

# The Top 10 European Utility Companies

Growth strategies, consolidation and convergence in the leading players

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**New Energy Management Report**

**CENTRICA PLC**

**E.ON AG**

**ÉLECTRICITÉ DE FRANCE S.A**

**ENDESA S.A**

**ENEL SPA**

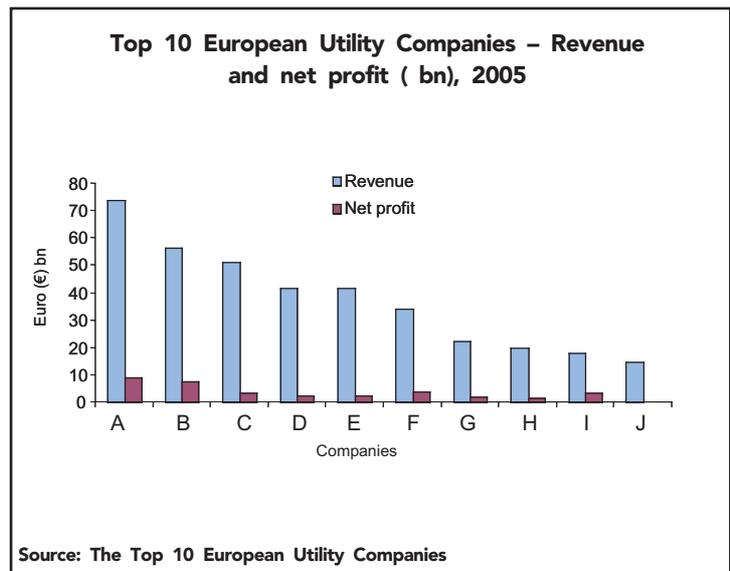
**ENi SPA**

**GASUNIE TRADE & SUPPLY B.V**

**GAZ DE FRANCE**

**RWE AG**

**SUEZ S.A**



**Your insight into** ►► Strategic position  
Mergers and acquisitions  
Future growth strategies  
Market opportunities

## The Top 10 European Utility Companies

Growth strategies, consolidation and convergence in the leading players

Industry – SWOT Analysis	
<b>Strengths</b> Improved financial performance Focused business strategy, reduced risks M&A activity will result in additional synergies	<b>Weaknesses</b> Lack of integration in the European market Low secular growth in Europe High capital expenditure requirements
<b>Opportunities</b> Full competition from July 2007 Return of nuclear power	<b>Threats</b> Uncertainty in regulation Fuel security and prices Mergers & Acquisitions Increased competition

Source: The Top 10 European Utility Companies

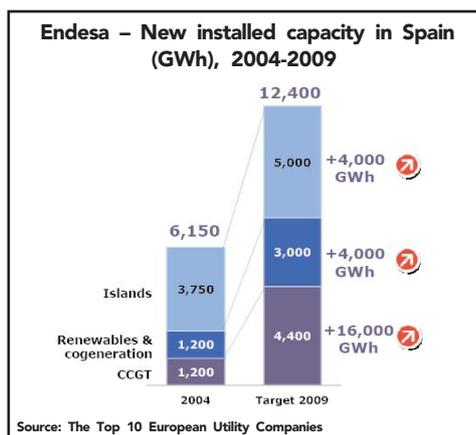
“The leading European firms are likely to be much larger than the leading players in the US. They will therefore be well poised to capture opportunities on a global basis. These opportunities may be increasingly in developing countries where the demand for electricity and gas is rising rapidly but where there is a lack of expertise and capital to build the required infrastructure...”

The European power and gas industry is in the midst of an unprecedented transformation. Several factors are driving fundamental change in the industry such as liberalisation and increased competition, strategic mergers and acquisitions, the Emissions Trading System, convergence of gas and electricity and concerns about climate change and energy security.

**The Top 10 European Utility Companies** is a new management report that comprehensively analyses each of the forces that are shaping the industry’s future as well as the underlying long-term trends in the demand, supply and prices of power and gas in Europe. This report provides detailed profiles of the top ten power and gas firms including their strengths, growth strategies, the challenges they face and business models for the top 20 companies.

**This new report will enable you to identify the critical success factors of the leading players, enhance your competitive strategies and exploit growth opportunities.**

## Some key findings from this report...

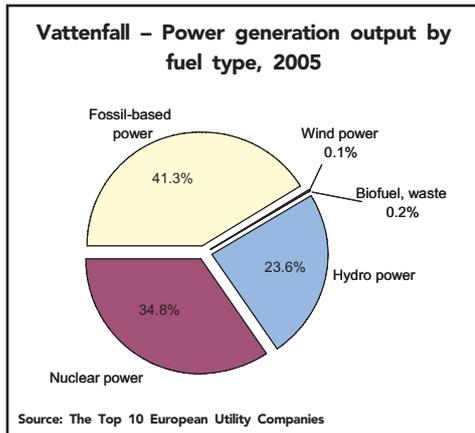


Source: The Top 10 European Utility Companies

“Endesa intends to increase its generation capacity in all its business segments. In Spain and Portugal, the increase in generation capacity will take the form of new CCGT plants, new generation plants (renewable/CHP) and an increase in installed capacity for the island systems. The installed capacity of these initiatives is expected to grow from 6,150 MW in 2004 to 12,400 MW in 2009...”

- Large mergers and acquisition deals have given rise to a handful of players who are set to dominate not just the European energy market but potentially, the global market.
- The European Emissions Trading System, which came into effect from January 2005, appears to have resulted in windfall profits for power generators.
- Globally, electricity generation is expected to double between 2003 and 2030.
- The major consumers of electricity will be the non-OECD economies, whose consumption is set to grow from 5,944 TWh in 2003 to 16,908 TWh in 2030.
- By 2030, 40% of the world’s electricity generation will be fuelled by coal and coal-fired capacity. Natural gas is expected to be one of the fastest growing fuels for power generation.

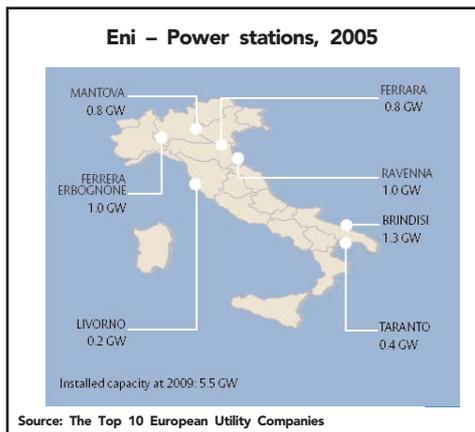
## This new report will enable you to...



"At the end of 2005, Vattenfall had an installed power generation capacity of 32,448 MW. It reported electricity sales of 200.3 TWh, serving about 5 million electricity customers. The company also has operations in the heat business and generated 34.1 TWh of heat in 2005..."

- **Evaluate the economics of global and European power and gas sector** using our analysis of the supply, demand and prices of power and gas in Europe.
- **Identify the impact of liberalisation and what to expect going forward** through a detailed analysis of the vision and reality of liberalisation of the European utility sector.
- **Gain insight into the forces underlying the continued M&A activity and ongoing consolidation of the sector** using the analysis of the drivers for mergers and acquisitions in this report.
- **Understand the Emission Trading System and why it has come under criticism**, ensuring you respond effectively to changes in the market.
- **Assess the strategies, strengths and challenges of the largest European utilities** and increase your market share through our in-depth outlook of the utility sector.

## Key questions answered in this report



"Eni plans to expand its power generating capacity from 4.5 GW in 2005 to 5.5 GW by 2009. The new installed generation capacity would employ CCGT technology. Eni estimates that the use of combined cycle gas turbine technology will help the company in reducing its carbon dioxide emission..."

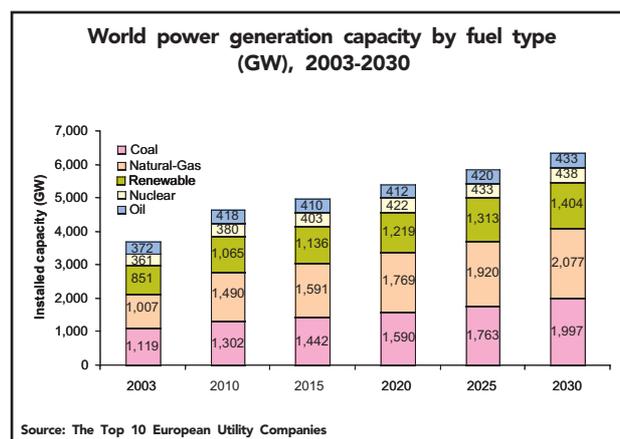
- What are the key drivers shaping the European utilities market?
- Why has there been limited progress in terms of European liberalisation?
- What is driving the intense mergers and acquisitions activity in the utilities sector?
- Who are the largest European utility companies and what are their strategies?
- How is the Emissions Trading System helping to reduce emissions in Europe?
- What are the European utility sector's challenges and opportunities?

## Sample information from the report

### Chapter 2: Market Context

#### Global Supply and Fuel Sources

The worldwide electricity generating capacity is expected to grow at 2.0% annually from 3,710 GW in 2003 to 6,349 GW in 2030. The share of coal in the fuel mix will continue to be significantly high. Installed coal-fired capacity, as a share of total world capacity, is expected to remain at about 30% in 2030. Worldwide, coal-fired capacity is expected to rise by 2.2% annually, from 1,119 GW in 2003 to 1,997 GW in 2030. In terms of production, 40% of the world's electricity generation will be fuelled by coal and coal-fired capacity. The major user of coal will be the US, where coal's share among fuels used to generate power is expected to increase from 53% in 2003 to 57% in 2030.



Natural gas is expected to be one of the fastest growing fuel sources because it is cleaner than coal and, more economical than renewable energy sources. At the world level, natural gas consumption is expected to increase from 19% of total fuel use for electricity generation in 2003 to 22% in 2030. The IEA Outlook forecasts that by 2010 global natural gas-fired capacity will surpass coal-fired generation capacity – 1,490 GW versus 1,302 GW. OECD Europe's dependence on gas imports – which stood at around 198.2 bcm in 2003 – is set to grow to more than 66.7% of demand in 2030. As a result, LNG terminals and storage capacities are being aggressively expanded.

Generation from hydropower and other renewable energy sources is projected to grow by about 65% during the 2003-2030 period though their share of total electricity generation is likely to fall from the current level of about 23% in 2003 to 22% in 2030. The projected growth in renewable generation is expected to result from the completion of large hydroelectric facilities in China, India and Laos among other Asian economies. Wind power has shown the fastest growth among renewable energy sources in recent years. Western Europe and the USA jointly added 5,952 MW of new wind power capacity in 2003 – accounting for 90% of all new wind power capacity.

Nuclear's share in world electricity markets is likely to fall from 9.7% in 2003 to about 6.9% in 2030. The total nuclear electricity generation capacity will however increase from 361 GW to 438 GW over the same period. In Europe, there is an active debate about the future role of nuclear power. High oil and gas prices, energy security issues and concerns about climate change are causing governments in many countries to consider extending the lives of nuclear plants, many of which are approaching their decommissioning dates.

**Order this report today to find out more...**

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