eur 21 billion from disposals. E.ON's strategy is to become a leading pure energy player. Acquiring Powergen will create the world's second largest electricity and gas utility. The acquisition provides E.ON with a leading position in the UK and a foothold in the US utilities market (the world's largest energy market), and reduce E.ON's reliance on the German market.</p> |

E.ON/Fortum Energie (2002)

| | |
|------------------------------|---|
| Fortum Energie (FEG) | <p>FEG is a subsidiary of the Finland undertaking Fortum in Germany.</p> <p>FEG holds 100% of Elektrizitätswerke Wesertal (EWW) as well as other utility assets in Germany.</p> <p>Hameln-based EWW supplies some 190,000 customers in eastern Westphalia and Lippe with roughly 3 billion kWh of electricity and about 1.4 TWh of natural gas.</p> |
| Description of the operation | Acquisition by E.ON of electricity sale and supply activities of Fortum Energie, and all the businesses of the regional electricity distributor EWW. |
| Features | <i>April 2002:</i> E.ON Energie has reached an agreement with Fortum to acquire Fortum Energie (FEG), its German subsidiary. The purchase price is Eur 545 million. |
| Rationale | <p>E.ON Energie intends to combine EWW with PESAG, in which E.ON Energie holds 54.7%, and with Elektrizitätswerke Minden-Ravensberg, in which the company holds 25.1%, to create a powerful regional utility providing electric, natural gas, water and heating services. The combined entity would supply 10 TWh of electric power, making it one of Germany's ten-biggest regional utilities and ideally proportioned to serve the high-growth region of Eastern Westphalia and Southern Lower Saxony.</p> <p>The sale of Fortum's businesses in Germany is a logical consequence of the company's Nordic strategy.</p> |

E.ON/Espoon Sahko (2002)

| | |
|------------------------------|--|
| Espoon Sahko | <p>Espoon Sahko, a Finnish utility, was controlled by the city of Espoon, the second largest city in Finland, which owns 66% of the utility shares capital. Finland's leading electricity group Fortum holds another 28% of Espoon Sahko.</p> |
| | <p>Espoon owns 2 generation units: a steam power unit and a gas turbine unit. It also owns and operates several district heating plants.</p> |
| | <p>It owns a small transmission network and a distribution network.</p> |
| | <p>In 2000, Espoon sold 2,616 GWh.</p> |
| Description of the operation | <p>E.ON Scandinavia AB, the Finnish's subsidiary of E.ON, acquired share in Espoon.</p> |
| Features | <p><i>October 2001:</i> E.ON is to acquire 34% of the shares of Espoon to the city of Espoon.</p> |
| | <p>Following the acquisition, Eon would have to make a takeover offer to all other shareholders, who hold 32% of Espoon Sakho. The 34% stake is being sold for about 160m Euros and the city also has the option to sell its remaining 34% stake to Eon at a price of Eur 33 per share.</p> |
| | <p>The City of Espoo also has the option to sell its remaining 5.4 million shares in Espoon Sahko to E.ON for Eur 33 per share, Espoon Sahko said.</p> |
| | <p>The operation needs to be approved by the Finnish cartel office as well as by the municipal council of Espoo.</p> |
| | <p><i>January 2002:</i> The operation has been approved. E.ON has acquired 34% of the utility shares capital giving it an equal stake with the City of Espoon.</p> |
| | <p><i>March 2002:</i> E.ON completes a redemption offer to acquire a majority stake in Espoon Sahko. E.ON buys 29.9% of the capital that represents 30.1% of the outstanding voting rights in the Finnish utility. E.ON owns 63.4% of the share capital in Espoon Sahko, and 64.33% of the voting rights.</p> |
| Rationale | <p>Following the recent acquisition of the majority in the Swedish utility Sydkraft E.ON Energie further expands its position on the Scandinavian market. As a result of a co-operation which will be viable between Espoon Sähkö and Sydkraft additional synergy effects can be expected for the Scandinavian activities of E.ON Energie.</p> |

Verbund/Estag/Steweag (2001)

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| Verbund | Verbund which produces more than three-quarters of Austria's hydro power is Austria's biggest electricity generator. Verbund also is involved in electricity transmission. The Austrian State owns 51% of Verbund. |
| Estag | Estag is an holding company for various Styrian energy supply companies and is jointly controlled by the land of Styria, Austria, and EDF. It operates through subsidiaries, particularly in the areas of electricity generation and distribution, gas and district heating. |
| Steweag | Steweag generates, distributes and supplies costumers with electricity in the land of Styria, Austria. Steweag with some 6,200 GWh, it is the fourth-largest electricity-generating company in Austria. Steweag is currently under the sole control of Estag. |
| Description of the operation | Acquisition of joint control of Steweag by Verbund and Estag. |
| Features | <i>November 2001:</i> Verbund and Estag announced their decision to jointly control Steweag. <i>December 2001:</i> The EU Commission clears the operation. (Phase I) |

E.ON/Ruhrgas (2002)

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| Ruhrgas | <p>Largest's German gas Company.</p> <p>Ruhrgas dominates the national gas market with 60% of gas transported long-distance through Germany carried by Ruhrgas' pipelines. Moreover, Ruhrgas is the only long-distance carrier with contracts for gas from all Germany's suppliers (Norway, Russia, the UK, the Netherlands and from domestic sources).</p> <p>Ruhrgas has the largest pipelines network and the largest gas storage capacity of all German gas players.</p> <p>Ruhrgas holds a strategic 5% stake in Russia's Gazprom, has a majority in the German Ferngas Nord Bayern, 37% in the most important eastern German gas transmission company Verbundnetz Gas.</p> |
| Description of the operation | Acquisition of Ruhrgas by E.ON |
| Features | <p><i>July 2001:</i> Acquisition by E.ON of BP's 100% subsidiary Gelsenberg which holds 25% of in Ruhrgas.</p> <p><i>November 2001:</i> E.ON reaches agreements with Vodafone, ThyssenKrupp and RWE to acquire their respective shares in Bergemann GmbH, which holds 34.8 percent of Ruhrgas.</p> <p><i>January 2002:</i> The Bundeskartelamt forbids the takeover of a majority stake in Gelsenberg and so block the acquisition of Ruhrgas.</p> <p><i>February 2002:</i> E.ON applies for a ministerial decree to override the Bundeskartelamt's ban. The ministry must deliver its decision within 4 months.</p> <p><i>May 2002:</i> E.ON acquires RAG's 18.4% stakes in Ruhrgas mainly held via Bergemann GmbH for Eur 1.9 billion and, as a result, takes the control of Ruhrgas. In return, RAG acquires a majority shareholding in Degussa.</p> <p><i>July 2002:</i> E.ON has agreed to acquire a 40 percent stake in Ruhrgas which is held indirectly by ExxonMobil, Shell and Preussag. The purchase price is Eur 4.1 billion.</p> <p><i>July 2002:</i> The German Ministry of Economics grants the ministerial approval for Ruhrgas acquisition. In order to increase the reliability of supply, E.ON has promised to invest in the medium term between EUR6 billion to EUR8 billion in its gas business, especially in the fields of gas production and infrastructure.</p> <p>The ministerial approval is linked with requirements designed to promote competition in the gas market: E.ON and Ruhrgas will have to facilitate third-party network access above and beyond the stipulations of the current Association Agreement "Gas II". As of 2004, Ruhrgas will spin off the transportation business into a legally independent company. Ruhrgas will offer a total of 5 percent of its gas volume to competitors in the framework of an open auction for a period of three years. In addition, regional distributors will in future be able to reduce the total gas purchase volume agreed with Ruhrgas to 80 percent of their total gas</p> |

requirements.

E.ON and Ruhrgas will also have to divest several shareholdings. These include the majority stake in Gelsenwasser as well as the minority stakes in VNG (an integrated gas company operating in eastern Germany), EWE (a regional utility in northwestern Germany), Bayerngas (operating in Bavaria), and the stake in the municipal utility of Bremen.

July 2002: The Dusseldorf high Court blocks the deal

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| Rationale | <p>Ruhrgas already sells one third of its gas to E.ON companies. The union with E.ON will secure these sales and, once E.ON's contracts with other gas suppliers such as Wingas expired, it would have new opportunities.</p> <p>E.ON and Ruhrgas will be able to implement the integrated business model. Their activities will cover the entire value chain, from production and imports to networks and retail.</p> |
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Powergen

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| Country | United Kingdom |
| Position in the domestic electricity market | 2 nd largest UK electricity company |
| Features | <p>Turnover (2000): Eur 6.6 billion</p> <p>Since 2002, Powergen has become a division of E.ON.</p> <p>In UK, Powergen owns and operates 7,836 MW of power plants in England and Wales, which accounts for around 10% of the country's electricity needs. Through East Midlands Electricity, it supplies electricity to around 2.3 million customers. It sells electricity, gas and other essential services to residential, commercial and industrial customers. Energy trading is also one of its business. Powergen has entered the US through the acquisition of LG&E Energy, a vertically-integrated energy group based in Kentucky.</p> <p>Generation (2000): installed capacity of 7,800 MW, which generates 43.2 TWh.</p> <p>Distribution (2000): 2.3m customers.</p> |

Powergen/East Midlands Electricity (1998)

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| East Midlands Electricity | <p>3rd largest REC (Regional Electricity Company) in terms of volume , it operates in distribution and supply of electricity to industrial, commercial and domestic customers. Other activities include power generation, gas supply and electrical contracting.</p> <p>Distribution: 26.7 TWh to 2.3 million electricity customers.</p> |
| Description of the operation | <p>Takeover bid of Powergen</p> <p>Amount of the bid: Eur 3 billion</p> |
| Features | <p><i>January 1997</i>: Dominion Resources buys East Midlands Electricity for Eur 2.2 billion.</p> <p><i>June 1998</i>: Powergen buys East Midlands Electricity from Dominion Resources.</p> <p><i>July 1998</i>: Offer recommends stringent remedies in a consultation paper on regulatory issues involved. The issues raised by the merger include notably negative effects on further development of competition in generation and supply; opportunities for the merged company to disadvantage particular competitors to the detriments of customers; incentives for the distribution business to discourage competing generators who might wish to connect to the distribution system; and possible reduction of competition in supply by the removal of Powergen as a potential independent competitor in East Midlands Electricity's area.</p> <p><i>September 1998</i>: The Secretary of States for Trade and Industry announces that he will not refer Powergen's acquisition to the Mergers and Monopolies Commission. The group commits to dispose of 4,000MW of coal-fired plants.</p> <p><i>July 1999</i>: Powergen sells 2 of its coal-fired power stations, which was a requirement for its acquisition.</p> |
| Rationale | Powergen wants to integrate distribution and generation in order to become more vertically integrated, because of the decline of earnings in electricity distribution. |

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| Country | Germany |
| Businesses | <p>Energy (gas, No. 2 in Germany; electricity, heat; lignite), Water (largest utility in Germany, world's number 3 after the successful merger between RWE and Thame Water), Services (environmental No. 3 in Europe, industrial), Petroleum and chemicals, Engineering. It has stakes in more than 500 companies.</p> <p>Electricity generation: 211 TWh</p> <p>Electricity Distribution: 255 TWh</p> |
| Position in the domestic electricity market | Germany's largest power company and first electricity supplier |
| Features | <p>Turnover: Eur 62.9 billion</p> <p>RWE is a vertically integrated power company: Generation, distribution and supply (through regional and municipal activities), trading, power grid operation. In 2002, it acquired Innogy, a UK's integrated energy company with around 4.7 million electricity customers and some 1.9 million gas customers. .</p> <p>Together with Innogy, RWE will have approximately 20 million energy customers, further strengthening its leading position in the European market. Across Europe, the RWE Group now generates approximately 211 TWh and supplies 321 TWh, making RWE the number two player in generation and the number three in supply.</p> <p>In 2002, RWE acquired Transgas a Czech gas utility and between approx. 46 and 58% of the shares in the eight Czech regional gas utilities.</p> <p>RWE has expanded its role as a multi-utility with the acquisitions of German utility holding company VEW, the German water utility RWW (Rheinisch-Westfälische Wasserwerksgesellschaft) and UK-based water utility ThamesWater.</p> |

RWE/Stadtwerke Essen (1999)

Description of the operation Acquisition by RWE Energie of 29% of Stadtwerke Essen

Features *January 1999:* RWE Energie acquires a shareholding of 29% of Stadtwerke Essen from Essener Versorgungs und Verkehrsgesellschaft.
April 1999: the operation receives the approval of the Bundeskartellamt.

Energie Sachsen Brandenburg/Stadtwerke Chemnitz (1999)

Energie Sachsen Brandenburg It is a subsidiary to RWE.

Description of the operation Acquisition by Energie Sachsen Brandenburg of 19% of Stadtwerke Chemnitz.

Features *May 1999:* Acquisition by Energie Sachsen Brandenburg of 19% of Stadtwerke Chemnitz in a consortium with Thüga AG (acquiring 15%) and Ruhrgas Energie Beteiligungs (5%).

RWE/VEW (2000)

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| VEW | VEW is a German power company: electricity sales: 40 TWh, installed capacity of 4.2 GW, 9.1% market share of German electricity supply. |
| Description of the operation | Merger between RWE and VEW, giving 83.5% of the enlarged group to RWE's shareholders and 16.5% to VEW's shareholders. |
| | Value of transaction: around Eur 4 billion |
| Features | <p><i>February 2000:</i> RWE and VEW reveal their intention to merge.</p> <p><i>April 2000:</i> the German competition authority, Bundeskartellamt, makes a preliminary decision that the merger would create a market dominating duopoly together with VEBA/VIAG. The two new entities would have a 70% share of Germany's industrial electricity market.</p> <p><i>June 2000:</i> RWE and VEW finalise the merger.</p> <p><i>July 2000:</i> The Bundeskartellamt approves the merger subject to conditions similar to those set by the EC for the VEBA-VIAG merger: sale of all the shares held by RWE-VEW in VEAG which would become an independent producer and number three in Germany – moreover RWE/VEW commit that they would purchase electricity from Veag for seven years –; sale of other assets to ensure that the main links between the two big groups will be severed; VEBA/VIAG and RWE/VEW undertake not to charge the transmission fee known as the “T-component”¹; release of a 400 MW capacity in the German-Danish interconnector to facilitate third-party access for imports from Scandinavia.</p> |
| Rationale | <p>Becoming Nr 3 in the European Energy Market.</p> <p>Synergies: Eur 725 million</p> <p>->synergies in electricity: power plants, power grid, sales/marketing, trading,</p> <p>->synergies in Gas: power grid operation, purchasing benefits in gas procurement, ->co-ordination of sales and marketing and joint management of Thyssengas/Rhenag,</p> <p>->synergies in Waste Management: overhead, cross-selling of energy and gas,</p> <p>->synergies in Water: cross-selling potentials, product packages.</p> <p>New structure of the group: multi-utility</p> <p>3,500 jobs will be axed</p> |

¹ The “T component” is the charge payable where a supplier of energy between the northern and southern trading zones set up by Associations Agreement II (Verbände Vereinbarung II) cannot net out the quantities they supply against equivalent quantities in the opposite direction.

RWE/Tapada Power plant (2000)

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| Tapada power plant | Electricity generation (combined-cycle power plant). All the energy generated in the CCGT plant goes to the national network operator Rede Eléctrica Nacional (REN) under a 25-year electricity supply contract. Generation: 25% of the Portuguese electricity market with an installed capacity of 990 MW. |
| Description of the operation | Amount of the bid: Eur 182 million Shares: 75% Other shareholder: Siemens (10%), EDP (10%), Koch Transporttechnik (5%) |
| Features | <i>December 2000:</i> RWE acquires the shares of Tapada power plant increasing the interest of RWE from 25% stake to 75% stake. The transaction includes 75% in Portugen, a company responsible for the operation and maintenance of the power plant. |
| Rationale | RWE strengthens its competitive position in the Iberian market. |

RWE/Thyssengas (2000)

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| Thyssengas | 5th German long-distance gas carrier and gas importation. CA: Eur. 790 million in 1999 |
| Description of the operation | Acquisition of 75% of Thyssengas by RWE |
| Features | <i>1996:</i> RWE acquires 50% of Thyssengas. <i>May 2000:</i> RWE acquires 25% of ESSO Deutschland. This acquisition brings the RWE stakes in Thyssengas from 50% to 75%.. |

RWE/Kelag (2001)

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| Kelag | Kelag is Carinthian's electricity and gas utility. |
| Description of the operation | RWE acquires a controlling minority voice in the utility equalling that of Verbund (E.ON). Value of the operation: Eur 304 million. |
| Features | <p><i>May 2001:</i> RWE confirms that it succeeded in acquiring 49% stake of Carinthian holding company Karnten Energieholding whose single asset is 63.85% of Kelag.</p> <p>RWE beats rival bids from Estag/EdF and Verbund.</p> <p>RWE now will have a controlling minority voice in the utility equalling that of the Austrian Verbund.</p> |
| Rationale | It will give RWE an Austrian base from which to chase other opportunities both in Austria and in Italy. |

Trienekens Niederrhein/Stadtwerke Viersen/Stadt Viersen (2001)

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| Trienekens | Trienekens is jointly owned by RWE (50%) and the members of the family whose name is Trienekens. |
| Description of the operation | Acquisition of 49% of Stadtwerke Viersen from Stadt Viersen by Trienekens Niederrhein. |
| Features | <p><i>May 2001:</i> the operation received the approval of the Bundeskartellamt subject to some conditions. However, these conditions were not relevant to the electricity market (but to the gas market).</p> |

RWE/Harpen RAG/STEAG (2001)

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| RAG | German energy group |
| Harpen | Harpen is a big German district heating company. Harpen is also one of the leader company in the field of distributed power generation especially from renewable energy. Harpen is to become RWE's renewable energy division. |
| Steag | <p>Steag is one of the German's largest generators.</p> <p>It owns 8 power stations in Germany, mainly coal stations. In 1999, STEAG had its initial start-up of a bituminous coal-fired power plant in Colombia.</p> <p>The business activities of STEAG are organized in the divisions Power Generation (Germany), IPP International (power generation abroad), and Electronic Systems (OEM for the semiconductors and optical data carrier producing industries as well as manufacturer of microsystems).</p> |
| Description of the operation | Take-over of Steag by RAG and acquisition of stakes of Harpen by RWE. |
| Features | <p><i>Early 2000:</i> RWE sets out to acquire Steag to which RWE power buys about 80% of Steag's coal fired power station output but the two could not agree on a price.</p> <p><i>December 2001:</i> RAG takes control of Steag by acquiring stakes from RWE and E.ON.</p> <p>In parallel, RAG will sell its 23.47% stakes in Harpen to RWE (and so RWE will own 95% of Harpen) and its stakes in Ruhrgas to E.ON.</p> |

RWE/VSE (2001)

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| VSE | VSE AG distributes electricity in Sarre, Germany. Different municipalities in Sarre owns 56% of the stakes. |
| Description of the operation | RWE Plus increases its participation in VSE |
| Features | <p><i>December 2001:</i> RWE AG unit RWE Plus AG said it will increase its stake in regional energy company VSE AG by 14% to 55% for Eur 120 million.</p> <p>Shareholders of VSE have approved the transaction, which is to take effect on January 1, 2002, and the RWE unit has the option to buy another 14% at a later stage.</p> <p><i>February 2002:</i> RWE is increasing its participation from 41.33% to 69.33% and takes over VSE.</p> |

RWE/Innogy (2002)

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| Innogy | UK leading integrated company with around 4.7 million electricity customers and 1.9 million gas customers through its power brand. Innogy took over Northern Electric's domestic supply business in September 2001 and owns Yorkshire power. Innogy operates 8 power stations. Turnover (2001): Eur 6.2 billion |
| Description of the operation | Take-over bid of RWE Amount of the bid: Eur 8.5 billion (RWE offers 275p. a share and is taking on the company's debt of Eur 3.4 billion.) |
| Features | <p><i>February 2002:</i> Innogy announces that it had received approaches.</p> <p><i>Mars 2002:</i> RWE launches a take-over bid on Innogy and expects the regulatory and shareholders approvals.</p> |
| Rationale | RWE owns Thames Water for 18 months and so planned to combine its existing UK energy and supply operations with Innogy's business. Thames Water and Innogy will now bundle their electricity, gas and water bills into one multy-utility package. |

RWE/Obragas (2002)

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|------------------------------|---|
| Obragas | Dutch gas and electricity supplier. Obragas serves the province of North Brabant in the south of the Netherlands. The company supplies 16 municipalities and currently about 188,000 customers with about 7.2 TWh of natural gas per year. In 2001, the company generates a net sales of approximately Eur 162 million. |
| Description of the operation | Acquisition of Obragas by RWE |
| Features | <i>March 2002:</i> RWE acquired 90% stakes of Obragas for Eur 364 million. The remaining 10% is in the hands of the Dutch natural gas producer Gasunie. <i>April 2002:</i> Dutch Economics Ministry gives go-ahead for acquisition. The acquisition is still pending approval of the Dutch antitrust authorities. |
| Rationale | The Obragas commitment ties in with the acquisition of N.V. Nutsbedrijf Haarlemmermeer made early in 2000 and the planned acquisition of Intergas N.V.. This will soon give RWE Gas a market share of about 7% in the Netherlands. |

RWE/Elettra (2002)

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| Elettra | <p>Elettra is an Italian electricity generation company.</p> <p>Elettra owns a 170 MW gas power station in Trieste, another 58 MW gas station under construction in Liombino and 5 hydro stations with together 39 MW in Lovere. Moreover, the acquisition includes options on 2 CCGT power stations projects with about 400 MW each in Northern Italy.</p> <p>Former shareholder: Lucchini, an Italian steel company</p> |
| Description of the operation | <p>Acquisition by RWE of 25% share in Elettra.</p> <p>Amount of the acquisition: Eur 70 million</p> |
| Features | <p><i>March 2002:</i> RWE acquired 25% share in Elettra from Italian steel company Lucchini for Eur 52 million.</p> <p>RWE will participate in a capital increase at Elettra, bringing its stake plus about Eur 18 million. And upping the transaction value to Eur 70 million.</p> <p><i>March 2002:</i> The case was cleared under the EU's simplified merger procedure (Phase I).</p> |
| Rationale | <p>RWE has secured a foothold in the Italian electricity market.</p> <p>RWE is especially interested in the greenfield sites. The Trieste and Liombino gas power stations use mainly blast furnace gas and benefit from Italy's special conditions for generation from renewable energy. Italian grid company, GRTN, is obliged to take almost all the electricity generated at the units onto its network at a premium price.</p> <p>Moreover, this acquisition is strategic and announces the beginning of a new alliance. Indeed, RWE can sell the rest of the electricity produced by Elettra to Lucchini's steel works and the combination between RWE's know-how in construction and operations of power stations and Lucchini's market knowledge can permit a easier Italian electricity market penetration to RWE.</p> |

National Power

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| Country | United Kingdom |
| Position in the domestic electricity market | National Power was the largest generator in England and Wales in 1998 with a generating capacity of 16,178 MW |
| Features | <p>Turnover (1999): Eur 4.7 billion</p> <p>National Power became more vertically integrated with the acquisition of Midlands Electricity supply business. It operated in generation, supply and trading of electricity. Its businesses include also natural gas supply and cogeneration. It has interests in generation plants in US, Australia and in Europe.</p> <p>In 2000, National Power split into two independent companies: Innogy and International Power.</p> <p>Generation (1998): 16,178 MW of generating capacity and an output of 60.3TWh</p> |
| Additional Remarks | <p>Innogy remains a major integrated UK energy: its business comprises generation and retail electricity and gas in UK.</p> <p>International Power owns the international portfolio of National power.</p> |

National Power/Midlands Electricity's retail supply business (1998-1999)

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|------------------------------|--|
| Midlands Electricity plc | Midlands Electricity is the 4 th largest RECs (Regional Electricity Companies) in terms of electricity distributed, owned jointly by two US companies, GPU and Cinergy. Its business includes distribution and supply to 2.2 million customers. It also has a number of interests in generation which are not included in the bid. |
| Description of the operation | Takeover bid of National Power. Amount of the bid: Eur 285 million |
| Features | <p><i>November 1998:</i> National Power announces it will purchase Midlands electricity. National Power offers as a remedy 4,000 MW Drax power station (Europe's biggest power station). This would reduce National Power's coal-fired capacity to approximately 7.6 GW and its overall capacity to 12.2 GW.</p> <p><i>December 1998:</i> Offer is issuing a consultation paper about the regulatory issues involved in the merger. The merger raises some of the same issues as the bid by Powergen for East Midlands Electricity (June 1998). They include notably negative effects on further development of competition in generation and supply; opportunities for the merged company to disadvantage particular competitors to the detriments of customers; difficulty in enforcing licences conditions on cross-subsidy, discrimination and economic purchasing; incentives for the distribution business to discourage competing generators who might wish to connect to the distribution system; and possible reduction of competition in supply by the removal of National Power as a potential independent competitor in Midlands Electricity's area. Offer recommends further divestment of coal-fired plants by National Power to new competitors in generation to increase competition and reduce concern about the consequences of vertical integration. Other measures comprise restrictions on contracting between National Power and Midlands Electricity's supply business; steps to ensure separation of the businesses of the merged group; and changes to the licences with the objective of protecting competitors in generation and customers.</p> <p><i>April 1999:</i> The government decides not to refer the deal to the OFT if National Power commits to sell its 4,000 MW Drax power station. These decision overrules OFT director and the energy regulator who recommended a referral.</p> <p><i>June 1999:</i> National Power achieves its acquisition of Midlands Electricity's supply business.</p> |
| Rationale | National Power searches to gain from vertical integration with access to generation at one end of the market and retail supply at the other in a context of competition for domestic electricity customers. |

National Power/ Calortex (1999)

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| Calortex | Calortex is a gas retail company with 500,000 gas customers (3% of market shares). It was created in 1995 by Texaco and Calor Gas Turnover (1998): Eur 113m |
| Description of the operation | Take-over bid of National Power |
| Features | <i>March 1999:</i> National Power acquires 100% stake in Calortex |
| Rationale | This acquisition was for National Power a further step in repositioning its UK into an integrated energy business and in positioning National Power as a 'dual fuel' supplier. |

Innogy

| | |
|---------------------------------|---|
| Country | United Kingdom |
| Position on its domestic market | Innogy retail's business, under the NPOWER brand name, is in volume the number one electricity supplier and the number two for gas. |
| Features | <p>Turnover (2000): Eur 6 billion</p> <p>Innogy is the demerged UK arm of the former National Power. As a vertically integrated company, it operates in generation of electricity and supply and trading of gas and electricity.</p> <p>In 2002, RWE acquired Innogy.</p> <p>Generation: installed capacity of 8000 MW, which generates 31 TWh.</p> <p>Distribution: 10% of the distributed electricity in England and Wales.</p> <p>Distribution: 11% of the UK retail market with some 5.4 million customers.</p> |

Innogy/Yorkshire Power Group (2001)

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| Yorkshire Power Group | <p>Yorkshire Power Group operates in electricity distribution, supply and trading for over 2.1m customers (6.5% of the UK retail electricity market). Other businesses include gas supply and trading, metering services, external connections and contracting and industrial and commercial contracts and trading. It also has a stake in the Armada gas fields. Yorkshire Power Group is currently owned by the subsidiaries of two US-based utility companies, American Electric Power Ltd and Xcel Energy Inc (created by a merger between New Century Energies and Northern States Power), who each have a 50% share.</p> |
| Description of the operation | <p>Takeover bid of Innogy</p> <p>Amount of the bid: Eur 2.8 billion</p> <p>Innogy is proposing to acquire 94.75% of the issued share capital of Yorkshire Power Group from its existing owners. Xcel Energy is to retain a 5.25% interest in Yorkshire Power Group.</p> |
| Features | <p><i>1997:</i> A 50:50 joint venture between AEP and New Century Energies purchases Yorkshire for Eur 2.3 billion.</p> <p><i>1999:</i> Yorkshire sells its generation business, Yorkshire Cogen, for Eur 150 million to Powergen. It allows the company to concentrate on its core business of distributing and supplying electricity and gas.</p> <p><i>February 2001:</i> Innogy announces it will purchase Yorkshire from its joint US owners.</p> <p><i>March 2001:</i> Ofgem publishes a consultation paper in which it presents the regulatory issues arising from the proposed merger. The merger will shape the supply competition: Innogy will become one of the largest electricity suppliers with a national customer base of roughly 4.35 million electricity customers (15.3% of the total electricity supply market) and 1.24 million gas customers (6.2% of the total gas supply market). The acquisition will reinforce the position of Innogy as a vertically integrated company: Ofgem recommends to modify the licence in order to incorporate safeguards and assurances, and perhaps restrictions on constructions, ownership or operation of generation plant.</p> <p><i>March 2001:</i> The Secretary of Trade and Industry decides not to refer the merger to the Competition Commission.</p> <p><i>April 2001:</i> Innogy completes the acquisition of Yorkshire.</p> |
| Rationale | <p>Innogy wants to achieve its critical mass which brings economies of scale, to provide an integrated customer support system, to become the number one electricity supplier in UK and to gain synergy benefits between the two supply businesses: Innogy values these synergy benefits at Eur 45 million per annum and revises its target up to Eur 55 million.</p> |

Innogy/Northern Electric – CE/ Yorkshire's electricity distribution system (2001)

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| Yorkshire Electricity Distribution | <p>Yorkshire Electricity's distribution business serves more than 2.1 million customers and has the fifth highest customer density in the UK, including three of the six largest cities in the UK. Yorkshire manages an overhead and underground network comprising 53,000 kilometres of cable and 32,000 substations.</p> <p>Yorkshire is owned by Innogy through Yorkshire Power Group, which also supplies and trades electricity.</p> |
| Northern Electric | <p>Northern Electric is a wholly owned subsidiary of MidAmerican Energy, a US company, and comprises:</p> <ul style="list-style-type: none"> - The supply company, Northern Electric and Gas, which retails gas and electricity to around one and a half million customers nationwide. - The distribution company, Northern Electric Distribution, which serves approximately 1.5 million customers throughout the fourth-largest geographic area of the twelve regional electricity distribution companies. It owns and operates over 17,000 km of overhead lines and 27,000 km of underground cables. - Ownership and operational interests in four UK power generation facilities using a range of primary resources including gas and wind power. - A chain of shops and superstores in the North East and Yorkshire, through which the company markets a comprehensive range of domestic appliances. |
| Description of the operation | <p>Swap of Yorkshire electricity distribution system for Northern Electric supply business between Innogy and Northern Electric.</p> <p>Northern Electric acquires 94.75% of Yorkshire Power Group for £ 1 billion and Innogy acquires Northern Electric supply business for £ 1 billion.</p> |
| Features | <p><i>April 2001:</i> Innogy completes the acquisition of Yorkshire.</p> <p><i>August 2001:</i> Innogy and Northern reach an agreement on a transaction under which Northern Electric acquires the distribution business of Yorkshire Electricity, currently owned by Innogy, and in return Innogy acquires the electricity and gas supply business and the metering business of Northern Electric.</p> <p><i>September 2001:</i> Innogy swapped Yorkshire Electricity distribution system for Northern Electric's customer supply business.</p> <p><i>September 2001:</i> The EU commission approves the acquisition of Yorkshire by Northern Electric.</p> <p><i>September 2001:</i> The Secretary of State for Trade and Industry decides not to refer the mergers to the Competition Commission.</p> |
| Rationale | <p>The deal ensured Innogy's place as the UK's largest electricity retailer with around 7 million customers.</p> <p>The acquisition of Yorkshire's distribution business by Northern Electric will create a distribution business serving over 3.6 million customers throughout an area of over 25,000 square kilometers</p> |

Electricité de France (EDF)

| | |
|---|---|
| Country | France |
| Position in the domestic electricity market | Market leader |
| Features | <p>Turnover (2001): Eur 40.7 billion (distribution: 52.1%, generation: 11.9% and services: 36%)</p> <p>EDF, wholly state-owned, is the largest European electricity company and has a vertically integrated structure. It operates in generation, transmission, distribution, supply and trading of electricity. EDF exports electricity from France to neighbouring countries. Other activities include technical consulting related to construction, operation and maintenance of electricity plants and networks, and through subsidiaries it also provides waste recycling and street lighting services. Through EDF International, a wholly-owned subsidiary, EDF owns interests in foreign subsidiaries (e.g. London Electricity in UK, Graninge in Sweden, Estag in Austria, Light in Brazil).</p> <p>Generation (2001): an output of 476 TWh with a generating capacity of 119 GW</p> <p>Distribution (2001): 43 million customers worldwide of which 32 million French customers</p> |

EDF/Graninge (1998)

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|------------------------------|---|
| Graninge (Sweden) | Graninge is the fourth electricity company in Sweden (2% of the power produced in Sweden and 4% of the electricity sold in 1998); it is also the first forest owner. Its activities are electricity and heat production and distribution in Sweden and Finland. |
| Description of the operation | Acquisition of joint control over Graninge |
| Features | EDF (36% of Graninge) and the descendants of the founder of Graninge (15,8%) intend to acquire joint control over Graninge by co-ordinating their voting powers. |
| | <i>May 1998: the EU Commission approves the concentration.</i> |
| Rationale | The operation enables EDF to get a foothold in the Nordic power market. |

Graninge/Kainuun Sahko (2001)

| | |
|------------------------------|--|
| Graninge (Sweden) | Graninge is the fourth electricity company in Sweden(2% of the power produced in Sweden and 4% of the electricity sold in 1998); it is also the first forest owner. Its activities are electricity and heat production and distribution in Sweden and Finland. |
| Kainuun Sahko (Finland) | In 2000, Kainuun Sahko's electricity sales amounted to 1,027 GWh, transmission on the company's own networks to 740 GWh and district heating deliveries to 258 GWh. Electricity production in the company's own and leased power plants totalled 230 GWh. |
| Description of the operation | Graninge's acquisition of control over Kainuun Sahko |
| | Value of transaction: around EUR 56 million. |
| Features | <i>July 2001: Graninge reaches an agreement with the Finnish municipalities of Kajana, Kuhmo, Sotkamo, Suomussalmi and Vaala to purchase their shares (about 74%) in Kainuun Sahko Oyj for a combined price of EUR 62 million.</i> |
| Rationale | The objectives of Graninge are to expand its power and heat capacity generation in Sweden and Finland. |

EDF/ESTAG (1998)

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|---------------------------------------|--|
| ESTAG (Energie Steiermark Holding AG) | Estag is an Austrian holding company which owns the regional power company Steweag, the gas distribution company STFG and the heat distribution company Stefe. Its sells amount to 6 240 GWh with a customer base of 902,000 people and an installed capacity of 1.4 GW. |
| Description of the operation | Acquisition of joint control over ESTAG by EDF and Land Steiermark. |
| Features | EDF acquired 25% of ESTAG, the government of Land Steiermark having the remaining shares. |
| | <i>March 1998:</i> The EU Commission approves the operation without conditions. |
| Rationale | The acquisition enables EDF to get a foothold in the Austrian power market. |

EDF/London Electricity (1998)

| | |
|------------------------------|---|
| London Electricity plc (LE): | <p>London Electricity operates in distribution and supply of electricity for industrial, commercial and residential in South East England. It is one of the 12 Regional Electricity Companies (RECs). It also provides services relating to energy and electrical contracting and operation of electrical distribution network.</p> <p>Distribution (1998): 22,196 GWh sold to 3.1 million customers (3rd largest REC in the UK with an 11.8% market share).</p> <p>Turnover (1998): Eur 2 billion</p> |
| Description of the operation | <p>Take-over bid of EDF for London Electricity</p> <p>Amount of the bid: Eur 3 billion</p> <p>Shares: 100%</p> |
| Features | <p><i>December 1996:</i> Entergy Corporation (US) buys London Electricity plc for Eur 2.5 billion.</p> <p><i>September 1998:</i> Entergy arranges a private auction.</p> <p><i>November 1998:</i> EDF announces an unconditional offer to buy LE.</p> <p><i>December 1998:</i> Entergy accepts the EDF's offer for Eu 3 billion.</p> <p><i>January 1999:</i> The European Commission approves the merger. EDF reaches an agreement with the Director General of Electricity Supply (DGES) on certain licence modifications and conditions: they would prevent internal trading between the generation and supply businesses involved, prevent the construction or acquisition of embedded generation plant without prior consent of the DGES, and secure a regulatory 'ring fence' around the electricity supply business of LE and the placing of generation outside it.</p> |
| Rationale | EDF implements its pan-European strategy. The UK market is one of the most significant European electricity markets. Through acquisitions in UK, EDF wishes to build an English vertically integrated company. |

EDF/SWEB supply business (1999)

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| South West Electricity plc (SWEB): | SWEB is also one of the 12 RECs operating in England and Wales, and is mainly active in the distribution and the supply of electricity in South West of England. SWEB is controlled by Southern Energy a US energy company. SWEB supply business has 1.3 million customers. |
| Description of the operation | Private auction arranged by Southern and sale agreement between London Electricity and SWEB. Amount of the acquisition: Eur 370 million |
| Features | <i>April 1999:</i> Southern arranges a private auction for the sale of the SWEB's supply business. <i>June 1999:</i> EDF agrees to pay Eur 370 million SWEB's supply business and reaches an agreement with the regulator, Ofgem. EDF will not use its French power stations which supply Britain through an undersea interconnector to inhibit competition. Licence modifications and conditions will prevent internal trading between LE generation business and the SWEB public electricity supply business and prevent the transfer to EDF of any information relating to power purchase agreements. Ofgem also requires the separation of the LE distribution business from the LE and SWEB supply businesses. <i>July 1999:</i> The European commission approves the purchase of SWEB's supply business. |
| Rationale | Increasing its supply business |

EDF/Louis Dreyfus(1999)

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|------------------------------|---|
| Louis Dreyfus | French trading of energy undertaking. |
| Description of the operation | Creation and joint control of a new trading of energy undertaking: EDF Trading. The EDFT's capital is owned for 66.7% by EDF and for 33.3% by LD. |
| Features | <i>Août 1999:</i> EDF and LD notified to the European Commission their decision to control jointly EDFT. <i>Septembre 1999:</i> The European Commission approves the merger under conditions. EDF and LD commit to not exchange information for services for eligible customers. <i>Spetembre 2001:</i> EDFT is authorised to enter into the French electricity market. |

London Electricity/Sutton Bridge Power (2000)

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|------------------------------|---|
| Sutton Bridge Power: | Sutton Bridge is a 790 MW combined cycle gas turbine plant in Lincolnshire, formerly owned by Enron |
| Description of the operation | Amount of the acquisition: Eur 450 million |
| Features | <p><i>March 2000:</i> EDF, through London Electricity, purchases Sutton Bridge Power, a 790 MW combined cycle gas turbine plant, for Eur 450 million from Enron.</p> <p><i>May 2000:</i> The Secretary of Trade and Industry decides not to refer the merger to the Competition Commission.</p> |
| Rationale | The purchase increases the generation market share of LE and its generation portfolio and reflects the strategy of vertical integration in order to become one of the major players in the UK energy industry. |

London Electricity/Cottam power station (2000)

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| Cottam power station | Cottam is a 2,000 MW coal-fired power station owned by Powergen. |
| Description of the operation | <p>Private auction arranged by Powergen offering interested parties the opportunity to bid for Cottam.</p> <p>Amount of the acquisition: Eur 663.3 million</p> |
| Features | <p><i>May 2000:</i> As a remedy to its acquisition of East Midlands Electricity, Powergen arranges a private auction to sale the Cottam power station.</p> <p><i>August 2000:</i> EDF submits a final bid for Cottam.</p> <p><i>October 2000:</i> EDF and Powergen conclude a Sale and Purchase Agreement.</p> <p><i>November 2000:</i> The European Commission approves the deal.</p> |
| Rationale | Increasing the degree of vertical integration |

EDF-London Electricity/ West Burton Power station & Eastern & 24seven (2001)

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|-------------------------------|---|
| West Burton Power Station | 2,000 MW coal-fired plant a wholly owned subsidiary of TXU Corp. |
| Eastern | Eastern manages the largest distribution network in the UK: 35,116 km of overhead lines, 55168 km of underground cables, 34,479 pole transformers, 28,335 ground mounted transformers Eastern serves 3.2 million end customers through a 90,000 km network in East Anglia and North London |
| 24seven | 24seven manages and operates London Electricity's and Eastern's electricity distribution network |
| Description of the operations | <p>Acquisition of West Burton power station by an intra-group sale of the West Burton Power Station.</p> <p>Amount of West Burton: Eur 586 million</p> <p>Acquisition of the entire share capital of Eastern and of TXU Europe's 50% shareholding in 24Seven</p> <p>Amount of Eastern and 24seven: Eur 897 million</p> |
| Features | <p><i>April 2000:</i> TXU and London Electricity create 24seven, as a 50:50 joint venture, in order to manage and operate London Electricity's and Eastern's electricity distribution network</p> <p><i>November 2001:</i> EDF purchases West Burton power stations and Eastern, both owned by TXU Europe, and TXU Europe's 50% interest in 24seven.</p> <p><i>December 2001:</i> The European Commission approves the acquisitions treated as a single operation.</p> <p><i>January 2002:</i> London Electricity completes the acquisitions and decides to rename Eastern EPN.</p> |
| Rationale | <p>These acquisitions comply with London Electricity's strategy to become more vertically integrated. Therefore, London Electricity grows in all the electricity business in which it is already involved.</p> <p>For TXU, the sales must reduce its debt. Furthermore, TXU focuses more on its development in the Nordic countries.</p> |

London Electricity-EDF/Seboard (2002)

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| Seeboard | UK subsidiary of the American electricity operator, AEP. Seeboard supplies 2 million customers in the county of Kent, Sussex and Surrey. It owns 45,000 km of electric lines and employs more than 3,000 people. Its annual turnover is higher than Eur 1.56 billion. |
| Description of the operation | Acquisition of Seeboard by EDF. Amount of the acquisition: Eur 2 billion (included the recovery of the debt: Eur 1.1 billion) |
| Features | <i>June 2002</i> : London Electricity, part of EDF, acquires Seeboard to AEP. <i>July 2002</i> : The European commission clears London Electricity to buy Seeboard. |
| Rationale | EDF is present on the UK market since its acquisition of London Electricity in 1998. With this new acquisition, EDF will have more than 5 million customers in UK which is considered as the minimal customers base to earn profit in the electricity distribution business. |

Edison

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| Country | Italy |
| Position in the domestic electricity market | 2 nd largest electricity utility, Montedison controls 10% of the eligible electricity market and 8.4% of the overall market through Edison. |
| Features | <p>Turnover of Montedison (2000): Eur 14.2 billion</p> <p>Montedison is a conglomerate with business in agribusiness, chemistry, engineering and energy. It controls 61.47% of the Edison's stake.</p> <p>In May 2002, Montedison merges with its energetic subsidiary, Edison and the combined company is called Edison.</p> |
| Compart | Compart's activities range from food, insurance to electrical engineering and chemicals, and it is also active in the natural gas sector. It merged with Montedison in 2000 (amount of the bid: Eur 3.2 billion). |
| Sondel | <p>Electricity generation (2.5% of the total Italian output of electric power)</p> <p>Generation: installed capacity of 1,000MW (1998)</p> |
| Edison | <p>Edison operates in hydroelectric power generation, gas powered generation, exploration, production and transmission of natural gas, exploration and production of crude oil.</p> <p>Generation: installed capacity: 3,500MW</p> <p>Transmission and distribution: network of 2,400 km of lines</p> |

Montedison/Falck and Sondel (2000)

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|------------------------------|---|
| Falck/Sondel | <p>Falck operates in five main sectors: energy (electricity generation through Sondel of which it controls 78.31% of the share), environment, steel, trading and marketing, and real estate. Falck is the parent company of Sondel.</p> |
| | <p>Sondel covers electricity generation (2.5% of the total Italian output of electric power)</p> |
| | <p>Generation: installed capacity of 1,000MW (1998)</p> |
| Description of the operation | <p>Acquisition of full control over Falck and Sondel by Compart</p> |
| | <p>Amount of the bid: Montedison/Falck and Sondel: Eur 1 billion</p> |
| | <p>Merger between Compart and Montedison</p> |
| Features | <p><i>February 2000:</i> Compart launches a friendly takeover bid for the whole of Montedison's share capital, in which it already holds an interest of 36.42%.</p> |
| | <p><i>July 2000:</i> Compart plans to bid for the steelmaker Falck and the power generator Sondel.</p> |
| | <p><i>October 2000:</i> Compart holds 79.66% of the Falck's share and controls 97.96% of the Sondel's share wherein Compart acquires indirectly 78.31% stake when Compart gained control of Falck.</p> |
| | <p><i>November 2000:</i> Compart and Montedison merge effectively, by the absorption of Montedison by Compart. The new company is called Montedison. At the same time, the concentration receives the approval of the EU Commission.</p> |
| Rationale | <p>Edison, subsidiary of Montedison, and Sondel, subsidiary of Sondel, will create synergies and strengthen their position on the energy market. Montedison plans to integrate these companies in a single entity and to become the second largest energy company in Italy.</p> |

Italenergia/Montedison and Edison (2001-2002)

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| Italenergia | Italian company. |
| | Italenergia is a consortium created in July 2001 by Fiat (40%), EDF (18%), three Italian Banks ,Banca di Roma, Banca Intesa and Saopao IMI (20%) and Carlo Tassara (20%). Each partner receives shares of the consortium in exchange of some of their interests in Montedison. In June 2002, Fiat sold 14% to Banca di Roma, Banca Intesa and Saopao IMI for Eur 576 million. |
| Description of the operation | <p>Takeover bid for Montedison and Edison</p> <p>Amount of the bid: Eur 5 billion</p> <p>Montedison: Italenergia (96.9%) and floating shares (3.1%)</p> <p>Edison: Italenergia (95.7%) and floating shares (4.3%)</p> |
| Features | <p><i>May 2001:</i> EDF announces it bought 20% of the capital of Montedison. According to the Italian law, the voting right of a state-owned company are restricted to 2%, regardless the actual stakes.</p> <p><i>June 2001:</i> The banks San Paolo-IMI, Banca Intera-BCI and Banca di Roma agree to manage together their participation in Montedison.</p> <p><i>July 2001:</i> Italenergia, set up by Fiat, EdF, the three Italian banks and Carlo Tassara launch a bid for Montedison and Edison. EdF restricts voluntarily its voting rights in the consortium to just 2%. Italenergia announces it holds 52% of Montedison's capital. The Italian stock exchange authorities allow a new bid of Italenergia for the rest of shares of Montedison.</p> <p><i>July 2001:</i> EDF exchanges 10% of its shares in Montedison with Fiat to control Fenice, a company providing energy and environmental services, owned by Fiat until now.</p> <p><i>August 2001:</i> Italenergia owns 96.9% of the capital of Montedison and 95.7% of Edison.</p> <p><i>August 2001:</i> The European commission launches an investigation into EDF's acquisition of Fenice and approves Fiat's acquisition of Montedison. However, in the event that EDF will acquire joint control in Montedison the Commission will have to examine the case again.</p> <p><i>September 2001:</i> The European Commission approves the acquisition of Fenice.</p> <p><i>May 2002:</i> Montedison merges with Edison. The combined company will be called Edison.</p> |
| Rationale | Italenergia plans to become the second Italian electricity company behind Enel. Through this acquisition, Italenergia with the support of EDF will be a major competitor for the next generation release of Enel. EDF will strengthen its |

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| | European partnership with major European companies and will provide Italenergia with expertise. |
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Edipower/ Eurogen (2002)

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| Edipower | The consortium comprises Edison (40%), AEM Milan (13.4%), AEM Turin (13.3%), Atel (13.3%), UniCredito Italiano (10%), Interbanca (5%) and Royal Bank of Scotland (5%) |
| Eurogen | <p>Electricity generation (second largest generation company after Enel)</p> <p>Biggest of the three generation companies that Enel spun off for sale</p> <p>Generation: 7,000 MW of which 6 thermal power stations with a combined capacity of 6,240 MW and 46 hydro-electric stations, totalling 760 MW (about 10% of Italy's entire electric power output).</p> |
| Description of the operation | <p>Private auction arranged by Enel (divestiture program.)</p> <p>Amount of the bid: Eur 2.98 billion</p> <p>Shares: 100%</p> |
| Features | <p><i>January 2000:</i> The Italian government authorizes the sale of some of the power plants currently owned by Enel: Enel has divided its capacities to be divested into three independent generating companies: Eurogen, Elettronerg and Interpower.</p> <p><i>September 2001:</i> Enel receives 20 expressions of interest for the acquisition of Eurogen from Italian and foreign companies and consortia.</p> <p><i>March 2002:</i> Edipower wins the bid for Eurogen, which presents the highest offer for the acquisition of 100 per cent of Eurogen.</p> <p><i>May 2002:</i> The European Commission clears the acquisition.</p> |
| Rationale | Eurogen reinforces Edison's position as Italy's leading independent generator. This acquisition follows the Edison's strategy to refocus on energy business and to merge Edison, Sondel and Fiat Energia in order to become a leading player in the Italian energy market. |

EnBW

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| Country | Germany |
| Businesses | <p>EnBW is a vertically integrated electricity utility active in all fields of supply and transport of electricity mainly in the Southwest of Germany. It is also active in the areas of gas and district heat as well as in the waste management market. Furthermore, EnBW has activities in electricity trading.</p> <p>Generation: 5,100 MW, and 100 TWh electricity sales</p> |
| Position in the domestic electricity market | After the sale of E.ON and RWE shares in VEAG and LAUBAG, EnBW became the third largest power company in Germany. |
| Features | <p>Turnover (2001): Eur 7.9 billion (Energy: Eur 6 billion)</p> <p>Shareholders: EDF (34.5%), OEW (34.5%), Technische Werke der Stadt Stuttgart GmbH (9%), Gemeinde-Elektrizitätsverband Schwarzwald-Donau (7.55%), Landeselektrizitätsverband Württemberg (6.64%) and others small shareholders.</p> |

EDF/EnBW (2000/2001)

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| OEW | Zweckverband Oberschwäbische Elektrizitätswerke (OEW) is an association of nine public districts in the Southwest of Germany. Its purpose is to hold shares in companies active in the energy sectors. OEW holds 34.5% of the shares in EnBW. |
| Description of the operation | Acquisition of joint control of EnBW by EDF and OEW. |
| Features | <p><i>January 2000:</i> an agreement is signed for the sale of the shares (25.01%) held by the state of Baden-Württemberg in EnBW to EDF. EDF and OEW both hold 34.5% of the EnBW shares.</p> <p><i>Summer 2000:</i> a consortium agreement is made between EDF and OEW.</p> <p><i>October 2000:</i> The EU Commission announces that it opens an in-depth investigation about the proposed merger because of serious doubts.</p> <p><i>February 2001:</i> The EU Commission approves of the concentration subject to some conditions including the sale of some 6,000 MW virtual capacity in France through, EdF loss of business control in Compagnie Nationale du Rhône and assets divestitures in Watt, the Swiss electricity producer.</p> |
| Rationale | Expanding outside the domestic market and gaining foothold in the German market which is next to France and the largest in Europe. |

EnBW/Stadt Schramberg (2001)

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| Stadt Schramberg | It owns Stadtwerke Schramberg which is the local electricity, gas, heat and water utility. |
| Description of the operation | Birth of a new entity, Stadtwerke Schramberg GmbH & Co, jointly owned by EnBW Regional (a full subsidiary of EnBW Group) and Stadt Schramberg. The new entity will operate the electricity, gas, water and heat distribution activity of the city of Schramberg. |
| Features | <i>May 2001:</i> the Bundeskartellamt approves the operation subject to some conditions related to gas. Nevertheless no problem arose from changes in the electricity market. |

EnBW Ostwürtemberg DonauRies AG/Stadtwerke Schwäbisch Gmünd (2000-2001)

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| EnBW Ostwürtemberg DonauRies (EnBW ODR) | It is one of EnBW's subsidiaries with 206,323 power customers and activities in power, gas. |
| Stadtwerke Schwäbisch Gmünd | It supplies Schwäbisch Gmünd with Gas, water and electricity. |
| Description of the operation | Acquisition of 25.1% of Stadtwerke Schwäbisch Gmünd from Stadt Schwäbisch Gmünd by EnBW ODR. |
| Features | <i>January 2001:</i> the Bundeskartellamt gives approval of the operation subject to some conditions. However, these conditions are not relevant to the electricity market (but mainly to the gas market). |
| Rationale | ODR expects to see a substantial growth in the number of customers it serves. |

Neckarwerke Stuttgart (EnBW)/Stadtwerke Reutlingen (2001)

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| Neckarwerke Stuttgart | Its activities include electricity (55% of sales, 14 TWh), gas (23%), water (5%) and district heat generation, distribution and sale. Its grid covers 3 million people. It is controlled by EnBW. |
| Description of the operation | Neckarwerke increases its stakeholdings in Fair Energie from 15% to 24.9%. Fair Energie is part of Stadtwerke Reutlingen and distributes energy and water in Reutlingen. |
| Features | <i>April 2001:</i> the operation receives the approval of the Bundeskartellamt subject to some conditions. However, these conditions were not relevant to the electricity market (but to the gas market). |

EnBW/ ZEAG(2002)

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| Zementwerk Lauffen- Elektrizitaetswerk Heilbronn AG (ZEAG) | ZEAG is a German local municipal utility. It supply power to the city of Heilbronn and to three other municipalities in the Heilbronn district. Since 1986, ZEAG and ENBW have been jointly operating the Unterland gas company, which supplies natural gas to six municipalities. ZEAG has annual electricity sales of about 0.8TWh and supplies around 136,000 customers. Until August 2002, EnBW already had a 12.04% stake, cement company Heidelberg Zement holds 27.41% and the remaining shares are in widespread holdings. |
| Description of the operation | EnBW ascquires 50.1 percent shareholding in ZEAG tfrom the city of Heilbronn. Amount of the acquisition: EUR 159.1 million. |
| Features | <i>December 2000:</i> EnBW and the major of Heilbronn reach an agreement which stipulates, among other things, the transfert of the city's shares in ZEAG to EnBW before January 2003, the economic and legal independence of ZEAG and the protection of the jobs and apprenticeships at ZEAG. <i>January 2002:</i> The City Council of in Heilbronn approves the sale of its shares in ZEAG to EnBW. <i>July 2002 :</i> The German anti-trust authorities (Bundeskartellamt) gives the official approval for the sale of the ZEAG shares held by the city of Heilbronn to EnBW. As EnBW now holds a majority stake in ZEAG. EnBW now holds 62.22 percent of the ZEAG voting rights (previously 12.1 percent). This means that EnBW is above the minimum 30 percent voting right threshold for the submission of a compulsory offer and is therefore under an obligation to submit an offer to all external ZEAG shareholders for the purchase of their ZEAG shares in accordance with the German Securities Purchase and Takeover Act (WpÜG). |

Enbw-Eni/GVS (2002)

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| Gasversorgung Süd Deutschland GmbH (GVS) | Gasversorgung Süd Deutschland GmbH (GVS) is the fourth operator in the German gas market, transporting and marketing about 8 billion cubic meters of gas per year to some 750 local municipalities. Turnover (2001): Eur 1.7 billion. |
| | Former Shareholders: Neckarwerke Stuttgart AG (Enbw's subsidiary company, 33.4%), the Land of Baden-Württemberg (25%), the Mannheim utility MVV RHE AG (26.25%) and other local municipalities (10.97%). |
| Description of the operation | Acquisition of GVS by a 50:50 joint venture (EnBW-Eni) Amount: Eur 720 million |
| Features | <i>July 2001:</i> The Italian energy group Eni and EnBW create a 50:50 joint venture with the aim to acquire the majority of the share capital of GVS. <i>May 2002:</i> EnBW and Eni acquire the shares of the Land of Baden-Württemberg (25%), the Mannheim utility MVV RHE AG (26.25%) and other local municipalities (10.97%). They will acquire the remaining shares from NWS. |
| Rationale | Eni and EnBW intend to get the synergies between the gas and power sector to cope with the new competitive environment deriving from the opening of the European gas market. It represents for Eni an important step toward the development of gas activities in a large market such as Germany. |

Electricidade de Portugal (EdP)

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| Country | Portugal |
| Position in the domestic electricity market | Market leader |
| Features | <p>Turnover (2000): Eur 3.8 billion</p> <p>EdP is the largest Portuguese utility and operates in generation, distribution and supply of electricity in Portugal. Other businesses include natural gas and water sectors, and telecommunication.</p> <p>EdP has an international portfolio including power generation and distribution, telecommunication and water activities in Central and South America (Brazil, Chile) and in Morocco.</p> <p>Generation (2000): installed capacity of 7,600 MW in Portugal and a total output amounted to 28,000 GWh.</p> <p>Distribution: 5.5 million customers in Portugal and 1.1 million customers in Brazil.</p> |
| Additional Remarks | <p>EdP is associated with Cajastur in the acquisition of Hidrocantabrico: a Spanish bank. Its core business is retail deposit taking and mortgage lending. At the end of December 2000, it had over Eur 6 billion in total assets.</p> <p>EdP is also allied with Cáser, a Spanish corporation which carries on insurance and reinsurance business and manages pension funds in Spain.</p> |

EnBW-Villar Mir/Hidrocantabrico – EdP-Cajastur/Hidrocantabrico (2001-2002)

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| Hidrocantabrico | <p>Formerly Hidroelectrica del Cantabrico:</p> <p>4th Spanish electricity company</p> <p>Hidrocantabrico is vertically integrated and it covers generation transmission and distribution of electricity in Asturias region where it supplies 90% of total electricity consumers (520,000 electricity consumers).</p> <p>Other businesses include cogeneration, gas distribution (116,000 gas customers), water supply, telecommunication and media</p> <p>Generation: 7% of the total in Spain (4th position) with an installed capacity of 2,150 MW.</p> <p>Sales: 4% of the total in 2000 (4th position)</p> <p>Turnover (2000): Eur 891 millions</p> |
| Description of the operation | <p>Takeover bid of Ferroatlantica (EnBW-Villar Mir)</p> <p>Amount of the bid: Eur 1.8 billion</p> <p>Shares: 59.7%</p> <p>Takeover bid of EdP-Cajastur</p> <p>Amount of the bid: Eur 1 billion</p> <p>Shares: 34.2%</p> |
| Features | <p><i>March 2000:</i> TXU, which holds 13.6 % shares, launches a Eur 2.4 billion bid in order to acquire 100% of the shares of Hidrocantabrico for Eur 21.25 per share, but it withdraws its bid.</p> <p><i>April 2000:</i> Union Fenosa bids for Eur 2.7 billion, i.e. Eur 24 per share.</p> <p><i>May 2000:</i> The Spanish government blocks the take-over bid of Union Fenosa. The government's and the Spanish competition authority's view is that Union Fenosa (12.8% of the domestic market) and Hidrocantabrico (6.6%) are two essential players in the power market in Spain: they must remain independent and separate.</p> <p><i>July 2000:</i> Electrabel acquires 10% stake in Cantabrico for Eur 22.75 per share.</p> <p><i>August 2000:</i> TXU announces it would sell its 19.2% stake in Cantabrico.</p> <p><i>September 2000:</i> Ferroatlantica launches a Eur 536 million bid for 25% stake.</p> <p><i>January 2001:</i> EdP supported by Cajastur launches a 2.7 billion bid.</p> <p><i>February 2001:</i> RWE launches an offer of Eur 2.94 billion, i.e. Eur 26 per share.</p> |

April 2001: Ferroatlantica backed by EnBW outbids with a Eur 3 billion offer, i.e. Eur 27.3 per share.

April 2001: Electrabel sells to Ferroatlantica its 10% stake and TXU sells to EdP its 19.2% stake.

May 2001: Ferroatlantica holds 59.6 % stake in Hidrocantabrico, whereas EdP-Cajastur hold only 34.2% stake.

May 2001: The Spanish government blocks the voting rights of foreign shareholders, because of the high degree of state control of EdP and EdF which owns 34.9 % stake in EnBW. According to the Spanish law, the government can restrict the voting rights of state-owned foreign groups that buy into Spain's privatised utilities to 3% in spite of their shares. Furthermore, it asks European Commission to rule on the bid by EnBW.

May 2001: The European commission decides not to reject the EdP-Cajastur's offer.

June 2001: The European Commission begins an investigation into EnBW's entry into the Spanish company in order to determine whether it strengthens EdF's dominant position in Europe.

September 2001: The European Commission approves the concentration under conditions.

December 2001: EnBW broke its alliance with Villar Mir

February 2002: Notification of a joint control of Hidrocantabrico by EnBW, EDP and Cajastur.

Mars 2002: The European Commission approves the concentration under the same conditions as the preceding joint control. To eliminate the competition concerns, EDF, which jointly controls EnBW, and the operator of the French electricity grid, EDF-RTE, undertook to increase to about 4,000 MW the commercial capacity on the interconnector between France and Spain. This undertaking will create the conditions for greater electricity trade volumes

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| Rationale | EdP and EDF, through EnBW, wish to have a foothold in the Spanish electricity market, a fast growing market. Moreover, in the pan-European strategy, EDF tries to establish in its neighbouring market. |
| Additional Remarks | EnBW is allied with Villar Mir through Ferroatlantica which produces ferroalloys and electric power. Ferroatlantica is owned by Villar Mir group, a holding company operating in estate management, ferroalloys, power, fertilisers, financial assets and building real estate. |

Turnover of Ferroatlantica (1999): Eur 159 million.

Suez

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| Country | France |
| Businesses | Electricity generation, transmission, distribution, supply and trading. Others businesses include gas, energy services, water, waste management and communication. |
| Features | <p>Turnover (2001): Eur 42.4 billion</p> <p>Suez is the result of the merger between Compagnie de Suez and Lyonnaise des Eaux in 1997. Suez is multi-utilities and multi-services. Suez operates now in four businesses:</p> <ul style="list-style-type: none"> - Energy: Tractabel is one of the world leading energy companies and owns assets in generation, transmission, distribution, supply and trading of electricity and gas (turnover in 2001: Eur 22.5 billion). Tractabel holds 44% of Electrabel, 40% of Elia, and 47% in Distrigas and Fluxys. Tractabel is present in over 100 countries. - Water: Ondeo, formerly Lyonnaise des Eaux, which is the world largest water service company; - Waste services: Sita is one of the five world largest waste management companies; - Communication: mainly in France and in Belgium. |

Suez/Tractebel-Electrabel (1999-2002)

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| Tractebel | <p>Its core business is energy, including the generation of electricity, trading, transport, distribution of electricity and gas, and sale of electricity. Its skills are correlated enabling Tractebel to offer fully co-ordinated services, covering energy and industrial services, engineering and technical installations. Tractebel is the energy arm of Suez.</p> <p>Generation: capacity worldwide of 50,000MW (installed or developing capacity in which Tractebel owns an interest).</p> <p>Turnover (2000): Eur 18.8 billion</p> |
| Electrabel | <p>Belgium's market leader.</p> <p>Turnover (2001): Eur 12.580 billion (of which Eur 6.638 billion for electricity)</p> <p>Electrabel is a vertically integrated electricity company (generation, distribution and trading).</p> <p>Other businesses include management of networks for public utility services, sales and services for natural gas, cable TV, steam and water.</p> <p>Generation: installed capacity of 24,896 MW with an output of 104,280 GWh</p> <p>Sales: 92,700 GWh for 4.1 million low-voltage customers and 36,904 high-voltage customers</p> <p>Electrabel's shareholders: Tractebel (43.99%), Municipalities (4.67%) and floating shares (51.34%)</p> |
| Description of the operation | <p>Public share exchange offer and public squeeze out bid of Société Générale de Belgique (Suez)</p> <p>Amounts of the bids: Eur 7.5 billion for 98.2% in 1999 and around Eur 200 million in 2002 for the remaining shares.</p> |
| Features | <p><i>October 1999:</i> Suez launches its public share exchange offer presented jointly with Société Générale de Belgique owned by Suez which already holds 51% stake of Tractebel.</p> <p><i>December 1999:</i> at the conclusion of the offer, the Suez Lyonnaise des Eaux Group holds 98.19% of the capital of Tractebel. 48.58% of the capital were tendered in response to the bid. After deducting the shares held by the employees of Tractebel, which were ineligible for tendering for legal reasons (1.18 % of the capital), the public now holds 0.64 % of Tractebel's capital.</p> <p><i>January 2002:</i> Société Générale de Belgique launches a public squeeze-out bid for all Tractebel shares that it does not already hold.</p> <p><i>February 2002:</i> Société Générale de Belgique is legally holding 100% of Tractebel.</p> |

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| Rationale | Suez wishes to simplify its structure and create synergies between Distrigas, Electrabel and Elyo. After the merger of Suez and Lyonnaise des Eaux in June 1997, the group's strategy aims to create a leading provider of private infrastructure services, focusing its development on four service businesses, namely energy, water, waste services and communication. |
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Electrabel/CNR (2000-2002)

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| Compagnie Nationale du Rhône (CNR) | 2 nd French Generation company Generation: installed capacity of 3,000 MW and an output of 16,000 GWh in France (3% of French total production) |
| Description of the operation | Partnership between Electrabel and CNR to create Energie du Rhône. |
| Features | <i>November 2000:</i> Electrabel and CNR sign a commercial and technical partnership agreement in order to create a joint venture <i>August 2001:</i> Electrabel and CNR create Energie du Rhône, in order to sell electricity in France. |
| Rationale | Electrabel, Suez electricity subsidiary, gain a foothold in France and it targets to gain between 10 and 15% of the French eligible market |

Electrabel/EPON (March 2000)

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| N.V. Elektriciteits-Produktiemaatschappij Oost- en Noord Nederland (EPON) | <p>3rd largest Dutch electricity generator</p> <p>Electricity and heat generation. It operates in the Dutch Province of Groningen, Friesland, Drenthe, Overijssel, Flevoland and Gelderland.</p> <p>Generation: installed capacity of 4,650 MW (15 units of production) for an annual generation of 15 TWh</p> <p>Turnover: Eur 804 million</p> |
| Description of the operation | <p>Takeover bid of Electrabel</p> <p>Amount of the bid: Eur 2,176 million</p> <p>Shares: 80%</p> <p>Other shareholder: ING (20%)</p> |
| bFeatures | <p><i>1997</i>: The merger between the four electricity producers (EPON, EZH, EPZ and UNA) fails.</p> <p><i>November 1999</i>: Electrabel signs an agreement with the board of EPON and the shareholders in order to acquire EPON.</p> <p><i>February 2000</i>: Approval from the European Commission</p> <p><i>March 2000</i>: Agreement of the Dutch Ministry of Economic Affairs</p> <p><i>March 2000</i>: The former shareholders (EDON-groep and NUON, which both own 50% stake) sell their shares to Electrabel and ING.</p> <p><i>May 2001</i>: Epon become Electrabel Nederland.</p> |
| Rationale | Consolidation of Electrabel's position on the Benelux electricity market and an increase in its position in Europe |

Electrabel/Spark Energy (2001)

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| Spark Energy | Spark is a new entrant to the electricity market, focusing especially on the middle segment of some 60,000 consumers. Established at the beginning of 2000, it has contracted a portfolio of over 2 TWh per year. Spark is an electricity supply company. It does not have its own distribution network and the ability to hedge electricity supply and demand, to assume the supply responsibility or to produce the electricity itself. |
| Description of the operation | Full takeover of Spark Energy by Electrabel Nederland, subsidiary of Electrabel in the Netherlands. |
| Features | <i>September 2001:</i> Electrabel acquires 100% of Spark Energy. |
| Rationale | These acquisition fits in the Electrabel's strategy of expanding its commercial activity in the Netherlands, because Electrabel still lacked a sizeable and experienced channel-to-market. Electrabel provides Spark all of the competencies it has not yet developed itself. |

Electrabel/Tractebel's European electricity assets (2001)

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| Tractebel | <p>Its core business is electricity and gas, including the generation of electricity, trading, transport, distribution of electricity and gas, and sale of electricity. Tractebel is the energy arm of Suez. Tractebel's European electricity assets include: shareholding in the power station of Polianec (Poland, 25%), Rosen (Italy, 99.5%), Generg (Portugal, 32.5%), and Dunamenti (Hungary, 74.82%); and European commercial affiliates: Electrabel Nordic (Scandinavia), Electrabel Deutschland AG (Germany) and Electrabel Polska (Poland).</p> <p>Production: capacity worldwide of 37,000MW</p> <p>Turnover (2000): Eur 18.8 billion</p> |
| Description of the operation | Amount of the bid: Eur 590 million |
| Features | <p><i>November 2000:</i> The Electrabel Board of Directors decides, at the initiative of its management and following the proposal of Tractebel, to study the possibility of acquiring Tractebel's European electricity assets.</p> <p><i>July 2001:</i> The Boards of Directors of Tractebel and Electrabel approve the proposed transaction, which covers the shareholdings in the power stations and commercial affiliates. The actual acquisition of the Polish and Hungarian power stations would not be able to go ahead until approval has been gained from the national regulatory authorities. Electrabel acquires also a 100% in the European commercial affiliates wherein Tractebel was present: Electrabel Nordic (Scandinavia), Electrabel Deutschland AG (Germany) and Electrabel Polska (Poland).</p> |
| Rationale | Tractebel wants to consolidate the position of Electrabel, its subsidiary, on the European market and increase the synergies between the subsidiaries of the group. The transfer would leave Tractebel free to pursue more lucrative opportunities in international markets outside Europe. Furthermore, this acquisition aims to strengthen the organisation of Suez around its four core businesses (energy, water, waste services and communications). |

Endesa

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| Country | Spain |
| Position in the domestic electricity market | Market leader 1 st Spanish vertically integrated electricity company 2 nd Spanish gas company and telecommunication operator. |
| Features | <p>Turnover (2000): Eur 16 billion</p> <p>Endesa operates in generation, transmission and distribution of electricity in Spain, Latin America and parts of Europe. Other businesses include gas distribution, water treatment, telecommunication and new technologies.</p> <p>Generation: installed capacity of 42,000 MW, of which 20,734 MW were in Spain and 19,278 MW in other countries, mainly in Latin America and an annual production of 165,000 GWh.</p> <p>Sales (1st position in Spain): In 2000, Endesa distributes more than 83,800 GWh of energy to 10.25 million customers in its domestic market and 69,500 GWh to almost 10 million customers abroad</p> |

Endesa/NRE-GRE (2000-2002)

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| Nutsbedrijf Regio Eindhoven (NRE) | 7th largest Dutch distributor of electricity Electricity distribution with 100,000 customers in the area of Eindhoven. Sales: 1,800 GWh (2000) |
| Description of the operation | Takeover bid of Endesa Amount of the bid: Eur 400 million (for both companies) Shares: 100% |
| | Acquisition with the gas distributor GRE (N.V. Gasbedrijf Region Eindhoven) which has 175,000 consumers |
| Features | <i>June 2000:</i> Endesa has agreed to acquire all outstanding shares in the capital of NRE, a municipally owned electricity distributor. Simultaneously NRE will acquire all outstanding shares in GRE, a municipally owned gas distributor. <i>June 2002:</i> Endesa announces that it will not acquire NRE. The completion of the transactions was subject, among others, to the approval from the Dutch Ministry of Economic Affairs prior to a specific date. The approval has not taken place. |
| Rationale | Endesa would have increased its presence in the European energy market. Holland would have served as a trial experience for the development of a supply model to customers that could have been applied in other markets on a larger scale. |

Endesa/REMU (2000-2002)

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| REMU | 4 th largest Dutch electricity distribution company Multi-utility company: electricity, gas and heating distribution. It operates in the region of Utrecht and has 490,000 electricity customers and 452,000 gas customers. Sales: 4,500 GWh (2000) |
| Description of the operation | Takeover bid of Endesa Amount of the bid: Eur 1.145 million Shares: 100% |
| Features | <i>December 2000:</i> Endesa signs an agreement to acquire 100 per cent of the share capital of the Dutch company. The transaction is subject to approval by the Dutch Ministry of Economic Affairs and the regulatory authorities. The shareholders of the company are the Province of Utrecht, the cities of Utrecht and Amersfoort and 25 other smaller municipalities. <i>June 2002:</i> Endesa announces that it will not acquire NRE. The completion of the transactions was subject, among others, to the approval from the Dutch Ministry of Economic Affairs prior to a specific date. The approval has not taken place. |
| Rationale | Consolidation of Endesa's position on the Dutch electricity market and an increase in its position in Europe |

Endesa/SNET (2000)

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| SNET | <p>Electricity generation (5 coal-fired plants)</p> <p>Generation: 2.5% of the French generation market, 3rd largest generator by capacity (2,600 MW) and 3rd by output (6,838 GWh)</p> <p>Turnover (2000): Eur 490 million</p> |
| Description of the operation | <p>Public tender organised by Charbonnages de France (CDF)</p> <p>Amount of the bid: Eur 360 million</p> <p>Shares: 30%</p> <p>Other shareholders: Charbonnages de France (51%), EDF (19%)</p> |
| Features | <p><i>November 2000:</i> CDF sells 30% of SNET to Endesa through a public tender in which Endesa, Suez and RWE, among other companies, submitted bids. The acquisition of 30% of SNET is conditioned upon Endesa's being able to carry out, through SNET, its industrial development plan in France, which includes the possibility to increase its stake in the medium term to reinforce the co-operation with the company. In that respect, according to the basis for the agreement, Endesa will have the possibility to exercise a call option on the share capital of SNET in the hands of CDF at the moment in which it is put up for sale.</p> <p><i>April 2001:</i> The European Commission authorises the purchase, because the deal cannot restrict competition.</p> |
| Rationale | SNET is an interesting opportunity for Endesa to enter into the French market and this acquisition increases the strategic position of Endesa in the European energy market. |

Endesa/Elettrogen (2001)

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| Elettrogen | <p>Electricity generation (Italy's second largest generator, as long as the disposal of Eurogen does not take place)</p> <p>Generation: 5,400 MW of which 5 thermal power stations with a combined capacity of 4,400MW and 3 hydro-electric stations with a capacity of 1,000MW (7% of the Italy's market).</p> |
| Description of the operation | <p>Private auction arranged by Enel (divestiture programme)</p> <p>Amount of the bid: Eur 2.63 billion</p> <p>Shares: 100%</p> |
| Features | <p><i>January 2000:</i> The Italian government authorises the sale of some of the power plants currently owned by Enel which has divided its capacities to be divested into three independent generating companies: Eurogen (7,000 MW), Elettrogen (5,400 MW) and Interpower (accounting for 15,000 MW).</p> <p><i>November 2000:</i> Enel launches the sale of Elettrogen and 26 companies or consortiums make bids.</p> <p><i>August 2001:</i> Enel agrees to sell Elettrogen to the consortium led by Endesa (45%) as core industrial partner and integrated by BSCH (40%) and the Italian company ASM Brescia SPA (15%).</p> <p><i>September 2001:</i> The European Competition Commission approves the acquisition.</p> <p><i>Mars 2002:</i> Endesa purchases an extra 5.7% from BSCH for Eur 126.9 million, increasing its stake to 51%.</p> |
| Rationale | <p>This transaction completes Endesa's acquisition programme in the European generation business for the period 2001-2005. This acquisition allows Endesa to enter Italy's electricity market, one of the most attractive in Europe from a strategic viewpoint. From now on, Endesa's activity in generation in Europe will be mainly focused on consolidating its recently acquired positions and using them as a platform for the development of new initiatives in the electricity business.</p> |

Endesa/Iberdrola (2000-2001)

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| Iberdrola | <p>2nd Spanish vertically integrated electricity company</p> <p>Iberdrola operates in generation, transmission and distribution of electricity for residential, commercial and domestic customers in Spain and in Latin America. Other businesses include services, engineering, information technology, property and telecommunication.</p> <p>Generation: 37.7% of the total in Spain in 2000 (2nd position), with an annual installed capacity of 16,000 MW.</p> <p>Sales (2nd position): Iberdrola distributes more than 51,200 GWh of energy in Spain to 8.7 million customers.</p> <p>Turnover (2000): Eur 7 billion</p> |
| Description of the operation | Merger with a friendly take-over bid of Endesa |
| Features | <p><i>September 2000:</i> Endesa announces a friendly take-over bid of Iberdrola and prepares divestments to gain regulatory approval for the acquisition. A process of Spanish electricity assets disposal will help the entry of new players in the Spanish electricity market.</p> <p><i>October 2000:</i> Both Boards of Endesa and Iberdrola approve their merger. The resources generated (around Eur18 billion) by the divestments will finance expansion plan in international multi-utilities assets and notably in electricity. According to the companies, this merger will generate annual synergies of Eur 500m by reducing operating costs and optimising capital expenditures.</p> <p><i>February 2001:</i> The Spanish government permits the merger but it limits the market share of the merged group because otherwise the merged group would control 80% of the market. The government would limit the generation market share to 42%, the distribution market share to 48% and the electricity supply market share to 40%. Moreover, the government would oblige parties to sell their assets through auction and envisage to reduce subsidies to compensate sunk costs.</p> <p><i>February 2001:</i> The merger collapses because of the stringent competition conditions imposed by the government. The shareholders state that the competition conditions make the operation unviable and that otherwise the merger would not create shareholder value. The management says the market shares limits are too restrictive and the regulatory uncertainty too high to result in the desired synergies and cost savings.</p> |
| Rationale | The new company would have been the 5 th largest electricity and multiservices group worldwide. Divestment resources in Spain would have financed international expansion in electricity and also in telecommunication, services and new technologies. |

Enel

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| Country | Italy |
| Businesses | Electricity (Generation, transmission, distribution, supply and trading), natural gas, water and telecom |
| Position in the domestic electricity market | 1 st Italian vertically integrated electricity company |
| Features | <p>Turnover (2001): Eur 28.8 billion</p> <p>Enel, Italy's state control company, is active in the generation, distribution and supply of electricity in Italy. Enel has the sole ownership of the Italian transmission grid.</p> <p>In 2000, Enel divided its capacities to be divested into three independent generating companies: Eurogen (7,000 MW), Eletrogen (5,400 MW) and Interpower (accounting for 15,000 MW). The non-divested part of generation capacity remains part of Enel</p> <p>Generation: 169 TWh generated in 2001.</p> <p>Electricity sales (free and regulated market): 206 TWh (of which 179 TWh for the regulated market)</p> |

Enel/Viesgo (2001)

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| Viesgo | <p>Viesgo is a vertically integrated power utility with a presence in the electricity generation, wholesale and distribution markets in the north of Spain. It controls about 5% of the generation and distribution market in Spain</p> <p>Viesgo, company set up by Endesa, includes 2610 MW in power generation assets across Spain and a distribution business serving over 600,000 customers. The distribution network covers 24,500 km in an area of northern Spain which includes the provinces of Cantabria, Asturia, Palencia, Burgos e Lugo.</p> <p>Turnover (2000): Eur 650 million</p> |
| Description of the operation | Enel acquires Viesgo for Eur 1.87 billion and assumes Viesgo's debts and provisions for liabilities totalling Eur 277 million. |
| Features | <p><i>September 2001:</i> Endesa announces the sale of Viesgo to Enel. Indeed, Enel had offered the highest price, beating rival bids from Spain's fourth largest generator, Hidrocantabrico and Electrabel.</p> <p><i>November 2001:</i> The European Commission authorized the merger.</p> |
| Rationale | Viesgo is the Enel's platform to further develop its presence in the Spanish market. |

Vattenfall

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| Country | Sweden |
| Businesses | <p>Electricity (dominant product), heat, natural gas, IT, contracting services</p> <p>Electricity generation: 140 TWh (of which 92 TWh in Nordic countries)</p> <p>Electricity sales: 150 TWh</p> |
| Position in the domestic electricity market | Market leader (40% of the power market in Sweden) |
| Features | <p>Turnover(2001): Eur 7.53 billion</p> <p>Vattenfall is wholly owned by the Swedish state.</p> <p>Vattenfall is a vertically integrated power company: generation, transmission, distribution , trading, supply (1.1 million customers), services.</p> <p>It has some power activities outside Sweden: Finland: market share of 8.8%, Norway: market share of 3,7%, Germany (HEW) but also Poland, the Czech Republic, Lithuania ...</p> |

Vattenfall/Ström a/s (1999)

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| Ström a/s | Ström a/s is a Danish electricity sales company. It provides electricity and electricity-related products to Danish customers. |
| Description of the operation | Acquisition of full control over Ström a/s by Vattenfall |
| Features | <p>1998: Vattenfall and Danish NESA form a joint sales company Ström a/s, each owning 50% of the shares in the company.</p> <p>1999: Vattenfall acquires all of the shares of the Danish company.</p> <p>2000: Ström a/s forms an alliance with Denmark's largest oil and petrol company, OK. Together Ström and OK accounts for 10% of the free electricity market.</p> <p>2002: The merged firm is called Vattenfall Danmark a/s.</p> |
| Additional remarks | This acquisition will enable Vattenfall to take a first step in the liberalisation of the Danish electricity market which begins in 2000. |

Vattenfall/Revon Sähkö & Heinola Energia (1999-2000)

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| Revon Sähkö | Revon Sähkö is a Finnish electricity distributor with 43,000 customers and 700 GWh of electricity supply. |
| Heinola Energia | Heinola Energia is an electricity and heat distributor in Finland with 22,000 customers and 325 GWh of electricity supplies.. |
| Description of the operation | <p>1999: Acquisition by Vattenfall of additional hydro and nuclear power generation and a quarter of the wind power generation in Finland from Revon Sähkö.</p> <p>2000: Acquisition of Heinola Energia and Revon Sähkö by Vattenfall</p> <p>2001: Heinola Energia merges with two other Vattenfall's subsidiaries(Hämeen Sähkö and Lulan Sähkö, the first two electricity distribution companies acquired by Vattenfall in Finland) in order to create a new network company with a customer base of about 200,000.</p> |
| Rationale | <p>Gaining generation capacities into the Nordic market in Finland. Including this operation, the total Vattenfall's electricity generation in Finland reaches about 0.8 TWh (1% of total production: 79 TWh). And partly through the two last acquisitions, Vattenfall increased to about 10% its market share in electricity sales in Finland</p> <p>In 1999, the number of network customers increased by 128,500 (12%) in Sweden and Finland through the acquisition of Säffle Elverk, Ingårö Elektriska Distributionsförening, Heinola Energia, Revon Sähkö Oy.</p> |

Vattenfall/ Oslo Energi(1999-2001)

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| Oslo Energi | <p>Oslo Energi is Norway's largest electricity supplier to the household market and one of the biggest on the corporate market. It serves about 385,000 customers. In 2000, it sold 7 TWh.</p> <p>Turnover (2000): Eur 180 million</p> |
| Description of the operation | Acquisition of full control over Oslo Energi |
| Features | <p><i>1999:</i> Vattenfall and Oslo Energi Holding merge their sales operations. The new company is called Oslo Energi, owned by Vattenfall and Oslo Energi Holding (wholly owned by the City of Oslo) with 49 and 51% stakes respectively.</p> <p><i>June 2001:</i> Vattenfall acquires the remaining 51% of Oslo Energi from Oslo Energi Holding, by realising an option from 1999.</p> <p><i>October 2001:</i> Vattenfall sells Oslo Energi to Hafslund.</p> |
| Rationale | This acquisition entered the Vattenfall's strategy to become a leading company in Norway. |

Vattenfall/ Uppsala Energi (2000)

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| Uppsala Energi | <p>Uppsala Energi, a Swedish company, generates and sells electricity and heat, including advanced peat and refuse incineration and also has systems for district-cooling and an urban network for infocom and telecom. Network operations, involving 88,000 network customers, are now included in Vattenfall Sveanät.</p> <p>Uppsala Energi AB was wholly-owned by the Municipality of Uppsala. The group includes Uppsala Energi AB, Uppsala Elnät AB, Ulva Kraft AB, AB Bjursås Kraft, Trilleholms Kraft AB, Roden Energi AB, Roden Energi Försäljning AB, Roden Energi Värme AB, Fyriskraft AB and Härjedalens Mineral AB (81%). The total energy supplied to more than 80,000 customers amounts to approximately 2.5 TWh of electrical power.</p> |
| Turnover (2000): Eur 165 million | |
| Description of the operation | Amount of the acquisition: Eur 372 million |
| Features | <p><i>September 2000:</i> Vattenfall acquires Uppsala Energi</p> <p><i>2001:</i> Uppsala Energi is integrated into Vattenfall.</p> |
| Rationale | Vattenfall has added refuse combustion and peat harvesting to its business. Integrating Uppsala into Vattenfall creates synergies and network operations has been included in Vattenfall Sveanät. |

Vattenfall/ Keski-Suomen Valo Oy & Hämeenlinnan Energia (2000)

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| Keski-Suomen Valo Oy (KSV) | Finnish regional energy company, formerly held by a number of local municipalities, active in electricity generation, transmission and sales, and heat supply. KSV has 75,000 customers and supply 940 GWh of electricity per year. |
| Hämeenlinnan Energia (HE) | Hämeenlinnan Energia sells electricity, gas and heat to 25,000 customers in Hämeenlinna. |
| Description of the operation | <p>Acquisition of KSV and HE by Vattenfall</p> <p>Amount of the acquisition of KSV: Eur 175 million</p> <p>Amount of the acquisition of HE: Eur 80 million</p> |
| Features | <p><i>January 2000:</i> Vattenfall acquires KSV from and the Finnish competition authority approves the acquisition of KSV.</p> <p><i>July 2000:</i> Vattenfall acquires Hämeenlinnan Energia</p> |
| Additional remarks | With these two acquisitions Vattenfall create a “rational geographical structure for Finnish network operations. Vattenfall has a total of 350,000 customers in Finland and sold 4.8 TWh in 2000. |

Vattenfall/HEW (1999-2002)

| | |
|---|---|
| HEW (Hamburgische Energiewerke AG) | <p>HEW is the former electricity monopoly of the city of Hamburg and one of the 8 former electricity generating and grid companies in Germany.</p> <p>It is active in generation, transmission, distribution and supply of electricity (accounting for 3% of the German market with electricity sales of 21TWh and generation of 16 TWh) and district heat. It also has activities in gas supply and waste management.</p> <p>Turnover (1999): Eur 2.330 billion</p> <p>Previously, HEW was owned by Sydkraft, E.ON and FHH, its majority shareholder.</p> |
| Description of the operation | Acquisition of HEW by Vattenfall |
| Features | <p><i>February 2000:</i> FHH sells 25.1% of HEW's shares to Vattenfall for Eur 869 million and retains 25.1% of the shares.</p> <p><i>March 2000:</i> Clearance by the EU Commission of Vattenfall's acquisition.</p> <p><i>October 2000:</i> Vattenfall signs a memorandum of understanding with E.ON and Sydkraft to acquire the majority shareholding in HEW in 2001. Indeed, E.ON and Sydkraft agree to sell their combined 37.2% stake in HEW to Vattenfall. In return they will acquire number of Vattenfall's shareholdings in Norway, Sweden, the Czech Republic. (it includes Vattenfall's stakes in Hafslund (20.5%), Fredrikstad Energiverk (40%), Fredrikstad Energinett (35%), Forsmark Kraft (8%), Forsmark Distribution (100%), Vattenfall Naturgas (51%), etc...).</p> <p><i>May 2001:</i> Vattenfall acquires 15.4% of HEW's shares from E.ON and 21.8% from Sydkraft. Hence, Vattenfall's holding in HEW amounts to 73.8%.</p> <p><i>May 2001:</i> The EU Commission clears Vattenfall's acquisition of HEW.</p> <p><i>June 2002:</i> The City of Hamburg will sell its 25.1% of HEW's share for Eur 869 million.</p> |
| Rationale | <p>HEW seems well positioned with interests in about 100 companies in the power, gas, heating, waste management, telecom sectors to provide Vattenfall with a strong foothold in the liberalised German power market. Its intention is to increase HEW's market share from 3% to 15%.</p> <p>Together with the Berlin utility BEWAG, VEAG, the lignite mining company LAUBAG (providing the fuel for VEAG's recently modernised power plants), Vattenfall intends to form a new integrated group, Vattenfall Europe.</p> <p>Vattenfall's vision is to be a leading European energy company, the Nordic region Poland and Germany being its domestic market. In Germany, Its objective is to control around 20% of the electricity market.</p> |

HEW/LAUBAG, VEAG (2000)

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|-----------------------------------|--|
| HEW | <p>HEW is the former electricity monopoly of the city of Hamburg and one of the 8 former electricity generating and grid companies in Germany.</p> <p>It is active in generation, transmission, distribution and supply of electricity (accounting for 3% of the German market with electricity sales of 21 TWh) and district heat. It also has activities in gas supply and waste management.</p> <p>Turnover(2000): Eur 2.330 billion</p> |
| VEAG (Vereinigte Energiewerke AG) | <p>Eastern Germany's main utility (power generation and transmission operations). VEAG is the fourth largest power company in Germany with a 12.1% market share (electricity sales of 49 TWh). It also operates electricity grid in east Germany.</p> <p>Turnover (2000): Eur 2.250 million</p> |
| LAUBAG (Lausitzer Braunkohle AG) | <p>Lignite producer (Lausitzer Braunkohle AG).</p> |
| Description of the operation | Acquisition of LAUBAG and VEAG by HEW. |
| Features | <p><i>August 2000:</i> HEW signs an agreement for acquisitions in BEWAG which will give HEW a majority shareholding in the company.</p> <p><i>December 2000:</i> HEW pays the equivalent of Eur 2.9 billion to RWE and E.ON for 81.25% (48.75% E.ON and 32.5% RWE) in VEAG and 92.5% (45% E.ON and 47.5% RWE) in LAUBAG. In return E.ON will get a 15.7% stake in Sydkraft from HEW. As regards the sale of VEAG, the government demanded that the buyer gives output, job and investment guarantees. VEAG's new ownership structure is: HEW with 87.5%, EnBW with 6.25% and BEWAG with 6.25%.</p> |
| Additional remarks | <p>The sale does not include regional utility Envia which is owned by RWE. The cartel authorities had given RWE a choice of selling Envia or guaranteeing to purchase 106 TWh/yr to 2004 from VEAG and 10% less each year to 2007.</p> <p>As part of the remedies to the VEBA/VIAG and RWE/VEW mergers, these three operations had to receive the approval EU and German competition authorities.</p> |
| Rationale of the operations: | <p>Critical size argument: The liberalisation of the energy sector in Europe will lead to big industrial changes with a handful of big players.</p> <p>Focus on Northern Europe and especially the area around the Baltic sea.</p> <p>HEW/BEWAG/LAUBAG/VEAG will form the fourth energy group in Germany competing with E.ON, RWE and EnBW.</p> <p>HEW/VATTENFALL/VEAG: the energy mix of the “new force” will be broadly based, covering all essential energy carriers such as lignite (LAUBAG), hard coal, nuclear energy, gas and hydro-electric power.</p> |

Vertical integration: uniform management of the entire value chain, from lignite mining, power generation and distribution suits the lignite based power of east Germany.

HEW/BEWAG (2000-2002)

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|------------------------------|--|
| HEW | <p>HEW is the former electricity monopoly of the city of Hamburg and one of the 8 former electricity generating and grid companies in Germany.</p> <p>It is active in generation, transmission, distribution and supply of electricity (accounting for 3% of the German market with electricity sales of 21TWh) and district heat. It also has activities in gas supply and waste management.</p> <p>Turnover (2000): Eur 2.330 billion</p> |
| BEWAG | <p>BEWAG is the Berlin electricity supplier. It serves 2.1 million customers. It holds a 97% share of Berlin's electricity market and a 25% share of its heating market. Bewag operates a 40 000 km electricity grid and 20 power stations (generation capacity is 3 000 MW of electricity and 6 000 MW of heat, electricity sales are 15 TWh). It is also involved in electricity trading.</p> <p>Turnover (2000): Eur 1,754.5 million</p> |
| Description of the operation | Acquisition of BEWAG by HEW |
| Features | <p><i>August 2000:</i> HEW gains control of BEWAG. It purchased the 49% shares (52.48% of the voting rights) of E.ON in exchange for its 17.5% in Sydkraft, its 61.9% in Hein Gas (Hamburg gas utility) and Eur 248 million in cash (see also the HEW/Veag case). Later HEW gains majority holding by acquiring other 9.23% from institutional investors.</p> <p><i>December 2000:</i> the Bundeskartellamt approves without conditions the concentration between HEW and BEWAG.</p> <p><i>December 2000:</i> Mirant (formerly Southern Energy, a US company holding 26% of HEW) challenges HEW's acquisition of the 49% share held by E.ON in BEWAG claiming it has the right to buy it. A German Court blocks the sale. Eventually Mirant and HEW reached to an agreement but the city of Berlin refused it because it wanted guarantees that BEWAG would be integrated in the new east-German entity, VEAG-LAUBAG.</p> <p><i>April 2001:</i> A new agreement taking into account the conditions set out by the city of Berlin was signed: HEW will take the 49% stake from E.ON and then transfer a part of it to Mirant, each company holding a 38.25% stake in BEWAG.</p> <p><i>April 2001:</i> the Berlin Senate approves the agreement between HEW and Mirant and BEWAG will be joined to the VEAG-LAUBAG entity.</p> <p><i>December 2001:</i> Vattenfall and Mirant announced agreement on Bewag asset</p> |

sale.

December 2001: Sweden's Vattenfall AB bought out Mirant Corp's 44.8% stake in Bewag for \$1.63 billion.

January 2002: Notification of the acquisition of Bewag by Vattenfall to the European Commission.

February 2002: The European Commission approves the concentration without conditions.

Vattenfall Europe/Bewag/HEW/LAUBAG/VEAG (2002)

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|------------------------------|--|
| Vattenfall Europe | Vattenfall Europe is the German subsidiary of Vattenfall. The integrated company is organised into business units which are responsible for the different links in the energy industry's added value chain: The business of Vattenfall Europe ranges from strip mining in Lausitz via production and the transmission network to the sale of heat and power to more than three million end customers in Berlin, Hamburg and western Mecklenburg. |
| Description of the operation | Vattenfall merge its German companies into Vattenfall Europe |
| Features | <i>June 2002:</i> Subsidiaries are formed to administer VEAG's power stations, transmission network and sales business. It is also decided to disincorporate the operative sections of HEW which continue the local business in Hamburg. In a similar process, the Bewag subsidiary, which has a different financial year, will be merged with the holding company over the next year. |
| | <i>August 2002:</i> HEW agrees to the merger with VEAG as well as the name change to Vattenfall Europe AG. |
| Rationale | The merger of Bewag, HEW, LAUBAG and VEAG to form Vattenfall Europe AG has created the third largest energy group on the German market in terms of power generation and sales. Vattenfall Europe generates and sells around 80 TWh of power annually and employs around 18,000 employees. |

Bewag

| | |
|-------------------|---|
| Country | Germany |
| Businesses | Electricity generation, transmission, distribution and supply. |
| Features | <p>Turnover (2000): Eur 1,754.5 million</p> <p>BEWAG is the Berlin electricity supplier. It serves 2.1 million customers. It holds a 97% share of Berlin's electricity market and a 25% share of its heating market. Bewag operates a 40 000 km electricity grid and 20 power stations (generation capacity is 3 000 MW of electricity and 6 000 MW of heat, electricity sales are 15 TWh). It is also involved in electricity trading.</p> |
| Additional Remark | Vattenfall has acquired Bewag and integrated it in Vattenfall Europe |

Bewag-Gaz de France/ Gasag

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|------------------------------|---|
| Gaz de France (GDF) | Gaz de France, wholly state-owned, is the largest French gas company and has a vertically integrated structure. It operates in generation, transmission, distribution, supply and trading of electricity. |
| Gasag | Gasag is Berlin gas utility company with 700,000 gas customers. It sales in 1999 around 15 Twh of gas |
| Description of the operation | Acquisition by GDF and Bewag of 51.2% stake in Gasag selled by the state of Berlin. |
| Features | <p><i>November 1998</i> : The Bundeskartellhammt has given its approval to Bewag increasing its stakes in Gasag to 24.99% from 11.95%.</p> <p><i>February 1999</i> : The European Commission has approved the acquisition of joint control of Gasag by GDF and Gasag.</p> <p><i>June 1999</i> : Bewag has increased its participation in Gasag to 31.5% through the acquisition of 6.58% stake from GDF.</p> |
| Rationale | <p>Bewag hopes to work closely with Gasag in the provision of multi-utility products which can be marketed on the competitive market.</p> <p>GDF extends its position in the German gas market by this new acquisition. Indeed, GDF previously acquired holding in EMB, a regional gas distributor in Brandenburg, two municipal outlets in Oranienburg and Brandenburg, and in EEG, the eastern German oil and gas producer.</p> |

Hafslund ASA

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|---|---|
| Country | Norway |
| Businesses | <p>Electricity generation, transmission, distribution and supply.</p> <p>Electricity generation(2001): 3.2 TWh in Norway and 170 GWh in the USA</p> <p>Electricity sales (2001): 16.7 TWh in Norway</p> |
| Position in the domestic electricity market | Largest distribution company in Norway with 550,000 customers and largest electricity suppliers with 650,000 customers (27% of total Norwegian end-users). |
| Features | <p>Turnover (2001): Eur 980 million</p> <p>Hafslund ASA is one of the largest Nordic listed energy companies. Hafslund's core activities are generation, distribution and sales of electricity. Hafslund is the country's largest energy distribution network owner, the largest in power sales and a significant Norwegian power generator. In addition, Hafslund is a major player in the contracting sector and the security market. Hafslund also owns 33% of Viken Fjernvarme AS, which is Norway's largest district heating company.</p> <p>Following the merger with Viken, Hafslund has established a new organisational structure with six different business areas: Power Generation, Infrastructure, Power Sales, Contracting and Security, Services and Investments.</p> <p>Hafslund ASA is the result of the merger of Hafslund AS with Oslo Energi and Viken in 2001.</p> |
| Additional Remark | Hafslund AS was engaged in generation and has holdings in distribution and sales assets. |

Hafslund ASA/ Oslo Energi (2001)

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|------------------------------|--|
| Oslo Energi | <p>Oslo Energi is Norway's largest electricity supplier to the household market and one of the biggest on the corporate market. It serves about 355,000 customers. In 2000, it sold 8.9 TWh.</p> <p>Turnover (2000): Eur 180 million</p> |
| Description of the operation | <p>Acquisition of full control over Oslo Energi</p> <p>Payment comprise the transfer of loans, cash payments and shares in Hafslund representing approximately 5.8% of the share capital of the expanded Hafslund Group.</p> |
| Features | <p><i>July 2001:</i> Hafslund concluded a letter of intent with Vattenfall to purchase 100% of the shares in Oslo Energi AS (Vattenfall owned a 21% stake in Hafslund but agreed to sell it to E.ON as part of the HEW deal).</p> <p><i>October 2001:</i> Hafslund acquires Oslo Energi from Vattenfall.</p> |
| Rationale | <p>This acquisition will enable Hafslund ASA to strengthen its position within sales of electricity and the development of new products and services for Norwegian power consumers.</p> <p>Together with its ownership stakes Viken Energinett, Tindra Energi AS, OkoKraft AS and Oslo Energi AS, Hafslund has customer base of approx. 700,000 located throughout much of Eastern Norway.</p> |

Hafslund AS/ Viken Energinett (2002)

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|------------------------------|---|
| Hafslund AS | Hafslund is a Norwegian generation (with nine power plants in Norway and a generation capacity of 3,000 GWh/ year), transmission and distribution company. It also owns 4 power plants in the US (power generation of 200 GWh/year). |
| | Turnover: Eur 170 million |
| Viken Energinett | Viken Energinett is Norway's largest distributor of electricity (10.9 TWh in 2000) and biggest supplier of district heating (0.7 TWh in 2000). Viken also owns Ostnett (local and regional network in Akershus and Ostfold). Viken Energinett serves 484,000 customers. |
| | Turnover (2000): Eur 250 million |
| | Hafslund owned 33% of the shares and the remaining shares (67%) was owned by the City of Oslo. |
| Description of the operation | <p>Merger between Hafslund and Viken Energinett</p> <p>The City of Oslo represents a total ownership of 53.7% in Hafslund. The City of Oslo will also receive a cash consideration of Eur 75 million</p> <p>For the completion of the merger, Viken has to de-merge its district heating activity and its non-operational properties.</p> |
| Features | <p>May 2001: Hafslund and the City of Stockholm agree to merge Hafslund and Viken Energinett.</p> <p>December 2001: The merger plan of Hafslund and Viken Energinett is approved by both companies.</p> <p>February 2002: Vattenfall sells its shares in Hafslund to Sydkraft, which controls then 26.5% of the votes and 21.5% of the shares. This sale is a part of Vattenfall's payment for the acquisition of HEW to Sydkraft and E.ON.</p> |
| Rationale | <p>The new company has about 550,000 grid customers and more than 700,000 electricity customers, mainly in the East Norway region. The merger increase synergies between both companies.</p> <p>After the merger, Oslo Municipality will be the largest shareholder in Hafslund ASA with an overall stake of 53.7 %. Other major shareholders include Sydkraft with a 21.5 % holding.</p> |

FORTUM

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|------------|---|
| Country | Finland |
| Businesses | <p>Power generation and sales, electricity transmission and distribution, heat generation and sales, oil and gas (exploration and production in Norway, Oman and Russia), service, engineering.</p> <p>Electricity: generation: 9.15 MW, sales: 47.1 TWh (27.6 TWh in Finland) including 50% of Birka Energi electricity sales, distribution: 900,000 customers (in Estonia, Finland, Germany and Sweden)</p> |
| Features | <p>The Finnish government owns 61% of Fortum.</p> <p>Turnover (2001): Eur 10.4 billion</p> <p>Fortum is a vertically integrated power company: power generation, electricity transmission and distribution: regional and distribution networks. Fortum also has a 25.1% participation in Fingrid.</p> <p>It has a few power activities outside Finland:</p> <p>Sweden, UK and Ireland, Baltic countries: power and heat generation, distribution and marketing.</p> |

NESTE/IVO (1998)

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| NESTE | It was the former Finnish oil, gas, and chemicals monopoly. Neste was owned by the Finnish State (with 83.17% of the shares). Neste held 75% of the Finnish gas monopoly Gasum. |
| IVO | Utility giant Imatran Voima Oy (IVO). Its activities covered power and heat production and distribution. The Finnish State owned 95.6% of the shares. |
| Description of the operation | Merger between NESTE and IVO to form a new entity, FORTUM, in which the Finnish State would have 50.1% of the shares. |
| Features | <i>June 1998:</i> the operation receives the approval of the EU Commission subject to some conditions. Indeed, the Commission considered that IVO-NESTE would hold a dominant position both in the gas and power distribution sectors. One of these conditions is that the new entity has to divest 2/3 of its assets in Gasum (i.e., 50% of the shares of the company, 26% sold to the Finnish state and the remaining 24% to other independent companies). |
| Rationale | The aim of the Finnish State is to form a national leader in the Nordic energy sector. |

Fortum/Elektrizitätswerk Wesertal (EW) (1999-2000)

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|------------------------------|--|
| Elektrizitäts-werk Wesertal | Regional supply company whose activities are concentrated in lower Saxony. It offers electricity, heat and gas to 230,000 customers (180,000 customers for electricity and gas). The electricity sector accounted for 81% of net sales (Eur 247 million) in 1999. EW also has access to electricity generation capacity through various shares in power plants. |
| Description of the operation | Acquisition of EW by Fortum Energie (the German subsidiary of Fortum) |
| Features | <i>End of 1999:</i> acquisition for Eur 390 million of the entire share capital of EW <i>January 2000:</i> The European Commission approves the acquisition. <i>April 2002:</i> Acquisition of Fortum Energie by E.ON. |

Fortum/Stora Enso power assets (2000)

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|------------------------------|---|
| Stora Enso | Stora Enso is one of the world leaders in the paper industry. It produces a wide range of paper and wood products such as magazine paper, newsprint, fine papers, packaging boards, and sawn timber. Stora Enso entered the US market by acquiring US-based Consolidated Papers for USD 4.9 billion. The Finnish State and Investor AB in Sweden each control about 24% of Stora Enso. |
| Description of the operation | Acquisition by Fortum of Stora Enso's power plant capacity in Sweden (1,238 MW) and Finland (159 MW) corresponding to 1511 MW and 6.7 TWh. Value of transaction: Eur 1.8 billion |
| | Acquisition by Birka Energi of Stora Enso regional Network |
| Features | <p><i>April 2000:</i> Fortum and Enso Stora sign a letter of intent setting the 1st transaction's asset value to Eur 1.7 billion. The 2nd transaction corresponds to about Eur 150 million.</p> <p><i>May 2000:</i> the Swedish and Finnish competition authorities approve of the concentration.</p> |
| Rationale | <p>It was a unique opportunity to increase the share of hydropower in Fortum's generation portfolio. The rationale is partly based on the future competitive edge of hydro and nuclear power (free of gas emissions and better suited to the evolution of electricity prices in the Nordic market).</p> <p>It will improve Fortum's competitiveness in its most focal market area in Nordic countries.</p> <p>Stora Enso's regional distribution network is located within the central part of Birka Energi distribution one.</p> |

Gullspang Kraft/ Stockholm Energi (1998)

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|------------------------------|---|
| Gullspang Kraft | Swedish subsidiary of Fortum active in the business of production and distribution of electricity and heating, electricity measuring systems and services related to electricity production. |
| Stockholm Energi | Stockholm Energi is held through Stadshusettan AB, owned by the City of Stockholm through Stadshuset, and carries out its activities in the field of electricity, heating, cooling and gas. |
| Description of the operation | <p>Merger between Stockholm Energi and Gullspang Kraft to form Birka Energi.</p> <p>Transfer by Stadshuset of 50% of the share capital of Stadshusettan to IVO and a transfer by IVO of the whole of the share capital of Gullspang Kraft to Stadshusettan, which became Birka Energi.</p> <p>Birka Energi then owns all the share capital of both Stockholm Energi and Gullspang Kraft.</p> |
| | Turnover 1999: Eur 1.3 billion |
| Features | <p><i>1996:</i> IVO acquires Gullspang Kraft</p> <p><i>July 1998:</i> Stockholm Energi and Gullspang Kraft merges leading to an entity jointly owned by Fortum and the City of Stockholm</p> <p><i>August 1998:</i> The EU Commission approves the merger</p> |
| Rationale | <p>Birka Energi becomes the third largest power producer after Vattenfall and Sydkraft and the largest producer of district heat in the Nordic countries. It sells electricity and heat and owns and operates power (4570 MW) and heating plants and electricity distribution networks in greater Stockholm and central Sweden. It has the largest customer base in Sweden with 840,000 customers for electricity in 1998.</p> <p>Fortum pursues a growth strategy in Sweden: its intent is to become Sweden's second largest power group after Vattenfall.</p> |

Fortum/Birka Energi (2001)

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|------------------------------|---|
| Birka Energi | Birka Energi AB is the third largest energy company in Sweden with 4,484 MW of hydroelectric, nuclear and other electricity generation capacity, 830,000 retail electricity customers, 15 electricity distribution areas with 900,000 customer connections and a district heating network serving 6,800 customers mainly in the Stockholm area. Birka Energi is a 50:50 joint venture between Fortum and the City of Stockholm Turnover 2000: Eur 1.4 billion |
| Description of the operation | Full takeover Amount of the acquisition: Eur 1.5 billion |
| Features | <i>February 2001:</i> Fortum starts to negotiate to buy the 50% stake in Birka owned by the City of Stockholm <i>November 2001:</i> Fortum Corporation and the City of Stockholm signe an agreement for Fortum to purchase the City's 50% interest in Birka Energi AB for a total price of Eur 1.5 billion (SEK 14.5 billion). The City of Stockholm retains a 50% economic interest in Birka Energi's district heating business (Birka Värme). <i>January 2002:</i> The European Commission approves the merger. |
| Rationale | Fortum expects the annual value of synergies to be up to Eur 60 million by 2004 thanks the integration of Birka Energi with Fortum and the close and complementing relation between the two companies. The acquisition strengthen the leading position of Fortum in the Nordic markets. |

STATKRAFT

| | |
|---|---|
| Country | Norway |
| Businesses | <p>Hydro-electric power production, transmission and trading, power plant operations, Service (engineering, design and operation of energy projects in Norway and internationally).</p> <p>Electricity: generation: 33.7 TWh, sales: 35 TWh</p> |
| Position in the domestic electricity market | Largest hydroelectric power producer in Norway. |
| Features | <p>Statkraft is owned by the Government of Norway.</p> <p>Turnover: Eur 680 million</p> <p>Statkraft's main activities are concentrated in power generation.</p> <p>It has some power activities outside Norway:</p> <p>Sweden, Germany (power trading operations), The Netherlands (power trading), Denmark (power trading and end-user distribution).</p> |

Statkraft/Sydkraft (1999-2000)

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| Description of the operation | Statkraft buys ownership stake in Sydkraft |
| Features | <p><i>End of 1999:</i> Statkraft owns 29.4% of the capital of Sydkraft and 28.2% of the votes.</p> <p><i>2000:</i> Statkraft buys 10.8 million shares in Sydkraft. It now owns 35.1% of the company's capital and 28.9% of the voting rights.</p> <p><i>April 2000:</i> Statkraft announces that it will not sell its 35.7% stake in Sydkraft to E.ON.</p> <p><i>Later in 2001</i> E.ON will gain control over Sydkraft with around 61% of the shares.</p> |
| Rationale | <p>Sydkraft has a mean production of 27 TWh and one of Statkraft's goals is to expand production capacity by way of acquisitions.</p> <p>Moreover, the company has considerable activity in the field of distribution network operations, gas distribution, heat.</p> <p>Statkraft rejected Eon's offer saying its stake in Sydkraft was an important asset in its goal to become one of Northern Europe's leading energy companies.</p> |

**Statkraft/Skiensfjordens kommunale kraftselskap AS (SKK)& Statkraft/Vestfold Kraft AS (VK)
(2000)**

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|------------------------------|--|
| SSK & VK | SSK and VK are two Norwegian regional power companies. |
| Description of the operation | Merger between SKK and VK. |
| Features | The two companies (SSK and VK) merge under the name Skagerak Energi AS. Statkraft has a 34% stake in the new entity. |
| Rationale | Gather energy-related activities in the counties of Vestfold and Telemark. In Norway the objective of Statkraft is to strengthen its position by acquiring regional companies and through them being better suited to face international competition in the future. |

BKK/SKK & Vestfold Kraft (2001)

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|------------------------------|---|
| BKK | BKK is a vertically integrated electricity group with power generation, sales to consumer, transmission and distribution of electricity in Norway and Sweden. It is owned by 20 municipalities and Statkraft. |
| Description of the operation | Merger between BKK's subsidiary, BKK Kraftsalg, and SKK and Vestfold Kraft. |
| Rationale | The new merged company will be Norway's largest power supplier with 350,000 customers. It will also participate in the Swedish and Danish power markets. |

Kristiansand Energiverk & Aust-Agder Kraftverk & Vest-Agder (2000)

| | |
|-------------------------------|--|
| Aust-Agder Kraftverk (AAE) | AAE merged with Arendal Energiverk on January 1, 2000. AAE is owned by the municipality of East Agder, and produces, sells and distributes power locally, and its own its distribution networks. |
| Kristiansand Energiverk (KEV) | KEV is active in generation and distribution of electricity. In 2000, KEV has an electricity output of 2.7TWh or 2% of total production in Norway and distributes 2.7 TWh. |
| Vest-Agder | Vest-Agder generates and distributes electricity, and it owns its networks. In 2000, it distributes 1.5 TWh and generates 2.9 TWh |
| Description of the operation | Merger between AAE KKEV and Vest-Agder to form Agder Energi |
| Features | <i>June 2000:</i> Kristiansand Energiverk, Aust-Agder Kraftverk and Vest-Agder have agreed to merge to form Agder Energi |
| Rationale | The merger creates the third Norwegian largest local utility after Oslo Energi and Hafslund. |

Statkraft/ Agder Energi (2001-2002)

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|------------------------------|---|
| Agder Energi | <p>The establishment of the Agder Energi AS Group was decided on 30, June 2000, through merger of three companies; Aust-Agder Energi AS, Kristiansand Energiverk AS and Vest-Agder Energiverk DA. Agder Energi is Norway's third largest energy group.</p> |
| | <p>The retail company LOS has 146,000 customers.</p> |
| | <p>The Group has a number of wholly and partly owned daughter companies, engaged in activities such as alternative energy sources, lighting and energy economization. Agder Energi has extensive operations throughout the Agder region, and operates power plants and transmission networks. The total operated regional and distribution network is 18,000 km</p> |
| | <p>The turnover of Agder Energi AS in 2000 was Eur 310 million.</p> |
| Description of the operation | Takeover bid |
| Features | <p><i>May 2001:</i> Agder Energi's owners choose commence talks with Statkraft.</p> |
| | <p><i>September 2001:</i> Statkraft increases its take-over bid for Agder Energi. The Agder Energi's owners accept it. The agreement includes industrial activities in the area of Agder. Statkraft purchase 45.5% of the shares of Agder Energi.</p> |
| | <p><i>December 2001:</i> The competition authorities, Konkuransetilsynet, open investigation on the acquisition.</p> |
| | <p><i>January 2002:</i> Konkuransetilsynet asks Statkraft to find some solutions in order to preserve competition, because the preliminary findings stress the increase in concentration in market power in South Norway.</p> |
| | <p><i>March 2002:</i> The competition authorities reject the Statkraft's acquisition of share in Agder Energi despite some remedial measures proposed. According to the competition authorities, the acquisition would reduce competition in the wholesale market and thus would increase price for Norwegian consumers. For the Konkuransetilsynet, the relevant market is determined by the transmission capacity. When capacity is not binding, the relevant market is the Nordic area. However, when capacity is binding, Southern Norway is the relevant market as regards Statkraft's Agder acquisition, and Statkraft may exercise market power.</p> |
| | <p><i>April 2002:</i> Statkraft appeals the competition authorities' decision to the Ministry of Labour and Government Administration.</p> |
| Rationale | <p>Statkraft would increase its positions in South Norway. Statkraft seeks to reinforce its position in the different Nordic region in order to be better equipped to compete with large international market participants in the Nordic market.</p> |

Statkraft/ Trondheim Energiverk(2001)

| | |
|------------------------------|--|
| Trondheim Energiverk | Trondheim Energiverk has a mean annual production of 3.2 TWh. It has about 80,000 network and electricity customers. Trondheim Energiverk was owned by the City of Trondheim, Norway. |
| Description of the operation | Amount of the bid: Eur 560 million Statkraft will also pay Eur 6.6 million to a municipal development fund and Eur 1.3m on studying multi-utility concepts in association with Trondheim Municipality. |
| Features | <i>December 2001</i> : Statkraft acquires 100% of Trondheim Energiverk, but the acquisition is subject to investigation of competition authorities. |
| Rationale | Subsequent to the acquisition of Trondheim Energiverk, Statkraft is the second largest market participant in the Norwegian end-user market for electricity. In the common Nordic wholesale energy market Statkraft is the second largest producer of electricity after Vattenfall. |

British Energy

| | |
|---|--|
| Country | United Kingdom |
| Business | Electricity generation |
| Position in the domestic electricity market | Largest UK generator in 2001 with over 20% market share |
| Features | <p>Turnover (2001): Eur 3.3 billion</p> <p>The company owns and operates 8 nuclear power stations in the UK with a combined capacity of approximately 9,600 MW.</p> <p>In 2000, they produced a total output of 63 TWh</p> |
| Additional Remarks | The company was privatised in 1996 and listed on the London and New York Stock Exchanges. |

British Energy/Swalec (1999-2000)

| | |
|---|---|
| Swalec electricity and gas supply businesses. | Distribution and supply of electricity and gas in Wales. The Swalec Energy supply business was formerly owned by Hyder. Distribution: 850,000 electricity consumers and 350,000 gas consumers Turnover (2000): Eur 900 million |
| Description of the operation | Private arrangement organised by Hyder Amount of the bid: Eur 165 million |
| Features | <i>June 1999:</i> British Energy announces its proposed acquisition of Swalec from Hyder plc for a consideration of Eur 160 million. <i>September 1999:</i> The government approves the acquisition. <i>February 2000:</i> British Energy achieves the purchase of Swalec's supply business. <i>August 2000:</i> British Energy sells Swalec's supply business to Scottish and Southern Electricity |
| Rationale | The acquisition complements British Energy's existing electricity supply business giving the enlarged Group the benefit of representation in all supply market segments, a share of approximately 6% of the total electricity supply market in England and Wales, a platform for increasing competition and improving standards of services for all energy customers. Few months later, British Energy has decided to switch from domestic retail sales to concentrate on wholesale contracting and direct sales to industrial and commercial customers. |

Scottish and Southern Energy

| | |
|---|--|
| Country | United Kingdom |
| Businesses | Supply of electricity |
| Position in the domestic electricity market | 3 rd largest power supplier |
| Features | Turnover (2000): Eur 4.9 billion Merger of Scottish Hydro-electric and Southern Electric. The new group changed its name for Scottish and Southern Energy |

Scottish Hydro-electric/Southern Electric (1998)

| | |
|------------------------------|--|
| Southern electric plc | <p>Distribution and supply of electricity to industrial, commercial and domestic consumers, electricity generation, electrical and utility contracting, environmental control system and gas marketing.</p> <p>Generation: 700MW</p> <p>Distribution: 2.6 million customers in Southern England</p> <p>Turnover (1998): Eur 2.8 billion</p> |
| Scottish Hydro-electric plc | <p>Generation, transmission, distribution and supply of electricity to industrial, commercial and domestic consumers. The group holds the Generation, Transmission and Public Electricity Supply licences for the North of Scotland and the second tier electricity licences for the supply of electricity throughout the rest of Great Britain.</p> <p>Generation: installed capacity (1998) of 2,800 MW</p> <p>Distribution: 634,000 customers</p> <p>Turnover (1998): Eur 1.6 billion</p> |
| Description of the operation | The deal gives Southern shareholder 55% of the combined business and Scottish hydroelectric shareholders 45%. The merged company's name becomes Scottish and Southern Energy. |
| Features | <p><i>September 1998:</i> Southern electric and Scottish Hydro merge in a single company.</p> <p><i>December 1998:</i> The Secretary of States for Trade and Industry declares the merger unconditional.</p> |
| Rationale | Creation of a new vertically integrated company in order to gain synergies (Eur140 million) and become the UK's third electricity company. |

Scottish and Southern Energy/ SWALEC (2000)

| | |
|------------------------------|---|
| SWALEC | Distribution and supply of electricity and gas in Wales. Swalec Energy supply business was formerly owned by British Energy. Distribution: 850,000 electricity consumers and 350,000 gas consumers Turnover (2000): Eur 905 million |
| Description of the operation | Amount of the take-over bid: Eur 330 million |
| Features | <i>August 2000:</i> Scottish and Southern Energy agree to acquire the Swalec energy supply business from British Energy. The deal is not conditional on regulatory approval. |
| Rationale | Scottish and Southern Energy consolidates its supply position in UK. |

National Grid Transco

| | |
|---|---|
| Country | UK |
| Businesses | Electricity and Gas transmission |
| Position in the domestic electricity market | Regulated monopoly on electricity transmission in England and Wales. |
| Features | <p>National Grid Transco is to be a leading international energy delivery company. It is estimated to have a combined market capitalization of about \$ 24 billion. National Grid Transco has become the UK's largest utility.</p> <p>National Grid Transco will own and manage the high-voltage electricity transmission network in England and Wales, comprising approximately 8,000 km of overhead lines and underground cables. In the US, National Grid has electric transmission and distribution assets with a total length of approximately 140,000 km, serving over 3.2 million electricity customers.</p> <p>In Great Britain, National Grid Transco will own and manage the principal gas transportation system, comprising approximately 6,400 km of high pressure pipelines and around 275,000 km of lower pressure (local transmission and distribution) pipelines.</p> |

National Grid Group / Lattice Group(2002)

| | |
|------------------------------|--|
| National Grid Group | <p>National Grid Group plc (National Grid) is the owner of The National Grid Company plc (NGC) which owns and operates the electricity transmission system for England and Wales and electricity transmission and distribution networks.</p> <p>National Grid also operates England-France interconnector and owns the England side of the England-Scotland interconnector. It is also developing an interconnector in Australia and has interests in transmission networks in Argentina and Zambia with joint venture partners.</p> <p>In addition, National Grid owns EnMO Limited (which operates the on-the-day commodity market (OCM) in gas), has various telecommunications interests</p> <p>Turnover: Eur 5.9 billion (2001)</p> |
| Lattice Group | <p>Lattice Group plc (Lattice) is the owner of Transco plc (Transco) which owns and operates the majority of the gas transportation system in Great Britain (GB). Transco also operates all of the Liquified Natural Gas (LNG) storage facilities in GB, provides metering and meter reading services for gas suppliers, provides connections to the gas network and has various telecommunications interests in Great Britain and continental Europe.</p> <p>Turnover (2001): Eur 4.9 billion (excluding turnover related to the NTS entry capacity auction)</p> |
| Description of the operation | <p>Merger of National Grid and Lattice.</p> <p>National Grid shareholders would hold about 53.7% in the entity and Lattice shareholders 46.7%. National Grid will issue new National Grid shares to Lattice shareholders in consideration of their shares in Lattice. Lattice will then issue 100% of its shares to National Grid and will become a wholly owned subsidiary of National Grid. National Grid will be renamed National Grid Transco.</p> |
| Features | <p><i>April 2002:</i> National Grid and Lattice announce a plan to merge, creating the UK's biggest utility.</p> <p><i>May 2002:</i> National Grid and Lattice notify the proposed transaction to the Office of Fair Trading.</p> <p><i>July 2002:</i> The Secretary of State for Trade and Industry decides not to refer the merger of National Grid and Lattice to the Competition Commission.</p> <p>The merger remains subject to the approval of shareholders of National Grid and Lattice, sanction of the Lattice scheme of arrangement by the High Court, and the satisfaction of a number of conditions including regulatory consents and approvals. National Grid and Lattice remain confident that the merger will complete during autumn 2002.</p> |
| Rationale | <p>The new combined company will offer an enhanced operational and financial platform for future growth in the liberalising energy markets.</p> <p>The merger would generate pre-tax financial benefits and savings. Savings are expected to come from the progressive combination of the operations of the two UK transmission businesses, sharing best practice between the US and the UK</p> |

business and further financial synergies.

National Grid and Lattice estimate their cost synergies, at £100m a year from the first full year after completion.

Centrica

| | |
|----------|--|
| Country | UK |
| Features | <p>Turnover: Eur 19.7 billion (2001)</p> <p>BGT is a wholly owned subsidiary of Centrica which was formed in 1997 by the demerger of British Gas plc. Centrica is a customer services company with significant energy interests (both in GB and other countries) and is also involved in telecoms. Centrica owns the AA (the Automobile Association) and provides various financial services through its brand Goldfish.</p> <p>Through its wholly owned subsidiary Accord, BGT is involved in electricity and gas trading, supply and generation. It owns two power stations - Kings Lynn power station, a 350 MW combined coal and gas turbine power station; and Peterborough power station, a 405 MW combined coal and gas turbine power station- and it has a 60% share in Humber Power Limited, which has a total capacity of approximately 1,312 MW</p> <p>BGT's principal activities include: electricity supply business supplying approximately 155,000 I&C sites and 5.4 million domestic electricity customers; electricity and gas trading in the wholesale and forward markets, gas supply business, supplying approximately 316,000 I&C sites and 13.8 million domestic gas customers. BGT also supplies gas to combined cycle gas turbine plants, its share of this market is approximately 20%; and gas shipping.</p> |

British Gas Trading/ Enron Direct (2002)

| | |
|------------------------------|---|
| Enron Direct | <p>Enron Direct is a subsidiary of Enron Europe Limited (Enron Europe) which is itself a subsidiary of Enron Corporation, the US parent company. Enron Direct holds an electricity supply licence, a gas supply licence and a gas shipper licence and is licensed to supply electricity and gas to domestic and non-domestic (I&C) customers</p> <p>Enron Direct's electricity supply business had approximately 149,000 non-domestic sites, mainly small scale I&C customers. In addition, Cambridge Gas Company Limited, Crown Oil Limited, Telecom Plus plc, Energy Supplies (UK) Limited and North Wales Energy have contracts with Enron Direct to act as third party selling agents for Enron Direct for the supply of electricity to customers. The agents have responsibility for all customer facing activity, including the setting of retail prices and billing. These agents supply approximately 34,000 domestic customers and 2,000 I&C customers. Enron Direct's other businesses are electricity trading through NETA; gas supply and shipping</p> <p>Enron Direct's supply business has approximately 2.5% of the supply of electricity to I&C sites in Great Britain (GB) by volume (3.8% by number of sites). EDL supplies, through the agency contracts, 0.14% of the total domestic electricity customers in GB (by customer number) and 0.09% of the total I&C electricity sites in GB (by number of sites)</p> |
| Description of the operation | <p>Auction organized by PricewaterhouseCoopers, administrators for Enron Europe</p> <p>Amount of the acquisition: Eur 150 million</p> |
| Features | <p><i>November 2001:</i> Enron Europe and other Enron subsidiaries go into administration and PricewaterhouseCoopers is appointed as administrators for the company.</p> <p><i>December 2001:</i> BGT enters into an agreement with PricewaterhouseCoopers and Enron Direct to acquire Enron Direct's gas and electricity supply customers and certain of its assets, including its agency contracts</p> <p><i>January 2002:</i> BGT notifies the transaction to the OFT.</p> <p><i>April 2002:</i> The Secretary of State for Trade and Industry decides not to refer the acquisition to the Competition Commission</p> |
| Rationale | Following its acquisition, BGT doubles its commercial electricity base. BGT supplies 3.5% of electricity to I&C sites in GB by volume and 7.7% by number of sites. |

Sydvest Energi

| | |
|------------------------------|---|
| Sydvest Energi | <p>Sydvest Energi is a Danish electricity companies.</p> <p>No of customers of Sydvest Energi (2000): 52 000</p> <p>Sales (2000): 1 400 GWh</p> <p>Turnover (2000): Eur 48 million</p> |
| Vest Energi | <p>Vest Energi is a Danish electricity companies.</p> <p>No of customers of Vest Energi (2000): 103 000</p> <p>Sales (2000): 800 GWh</p> <p>Turnover (2000): Eur 72 million</p> |
| Description of the operation | Merger of Sydvest Energi and Vest Energi to form one of the largest electricity companies in Denmark. |
| Features | <p><i>March 2001</i>: the merger was approved by the representatives of the two firms.</p> <p>The merged firm is called Sydvest Energi and it is the third Danish electricity companies.</p> |
| Rationale | <p>The merger was a result of the liberalisation of the Danish electricity market which has led to stronger competition. From January 1, 2003 all consumers in Denmark will be able to freely choose supplier.</p> <p>The aim of the merger for each of the two firms is to expand from a regional to a national player.</p> <p>Costs reduction of about Eur 4 million are expected in four years as a result of staff reduction.</p> |

Essent

| | |
|---|--|
| Country | The Netherlands |
| Businesses | Electricity and gas distribution, cable/telecommunication and environment/waste processing |
| Position in the domestic electricity market | Leading energy distribution company |
| Features | <p>Turnover (2001): Eur 6.6 billion (of which 3.3 for electricity and 2.2 for gas)</p> <p>Essent is born from the merger of three Dutch distribution companies (Pnem and Mega in 1997 and Pnem Mega and Edon in 1999)</p> <p>The company is also the sole shareholder of EPZ, the fourth largest generation company in the Netherlands.</p> <p>Essent is a holding company with 6 divisions: Essent Retail (electricity and gas supply to domestic and small business customers), Essent Energy (electricity and sustainable energy generation, energy supply to business customers and complementary energy services), Essent Cablecom (audio and video services, telephony and broadband data and Internet communication); Essent Environment (waste processing supply chain management, energy from waste and production of secondary fuels and building materials), Essent Networks (energy networks management and operation), Essent International(services outside the Netherlands (currently in Germany)).</p> <p>Electricity sales (2001): 52,000 GWh to 2.4 million customers</p> <p>Electricity generation (2001): 8,800 GWh</p> <p>Essent's Shareholders: 6 Dutch Provinces (74 % of which Noord Brabant (30.1%), Overijssel (18.7%), Limburg (16.1%)) and 150 municipal authorities (26%). Most municipal authorities have combined their respective control in two Associations of Municipal Shareholders, for the north and the south of the Netherlands respectively.</p> |

Pnem Mega/ Edon (1999)

| | |
|------------------------------|--|
| Pnem Mega Group | Pnem Mega Group was one of the largest distribution companies in the Netherlands. The group was formed in 1997 with the merger of two distribution companies Pnem and Mega (respectively in Brabant and Limburg) |
| | Pnem Mega had a 33% stake in EPZ, one of the four generation companies in the Netherlands |
| Edon | Edon was a Dutch distribution company in Groningen, Drenthe and Overijssel and had 50% stake in Epon, one of the four Dutch generation companies. |
| Description of the operation | Merger of Pnem Mega Group and Edon to form the largest electricity company in the Netherlands. |
| Features | <p><i>January 1999:</i> Pnem Mega and Edon announces their merger and the new group will be called Essent</p> <p><i>June 1999:</i> The Dutch competition authority, NMa, initiate an investigation into the merger . NMa fears cartels may be formed between large Dutch lectricity companies because the new company would have a market share of over 40 % in electricity generation and supply.</p> <p><i>Octobert 1999:</i> NMa approves the merger under conditions. The new company must sell off its 50% stake in Epon.</p> <p><i>November 1999:</i> Electrabel signs an agreement with the board of EPON and the shareholders in order to acquire EPON</p> |
| Rationale | Essent would build a broad retail organization based on networks activities. The merger will reduce operational costs and increase cooperation between the merged network companies for the development of new services. |

Essent/Stadtwerke Bremen(2000)

| | |
|------------------------------|--|
| Stadtwerke Bremen | <p>Stadtwerke Bremen is an energy generator and distributor and in addition has activities in telecommunications, drinking water production, industrial water and waste processing. Stadtwerke Bremen is also a specialist in water processing, wastewater processing and real estate facilities. The enterprise has 4,400 employees and a customer base of 290,000 consumers and around 30,000 business customers. In addition, Stadtwerke Bremen serves 1,100 larger industrial customers.</p> <p>Turnover (2000) : EUR 827 million</p> |
| Description of the operation | <p>Essent is to acquire this interest by taking over 87,166 shares (41.5%) from the Bremer Versorgungs- und Verkehrsgesellschaft mbH (BVV) and by fully subscribing for an issue of 147 new shares.</p> <p>Amount of the acquisition: EUR 560 million</p> |
| Features | <p><i>May 1995:</i> Veba acquires 25% stake in Stadtwerke Bremen.</p> <p><i>May 1996:</i> The German antitrust authority (Bundeskartellamt) forbids the acquisition by Veba on grounds that it gives Veba/PreussenElektra considerable competitive influence over the municipal utility. The takeover would strengthen PreussenElektra's already market-dominating position in the region, given that the supply area of the Bremen utility ed on three utilities -Hastra, EWE and UeNH - in which PreussenElektra held either a majority or a sizeable stake.</p> <p><i>June 2000:</i> Essent and the city of Bremen reach agreement on the acquisition by Essent of a 51% controlling interest in Stadtwerke Bremen.</p> |
| Rationale | The acquisition of Stadtwerke Essent provides an important foothold for Essent in Germany. |

Nuon

| | |
|---|--|
| Country | The Netherlands |
| Businesses | Electricity, gas, water and heat |
| Position in the domestic electricity market | Second energy distribution company after Essent. |
| Features | <p>Turnover (2001): Eur 4.5 billion</p> <p>Nuon is born from the merger of four Dutch distribution companies (Nuon, ENW, Gamog and EWR). Nuon also operates internationally through participation in foreign companies and by building and managing renewable energy projects beyond our own national borders.</p> <p>Nuon provides almost 5 million private and business customers with products and services.</p> <p>Electricity sales : 25 TWh</p> <p>Electricity generation: 1,200 GWh</p> |

Nuon/ENW/Gamog/EWR (1999)

| | |
|--|--|
| Nuon | <p>Nuon is an electricity, gas and heat distribution company in Gelderland, Friesland and Flevoland. Nuon is also active in water.</p> <p>Nuon has a 50% stake in EPON, one of the four Dutch generation company.</p> <p>Nuon's shareholders are the Provinces of Gelderland, Friesland and Flevoland and several municipal authorities.</p> |
| Energie Noord West (ENW) | <p>ENW is an electricity, gas and heat distribution company in Noord-Holland and in Amsterdam. It also owns wind farms.</p> <p>ENW's shareholders are the Province of Noord-Holland and several municipal authorities.</p> |
| Gamog | <p>Gamog is an ENW is a gas and heat distribution company in Gelderland and Flevoland.</p> <p>Gamog's shareholders are the Provinces of Gelderlandand Flevoland and several municipal authorities.</p> |
| Energie en Watervoorziening Rijnland (EWR) | <p>EWR is an electricity, gas and heat distribution company in Zuid-Holland.</p> <p>EWR's shareholders are the Province of Zuid-Holland and several municipal authorities.</p> |
| Description of the operation | <p>Merger between the four distribution companies and the new company will be called Nuon.</p> <p>Nuon's shareholders will own 51% of the new company, ENW's ones 29% and Gamog's and EWR's ones 10% each.</p> |
| Features | <p><i>January 1999:</i> Nuon, ENW, EWR and Gamog announces their merger.</p> <p><i>February 1999:</i> NMa, , the Dutch competition commission, opens an investigation.</p> <p><i>March 1999:</i> NMa approves the merger between the four distribution companies.</p> |
| Rationale | <p>After the merger, the new Nuon was the largest energy distribution copany in the Netherlands with more tahn 2.5 million customer until Pnem Mega and Edon merge. Horizontal integration will strengthen customer-oriented services and increase synergies between networks management.</p> |

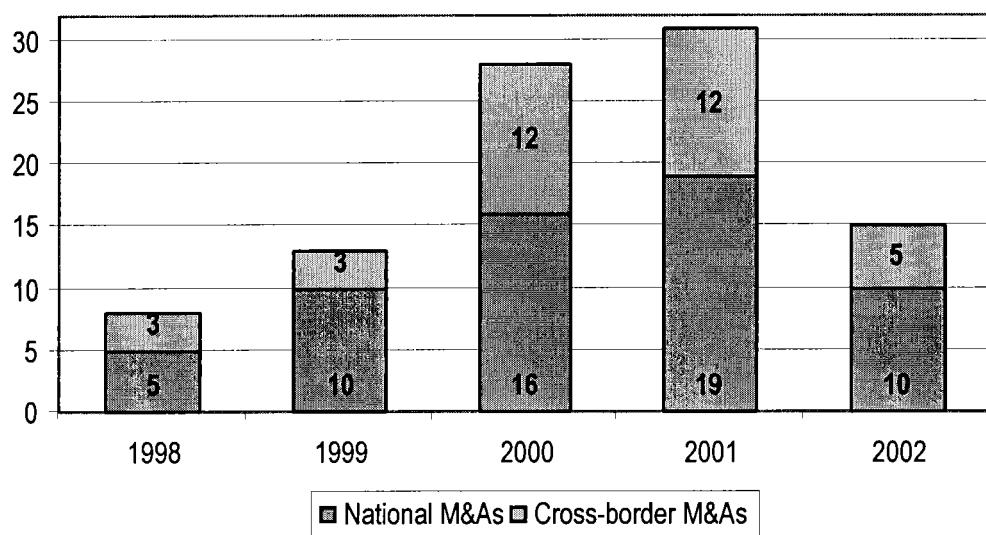
Nuon/ Regev (1999)

| | |
|--|---|
| Regionaal Energiebedrijf Gooi en Vechtstreek (Regev) | Regev is an electricity and gas distribution companies in Noord-Holland and particularly in Utrecht. Regev's shareholders are the Provinces of Noord-Holland and several municipal authorities of this province. |
| Description of the operation | Merger with Nuon. |
| Features | <i>January 1999:</i> Nuon and Regev announces their merger <i>February 1999:</i> NMa, the Dutch competition commission, opens an investigation. <i>March 1999:</i> NMA gives its approval. |
| Rationale | Nuon increases its base of customers in order to strengthen its customers-oriented services. |

Part II – Patterns

| | |
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Figure 1. National and Cross-border M&As²



² The following graphs are based on the cases described in the first part of the report. However, the cases of failed M&As (Endesa/ NRE, Endesa/ Remu and Endesa/Iberdrola) were not taken into account in the second part. On the other hand, the acquisition of Hidrocantabrico has been divided in 3 different acquisitions for a better understanding: Electrabel/Hidrocantabrico, EDP/Cajastur/Hidrocantabrico and Enbw/Vilar Mir/Hidrocantabrico.

Figure 1 shows that the number of M&As in Europe has increased dramatically until 2002. There have been more national M&As than cross-border M&As. In 1998 and 1999, M&As were relatively scarce. In 2000 and 2001, M&As grew rapidly. After the peak, the number of M&As in 2002 went back to the number of 1998 and 1999.

The increase in national M&As reflects the fact that companies have tried to strengthen their domestic market position and a wave of consolidation has appeared in Germany, UK and Scandinavia. Furthermore, these figures include national M&As made by subsidiaries of foreign companies, such as London Electricity and HEW.

Figure 2. National M&As

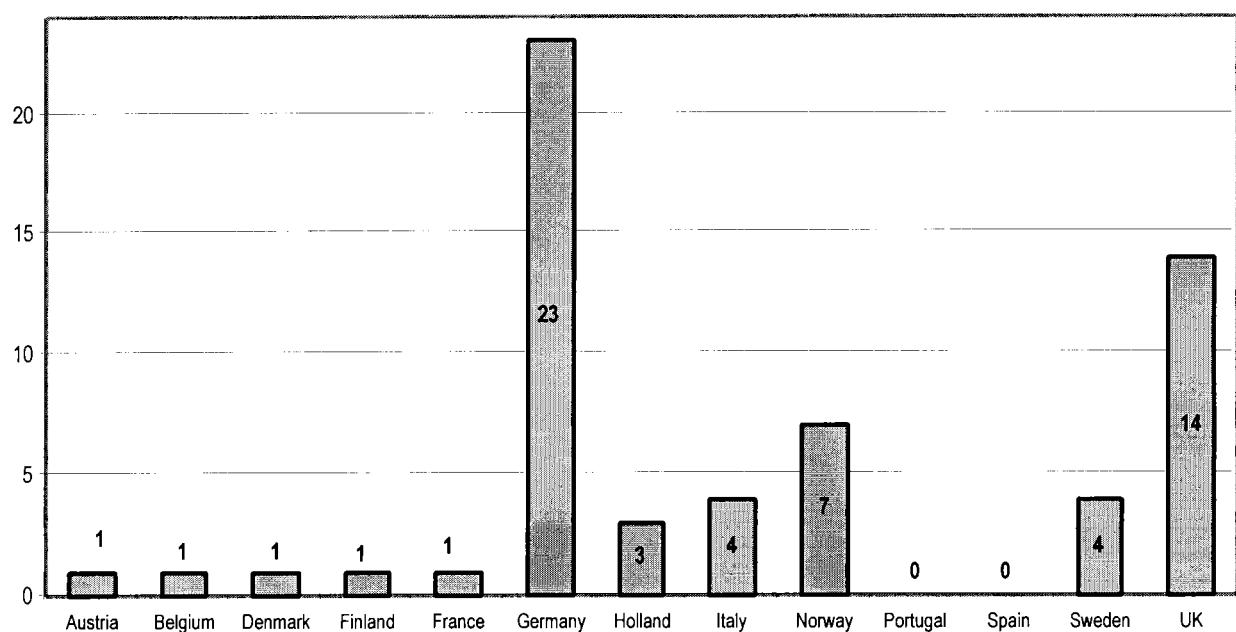


Figure 2 shows two types of countries: countries with none or one national M&A and countries in which several domestic electricity companies have merged. In the first group of countries, there are Portugal and Spain in which no M&A has occurred. In Spain, there have been some attempts of national M&As, but they have failed. For instance, the Endesa/Iberdrola merger failed because both companies refused the remedies proposed by the government; and the Hidrocantabrico/Union Fenosa merger has been forbidden by the Spanish government. In Austria, Belgium and France where only one M&A occurred, incumbents have still a predominant market share.

In the second group of countries, in which national M&As have occurred, there are Germany, Holland, Italy, Norway, Sweden and UK. The number of national M&As has been relatively high in Germany and in UK. These two industries were greatly fragmented and domestic companies have tried to consolidate their positions on their market. The number of electricity companies has fallen and the industry has become more concentrated.

Figure 3. From where to where?

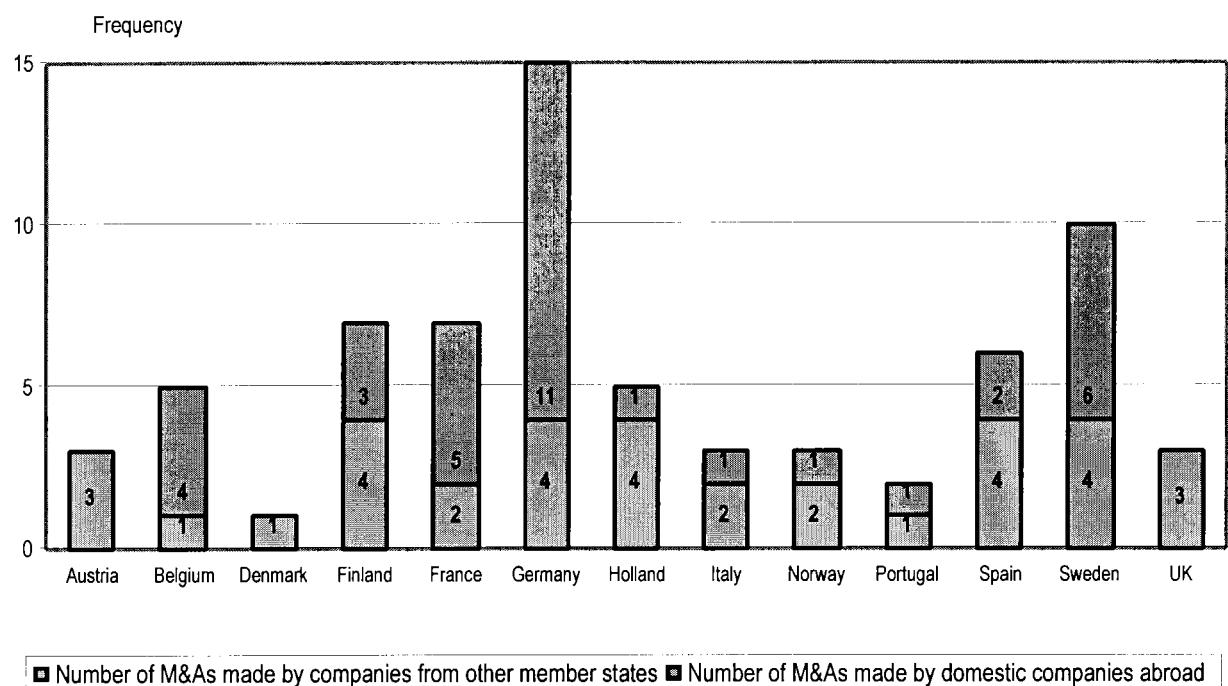


Figure 3 exhibits two types of countries. First, there are four countries: Austria, Denmark, the Netherlands and UK do not have companies who have invested in an other member state since 1998. These countries have attracted foreign companies. For instance, in Austria, EDF (France), E.ON and RWE (Germany) have purchased national companies, and in Holland, companies from Germany (E.ON), and Belgium (Electrabel) have bought Dutch electricity companies.

Secondly, there are countries in which foreign companies have purchased domestic electricity companies and from which companies have purchased electricity firms in other European countries. In Finland, Italy, Norway, Portugal, Spain and Sweden, there are almost as many M&As made by domestic companies abroad as M&As made by European companies inside. Spain, Sweden and Finland have attracted a great deal of foreign companies, but their companies have also been active in M&As in the other European countries. Furthermore, Belgium, France and Germany have an imbalance between these two types of M&As: there are more acquisitions outside than inside by other companies.

Figure 4. Rationale of cross-border mergers in Europe

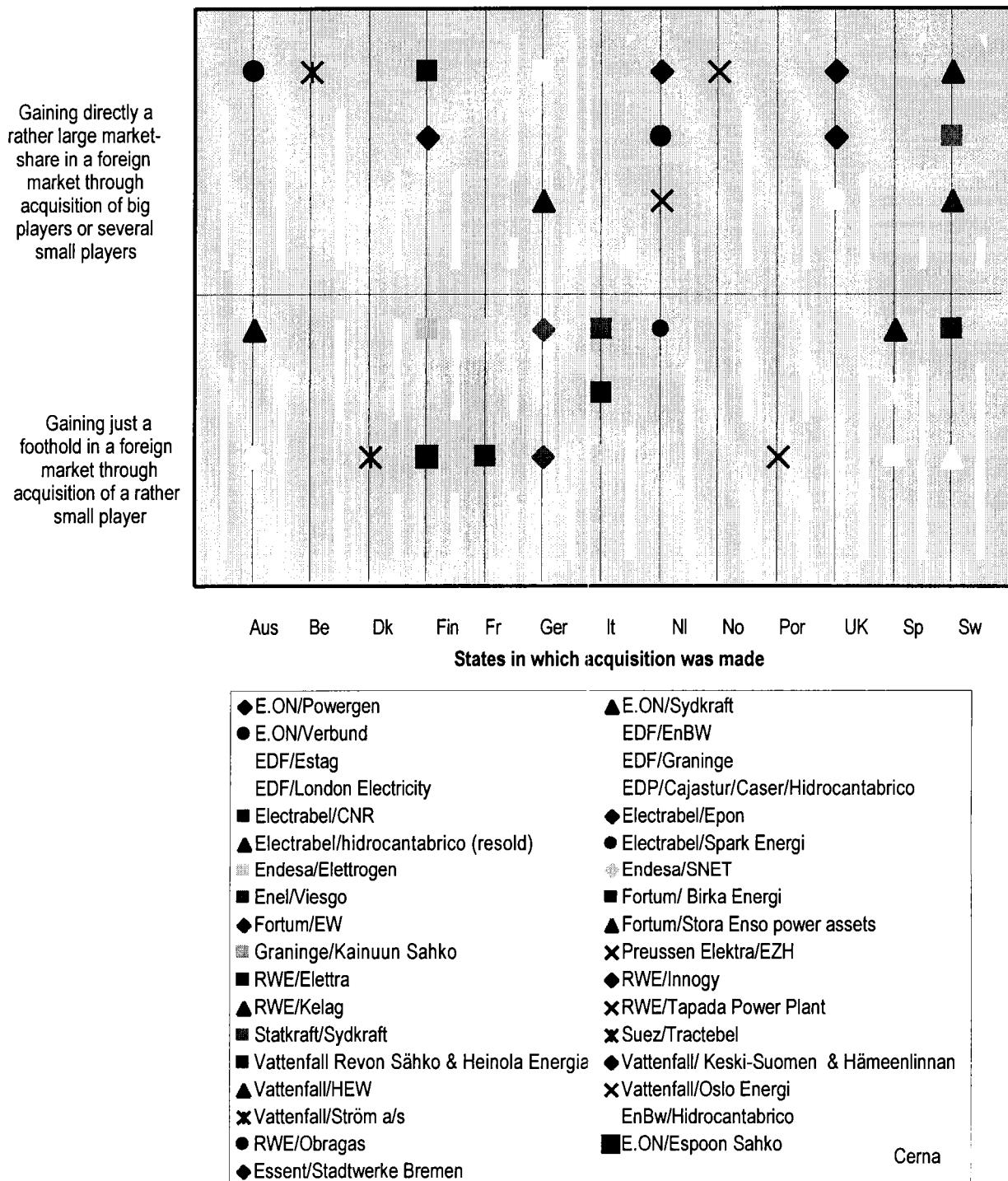


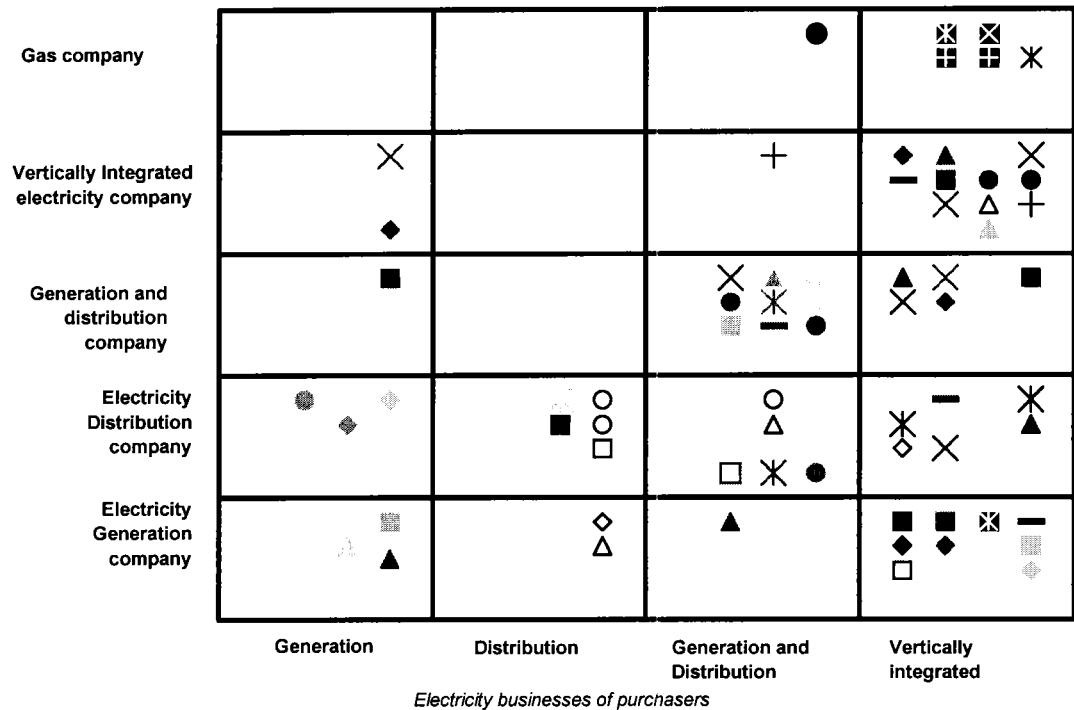
Figure 4 shows that both alternatives, gaining just a foothold or a large market share through cross-border acquisitions, are relevant (16 against 19 cases).

Figure 4 also shows which countries are more favoured targets than other: Scandinavia, Germany and the Netherlands see a substantive level of cross-border M&As. They are countries where power markets enjoy a high degree of liberalisation and great potential.

However, what Figure 4 does not point out is the fact that cross-border acquisitions usually take place in at least two stages: even if they acquire a rather large actor, foreign companies tend to continue their expansion strategy by subsequent acquisitions made by their new subsidiaries. EDF/London Electricity, EDF/Graninge, Vattenfall/HEW are cogent examples.

Figure 5. M&As and vertical integration according to cases

Businesses of acquired companies



| | | |
|---|---------------------------------------|---------------------------------------|
| ◆ British Energy/Swalec's supply business | ■ Contigas(E.ON)/Stadtwerke Heide | ▲ E.ON/Bayern |
| ✖ E.ON/Espoont Sisko | ✖ E.ON/Fortum Energie | ● E.ON/Powergen |
| + E.ON/Sydkraft | - E.ON/Verbund | EDF/EnBW |
| EDF/Estag | EDF/Granninge | EDF/London Electricity |
| EDF-LE/ West Burton Power station | EDF-LE/ Eastern | Edipower/Eurogen |
| EDF-LE/Seboard | ▲ EDP/Cajastur/Caser/Hidrocantabrico | ■ Electrabel/CNR |
| ◆ Electrabel/Epon | ▲ Electrabel/hidrocantabrico | ✖ Electrabel/Tractebel's assets |
| EnBW/St.Schramberg | EnBW/St.Schwabisch Gmünd | ■ Endesa/Eletrogen |
| ✖ Endesa/SNET | Nuon/Regev | Enel/Viesgo |
| ○ ESB/St. Chemnitz | ■ Fortum/ Birkka Energi | ◆ Fortum/EW |
| ✖ Fortum/Stora Enso power assets | Granninge/Kainuu Sisko | Gullspang Kraft/ Stockholm Energi |
| ▪ Hafslund/ Viken Energinett | Hafslund/Oslo Energi | - HEW/Laubag, Bewag |
| ◆ HEW/veag | ○ Innogy/Northern Electric | ▲ Innogy/Yorkshire Power Group |
| ● IVO/Neste (FORTUM) | ✖ Agder Energi | ◆ EDF-LE/ Cottam power station |
| ▲ EDF-LE/Sutton power plant | ■ EDF-LE/SWEB's supply business | ▲ Montedison/Faick |
| ○ National power/Midlands electricity | ○ Neckarwerke Stuttgart/St.Reutlingen | ▲ Nuon/EWR/ENR/Gamog |
| ✖ PNEM Mega/Edon (ESSENT) | ✖ Powergen/East Midlands Electricity | ✖ Preussen Elektra/EZH |
| ■ RWE/Elettra | ◆ RWE/Harpen RAG/STEAG | ▲ RWE/Innogy |
| ✖ RWE/Kelag | ✖ RWE/Stadwerke Essen | ✖ RWE/Tapada Power Plant |
| - RWE/VEW | RWE/VSE | ● Southern and Scottish Energy/SWALEC |
| ✖ Southern Electric/Scottish Hydro-electric | ■ Stakraft/ Trondheim Energiverk | ◆ Stakraft/Agder Energi |
| ▲ Stakraft/SKK & VK | ✖ Stakraft/ Skdkraft | Sydkraft/ OE Nett & Kraftalg |
| ▪ Sydvest Energi/Vest Energi | ✖ Thüga (E.ON)/St. Ansbach | - Trienenkens/Stadtwerke Viersen |
| ▲ Vattenfall Revon & Heinola | ● Vattenfall/ Keski & Hämeenlinna | - Vattenfall/ Uppsala Energi |
| + Vattenfall/HEW | ✖ Vattenfall/Oslo Energi | ✖ Vattenfall/Ström a/s |
| △ Veba/Viaq (E.ON) | ● Verbund/Estag/Steweag | EnBW /Hidrocantabrico |
| ✖ E.ON/Rhurgas | ✖ E.ON/HeinGas | ✖ RWE/Thyssengas |
| ✖ RWE/Obragas | EnBW-Eni/GVS | Enbw/ZEAG |
| ✖ Essent/Stadtwerke Bremen | ✖ National Power/ Calortex | ● Bewag-GDF/Gasag |

Remark: this matrix does not take into account the following cases: BGT/Enron Direct, Compart/Montedison, EDF/Louis Dreyfus, Electrabel/Spark Energy, Italenergia/Montedison and Suez/Tractebel

Figure 5 shows that vertically integrated companies have been the most active in M&As among the purchasers. Since 1998, they have acquired companies in all the electricity business line from generation to vertically integrated companies. Among these companies, there are the largest electricity European companies such as EDF, RWE, E.ON, Endesa and Electrabel. Moreover, vertically integrated electricity companies are interested in diversification of their energy activities by acquiring gas companies.

The purchased companies are quite dispersed in the matrix. Among the acquired companies, all electricity businesses are potential targets for M&As. In UK, major national M&As have increased the degree of vertical integration: a movement of re-concentration has appeared.

Table 1. Merger remedies

| | Case reviewed by the... | | | Type of concern expressed by the competition authority | | Type of remedy implemented | | |
|-------------------------------------|--------------------------------|---------------------------|------------------------------------|--|--------------------------------|--|---|--|
| | National competition authority | European Merger taskforce | National sector specific regulator | Vertical integration concern | Horizontal integration concern | Divestiture remedy | Other remedy | Implementation |
| E.ON/ Ruhrgas (06/2002) | ++ | 0 | 0 | ++ | ++ | Divestiture of shareholding in VNG, EWE, Bayerngas and stake in Bremen stadtweke. | - Separation of Ruhrgas' transportation entity from the rest of the company - Gas release program. | Auctions |
| EnBW/EDP/ Hidrocantabrico (03/2002) | 0 | ++ | 0 | 0 | ++ | | EDF-RTE's undertakings to increase to about 4,000 MW the commercial capacity on the interconnector between France and Spain | |
| EDF/EnBW (02/2001) | 0 | ++ | 0 | 0 | ++ | - Divestiture of EnBW's shareholding in WATT. - Withdrawal of EDF from CNR. | - Technical and commercial agreement. - Temporary access to 6000 MW generation capacity via auctions. | -bids -nomination of a trustee |
| Endesa/berdrola (01/2001) | ++ | 0 | 0 | ++ | ++ | Divestiture of : - generation capacities, - assets at transport and distribution levels. | Market share caps | -bids -trustee -requirements regarding the acquirer of the assets: independent acquirer. |
| EDF/Dalkia (12/2000) | ++ | 0 | 0 | ++ | ++ | | No transfer of information between Dalkia and EDF. | |
| RWE/VEW (07/2000) | ++ | 0 | 0 | 0 | ++ | - Divestiture of shareholdings (Veag, Laubag, Envia, Rhenag...). - Divestiture of interconnection capacities. | - Suppression of the T-component. - Purchase of electricity from Veag for 7 years. | -Nomination of a trustee. -Requirements regarding the acquirer of the assets: independent acquirer. |
| VEBA/VIAG (06/2000) | 0 | ++ | 0 | 0 | ++ | - Divestiture of shareholdings (Veag, Laubag, Envia, Rhenag...) - Cession of interconnection capacities. | - Suppression of the T-component. - Purchase of electricity to Veag for 7 years. | -Nomination of a trustee. -Requirements regarding the acquirer of the assets: independent acquirer. |
| Pnem Mega/ Edon (11/1999) | ++ | 0 | 0 | ++ | 0 | Divestiture of shareholding in EPON, generation company | | |
| EDF/Louis Dreyfus (JV) (09/1999) | 0 | ++ | 0 | ++ | 0 | | The JV will have no activity in France and receive/transmit no transfer of know-how from/to EDF. | Nomination of an independent observer in charge of the enforcement control. |

M&As in the European Electricity Sector – Cases and Patterns

| | | | | | | | | |
|---|----|----|----|----|---|---|---|---|
| EDF/London Electricity (12/1998) | 0 | ++ | ++ | ++ | 0 | | <ul style="list-style-type: none"> - Prohibition from connecting to LE's distribution system any new generating plant in which it or any affiliate has an interest. - All of the EDF Group's generation assets are placed outside LE's financial ring-fence. | |
| National Power/Midlands Electricity (11/1998) | ++ | 0 | ++ | ++ | 0 | Divestiture of Drax power plant (4,000 MW capacity) | | |
| Powergen//East Midlands Electricity (06/1998) | ++ | 0 | ++ | ++ | 0 | Divestiture of 4000 MW of coal-fired power plants. | | |
| NESTE/IVO (06/1998) | 0 | ++ | 0 | ++ | 0 | Divestiture of participation in Gasum | <ul style="list-style-type: none"> - The government of Finland ensured that IVO-Neste will not have a controlling position in Gasum. - It also undertook to exercise the rights associated with its ownership to secure that the balance between the various owners' interests will be preserved. | Nomination of a trustee in charge of overseeing the sale of the shares. |

Table 1 shows that merger remedies are rather infrequent when competition problems arise: only 13 out of the 92 studied cases have been approved subject to some conditions because of some competition problems.

Indeed, at the end of the investigation stage, competition agencies say whether they intend to approve the operation or not. When anti-competitive problems remain, the parties to the concentration may however propose some commitments to remedy these concerns. This table focuses on these cases where remedies were requested.

In their statements and reports competition agencies usually indicate that divestiture remedies are preferred to other types of remedies. Oddly enough here we see that such divestitures are not the only sort of undertakings accepted by competition authorities (6 out of 13 cases). Tender processes and bids or “Chinese walls” are other common remedies.

Figure 6. Market shares in Europe from 1998 to 2001

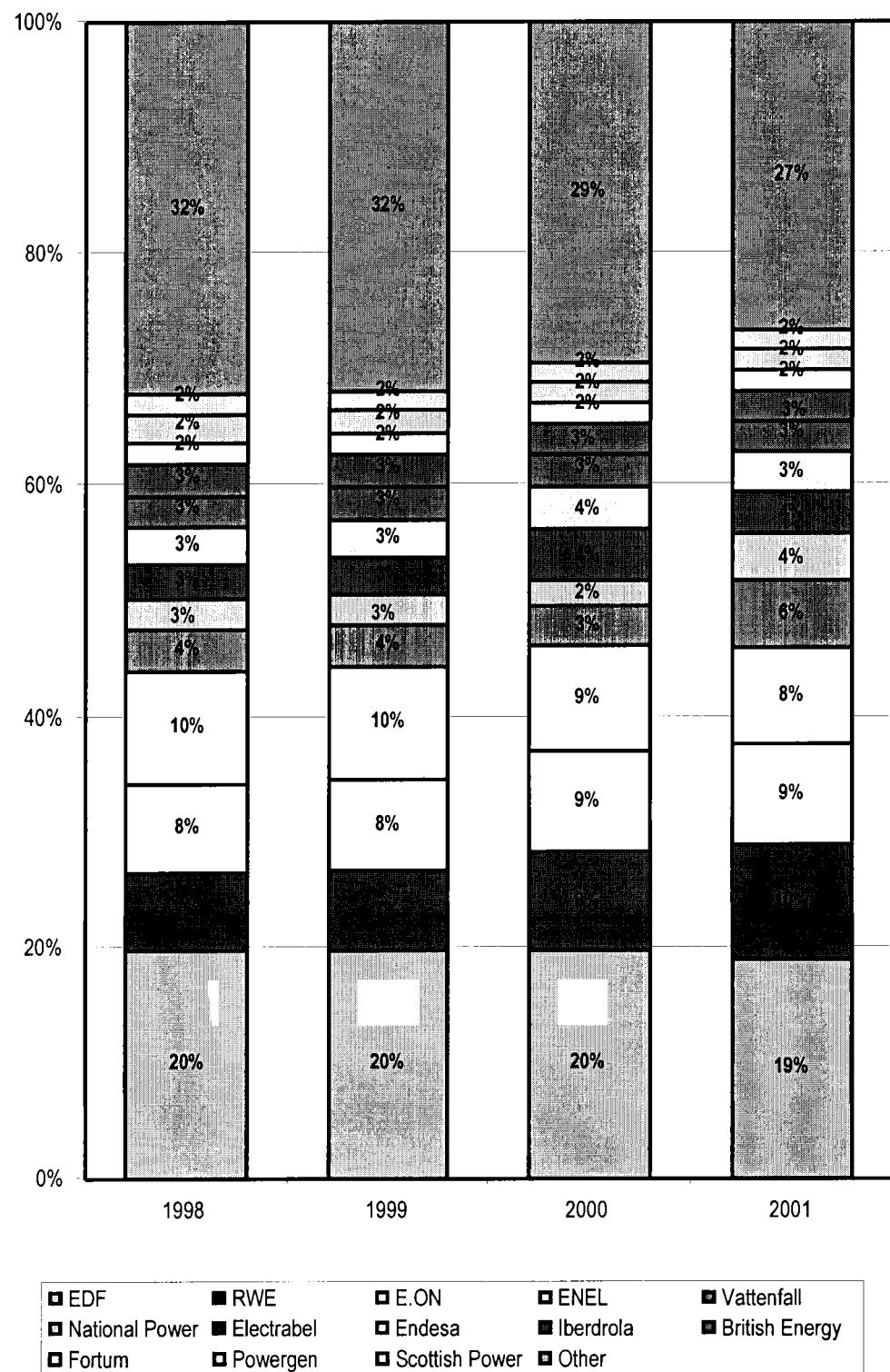


Figure 6 shows that the most significant players (EDF, E.ON, RWE, ENEL, Electrabel, Vattenfall, Endesa, Iberdrola...) in Europe, these groups accounting for over two thirds of the European electricity sales.

The evolution of the figures from 1998 to 2000 also shows a trend towards a higher degree of concentration.

As regards concentration Figure 7 gives more detailed information.

Figure 7 Evolution of the electricity sales of market leaders in Europe from 1998 to 2002

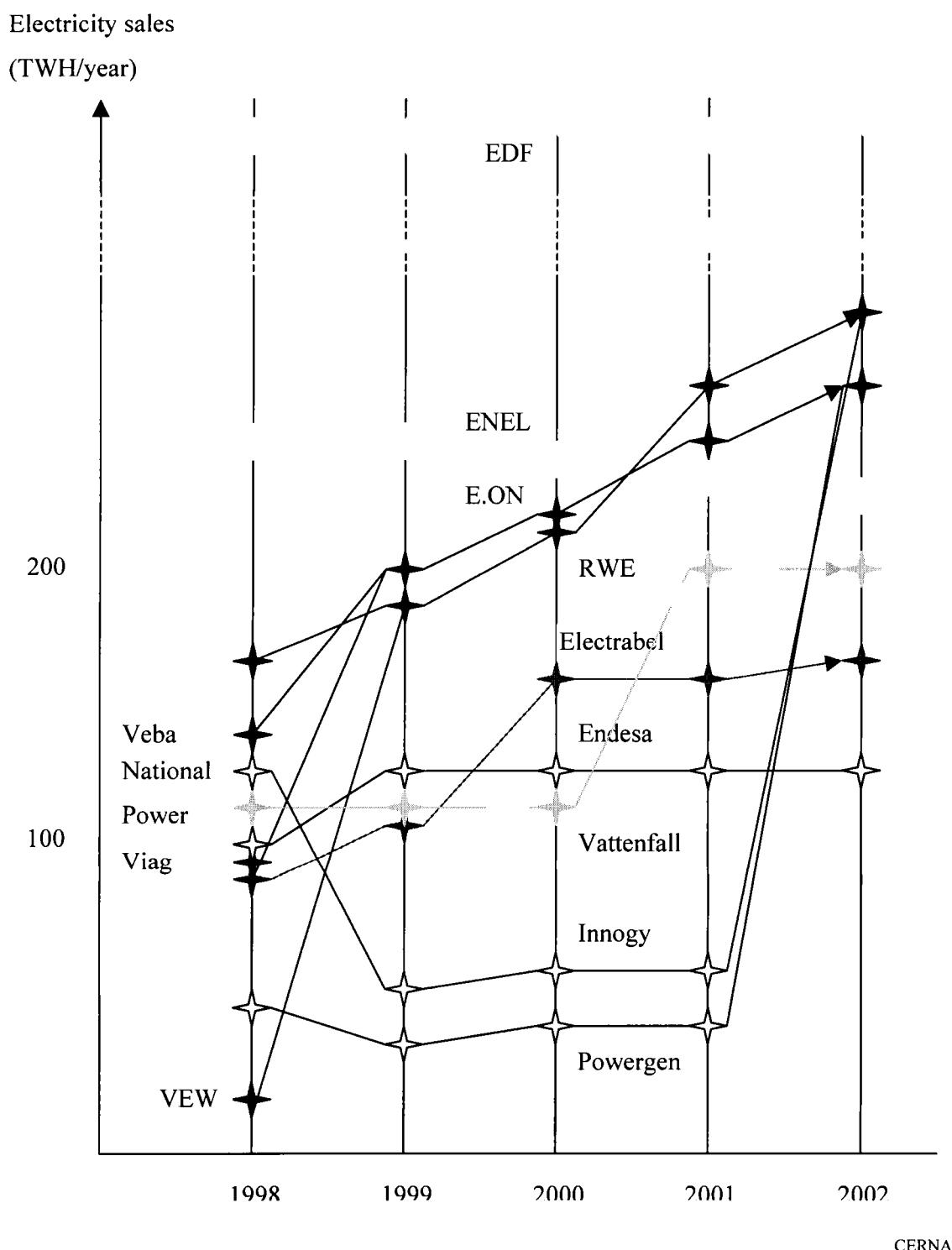


Figure 7 highlights the clear trend towards concentration in the European electricity market. In 1998, only two groups had total sales higher than 200 TWh a year whereas in 2000 they are four.

What must be added is that some companies seem to grow more rapidly than other: The higher growth rates are for RWE, Vattenfall, Electrabel and E.ON so that it seems that the larger one group is the more rapidly it grows. Indeed, Endesa is an example of an electricity company that has experienced less subsequent growth in their electricity sales.

Two groups show a fall of their electricity sales (National Power and Powergen) but it is due to some regulatory constraints imposed by the UK authorities. These two companies were acquired in 2002 by larger vertically integrated company

Some analysts predict that, by 2010, there could be only 5 significant players in the European electricity market, the facts emerging from this table do not seem incoherent with the forecast. Figure 7 highlights also the fact that large electricity companies have started to acquire other large companies, such as E.ON and RWE.

Annex – Indicative list of small and unlisted in Part I M&As in the European Electricity sector

| Purchaser | Purchased | Year | Countries | Amount of the Bid |
|--------------------------------------|---|------|----------------|---------------------|
| ABB | Sydkraft | 2001 | Germany | |
| ACEA | Enel's network | 2001 | Italy | L 1,100 bn |
| AES | National Power Drax | 1999 | USA/UK | (¤2.85bn) |
| APX | M3 Kraft | 2001 | Norway | |
| Avacon | Stadweke Helmstedt | 2000 | Germany | |
| Avacon (E.ON) | Stadtwerke Salzwedel | 2001 | Germany | |
| Avacon (E.ON) | Stadtwerke Ochersleben | 2001 | Germany | |
| Avacon (E.ON) | Stadtwerke Burgdorf | 2001 | Germany | |
| Avacon (E.ON) | Wasser-und-Energieversorgungsellschaft (WEVG) Salzgitter | 2001 | Germany | |
| Birka Energi | Baerum Fjernvarme | 1999 | Norway | Nkr105m (¤12.9m) |
| Birka Energi | Lindigö | 1999 | Norway/Sweden | |
| Birka Energi | Ljusland Energi | 1999 | Norway/Sweden | Skr 4.7m |
| Birka Energi | Arvika | 2000 | Norway/Sweden | Skr 33m |
| BKK | Stord Energi | 1999 | Norway | Nkr 76m |
| BKK | Sunnhordland Kraftlags | 1999 | Norway | Nkr 330m |
| Calpine | Saltend cogeneratiuon plant | 2001 | UK | £ 560 m |
| Centrica | Humber Power plant | 2001 | UK | £ 298 m |
| Din Energi (merger) | Hafslund Energi | 2000 | Norway | |
| Drammen Kraft | Din Energi | 1999 | Norway | |
| Eastern-Group | Svartisen's and Kobbelt's power stations | 1998 | UK/Norway | £150 m |
| Eastern-Group | BG's Citigen, Grimsby and Sheffield Heat & Power power stations | 1998 | USA/UK | £27 m |
| Easyplus | Stadwerke Bremervörde, St. Cuxhaven, St. Emden | 2001 | Germany | |
| EDF | SIIF Energies | 2000 | France | ¤45m |
| EDF | SPE | 2001 | France/Belgium | |
| Edis Energie Nord & EWE | Stadwerke Frankfurt | 2002 | Germany | |
| Elbolaget | Ostkraft | 2001 | Sweden | |
| Electrabel Deutschland | Energieversorgung Gera & power station company Kraftwerke Gera | 2002 | Germany | |
| Elektrizitaetswerk Minden-Ravensberg | E.ON | 2000 | Germany | |
| Elektromark | Stadtwerke Hagen | 2001 | Germany | |
| Enbw | Stadwerke Schwäbisch | 2001 | Germany | |
| Eneco | Amstelland/Delfland/Noord-Oost Friesland/Weer/EZK/MiddenKennermerland | 1999 | Netherlands | |
| Eneco | EMH (Gouda) | 2000 | Netherlands | |
| Enel | Camuzzi Gas | 2001 | Italy | Eur 434 m |
| Espoon Energia Oy | Joensuun Energia Oy | 2000 | Finland | |
| | | | Netherlands/ | |
| Essent | Nutsbedrijven Maastricht | 2000 | Netherlands | ¤229.5m |

| Purchaser | Purchased | Year | Countries | Amount of the Bid |
|--|---|------|--------------------|-------------------|
| Essent | Centrica | 2001 | Netherlands/UK | |
| EVM/Hastralandegass Niedersachsen/UeZH | | 1999 | Germany | |
| Fortum | Länsivoima Oyj | 1999 | Finland | ¤30m |
| Fortum | Tuusulanjärki Energia | 1999 | Finland | ¤23.3m |
| Fortum Energi | Groen Synergy | 2001 | Denmark | |
| GEW (Cologne) (alliance) | Rhenag (Cologne) | 2000 | Germany | |
| Graninge | Savsjö Energi | 2001 | Sweden | SKr 19,5 m |
| Graninge & Närvarme | Norrälje Energi | 2001 | Sweden | |
| Hafslund | Din Energi | 1999 | Norway | Nkr 220 m |
| Hafslund | Viken | 2001 | Norway | |
| Hafslund/Viken Energinett | EAB Nett | 1999 | Norway | Nkr 1.66 bn |
| Hämeen Sähkö oy | Lapuan Sähkö Oy | 2000 | Finland | |
| Helsingin Energia | Fortum's Kymijoki hydropower plants | 2000 | Finland | Eur 89,8 m |
| Iberdrola | RWE | 2000 | Spain/Germany | |
| Independent Power UK | Innogy's Fawley power plant | 2001 | UK | £ 42 m |
| LPX | EEX | 2001 | Germany | |
| Lund Eastern | Kraft Ringen | 1999 | Sweden | |
| Lund Eastern | 7H Kraft | 1999 | Sweden | |
| Lund Eastern | Nyanäshamn | 1999 | Sweden | ¤19.1m |
| Mission Energy | Fiddler's Ferry and Ferrybridge | 1999 | UK | £1.3bn |
| MVV | EVO | 2000 | Germany | |
| MVV Energie | Stadtwerke Solingen | 2001 | Germany | |
| NRG Energy | Powergen's Mibrag power station | 2001 | Germany | |
| NRG Energy | Powergen's Saale power station | 2001 | Germany | |
| NRG Energy | Powergen's Csepel power station | 2001 | Germany | |
| Nuon/Unit Energy France | GTM's Power Plants | 2000 | Netherlands/France | |
| PowerITS | SKM Energy Brokers | 2001 | Sweden | |
| Ravensburg municipal utilities (merger) | Weingarten municipal utilities | 2000 | Germany | |
| Reliant | UNA | 1999 | USA/Netherlands | ¤2bn |
| REW | GEW | 2002 | Germany | |
| Rome ACEA | Milan AEM | 2000 | Italy | |
| RWE | Erdgas Schwaben | 1999 | Germany | |
| RWE Plus | Belgian Energy Group | 2001 | Belgium | |
| RWE Plus | Stadwerke Dueren | 2001 | Germany | Eur 109,42 m |
| Skiensfjorden Kommunale Kraftselskap (SKK) | EAB Produksjon (Energiselskapet Asker og Bærum) | 1999 | Norway | Nkr 750 m |
| Stadtwerke Bielefeld (a partner of Bremen utility) | Stadtwerke Gütersloh | 2001 | Germany | |
| Stadtwerke Bremen | Stadtwerke Bielefeld | 2001 | Germany | |
| Statkraft | Hedmark Energi | 2000 | Norway | ¤175m |
| Statkraft/BKK Kraftsalg | ScanEnergi | 1999 | Norway/Danmark | |
| Statoil | Meganor | 1999 | Norway | |

| Purchaser | Purchased | Year | Countries | Amount of the Bid |
|--------------------------|---|------|------------------|------------------------------------|
| Sydkraft | Osternärke | 1999 | Sweden | |
| Sydkraft | Prästö CHP | 2002 | Denmark | |
| Sydkraft | Kungsbacka Energie | 2002 | Sweden | |
| Thuega AG | ESWE (Wiesbaden utility) | 2001 | Germany | |
| Thuega AG | Harz Energie | 2001 | Germany | |
| Tiwag | Innsbruck municipal multi-utility | 2002 | Austria | |
| TXU | The Energy Group | 1998 | USA/UK | £ 4,06 billion |
| | | | USA/Netherlands/ | |
| TXU | Stadwerke Kiel | 2000 | Germany | ¤880m |
| TXU | Norweb Energi | 2000 | USA/UK | ¤ 503m |
| | | | | £ 40 m (for the three acquisition) |
| TXU | Innogy's West Burton power station | 2001 | UK | |
| TXU | Innogy's Ironbridge power station | 2001 | UK | |
| TXU | Innogy's Rugeley B power station | 2001 | UK | |
| TXU | Amerada Hess' retail and trading business | 2002 | USA/UK | |
| TXU | BVAG | 2002 | USA/Germany | |
| Union Fenosa | Union Fenosa Generation | 2001 | Spain | Pts 100,5 bn |
| Vasa Energy (Vattenfall) | Stadwerke Heide | 1999 | Germany | |
| Vattenfall | Flens Energinat AB | 1998 | Sweden | |
| Vattenfall | AB Ryssa Elverk | 1998 | Sweden | |
| Vattenfall | Ostra Roslags Elverk AB | 1998 | Sweden | |
| Vattenfall | Kraftledningar i Bergslagen | 1998 | Sweden | |
| Vattenfall | Gestrikekraft AB | 1998 | Sweden | |
| Vattenfall | Vasa Energy | 1998 | Sweden/Germany | |
| Vattenfall | Ingarö Elverk | 1999 | Sweden/Sweden | Skr 76.6m (¤8.7m) |
| Vattenfall | Teollisuuden Voima Oy | 1999 | Sweden/Finlande | ¤135m |
| Vattenfall | Säffle Energi | 1999 | Sweden | |
| Verbund | Draukraft | 2000 | Austria | |
| VEW | EMR | 1999 | Germany | |
| Vivendi | SW Görlitz | 2001 | France/Germany | Eur 55,7 m |