



**Workshop on
Public Private Partnerships
Sydney
13 December 2004**



Dalkia : two shareholders



Environmental services



Electricity production



Energy services



*Dalkia focus on services and supply of
secondary energy*

Energy Services:

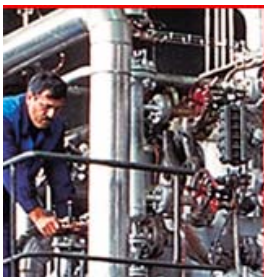


- Turnover in 2003: **4,7 billion euros**
- **No. 1 in Europe** in terms of on-site energy management and transformation.
- **41,742** employees worldwide
- **600** district heating networks managed
- **75,000** heating systems in Europe
- Present in **35** countries





Heating and cooling networks



Energy and multi-technical services



Industrial Utilities and fluids

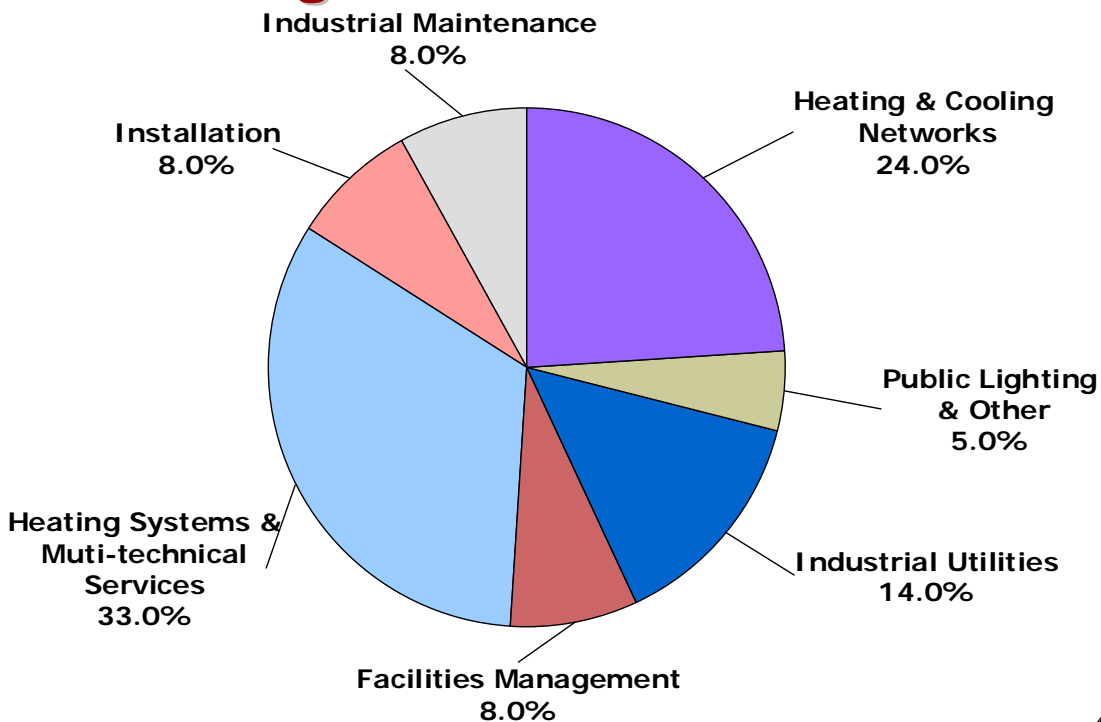
**ISO 9002
Certification**
**Several Sites
certified
«environmental
management»
ISO 14001**



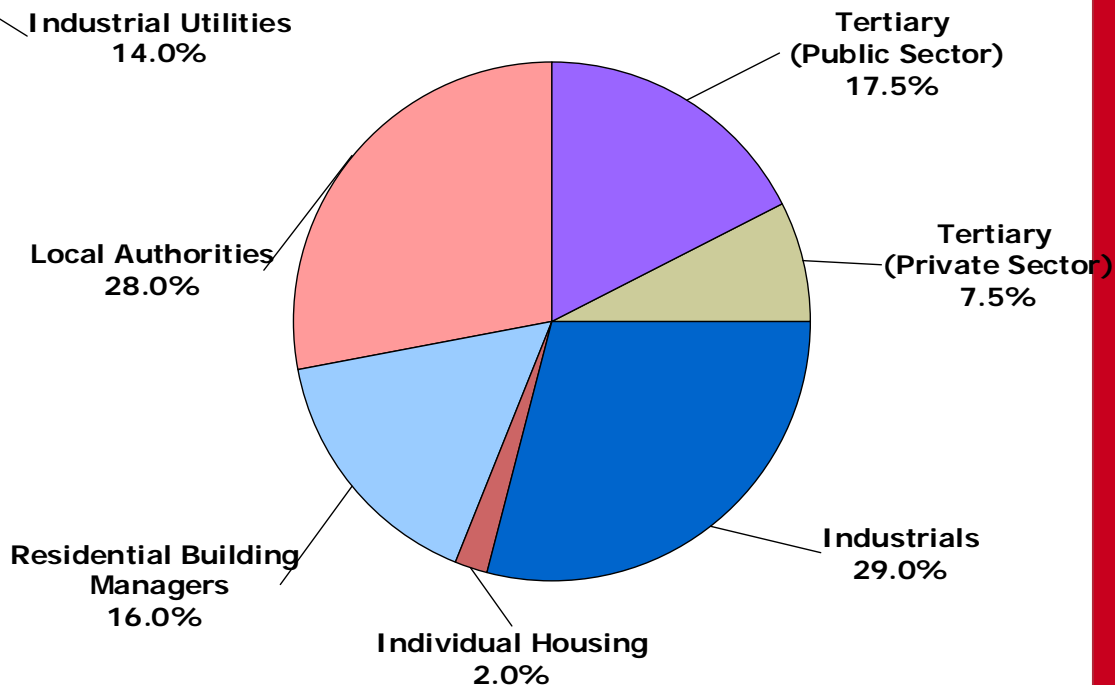
Facilities Management

Subsidiary activities: Industrial maintenance, Installations, Public lighting, Individual services

2003 segmentation

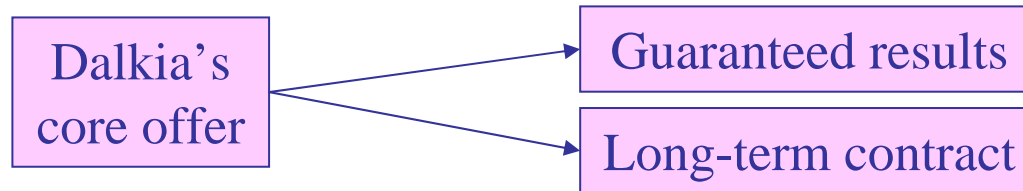


Customer Type

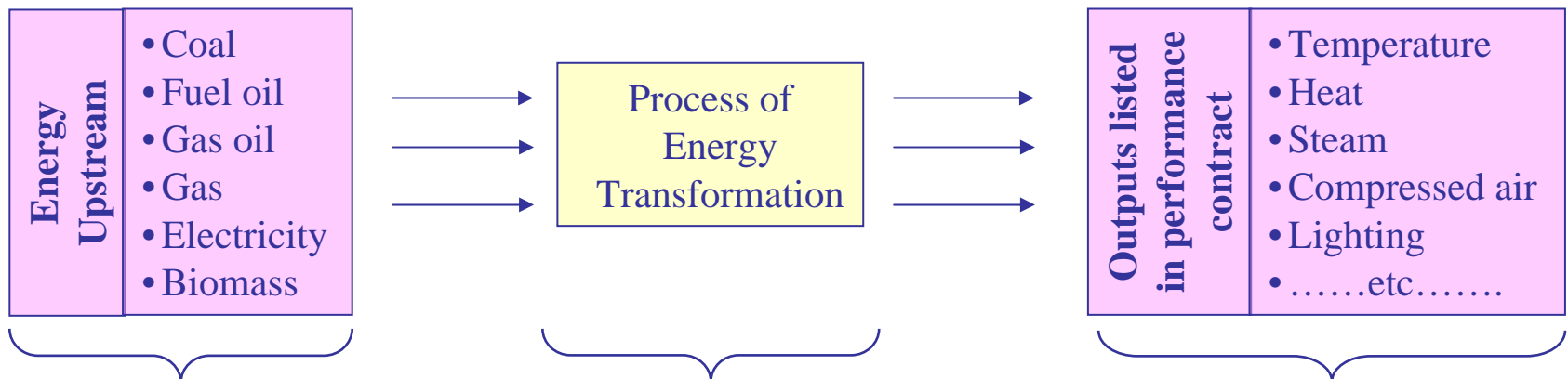


Business Activities

The « guaranteed performance » contract



Dalkia: A purchaser and transformer of energy



Dalkia purchases energy upstream of customer site

Dalkia operates and maintains its customers' energy-transforming equipment (boiler, turbine, air conditioning system, compressor, lighting system, etc.)

Dalkia sells the finished product with a guarantee of results (quantity, quality, rate, availability)

Customers: Industry, Tertiary Sector, Public Sector

Business Activities : Heating and cooling networks

Dalkia's activities

- Energy purchase
- Operation of the
 - generating plants
 - networks
 - distribution stations
- Sale of heat and electricity to end customers

Contract types

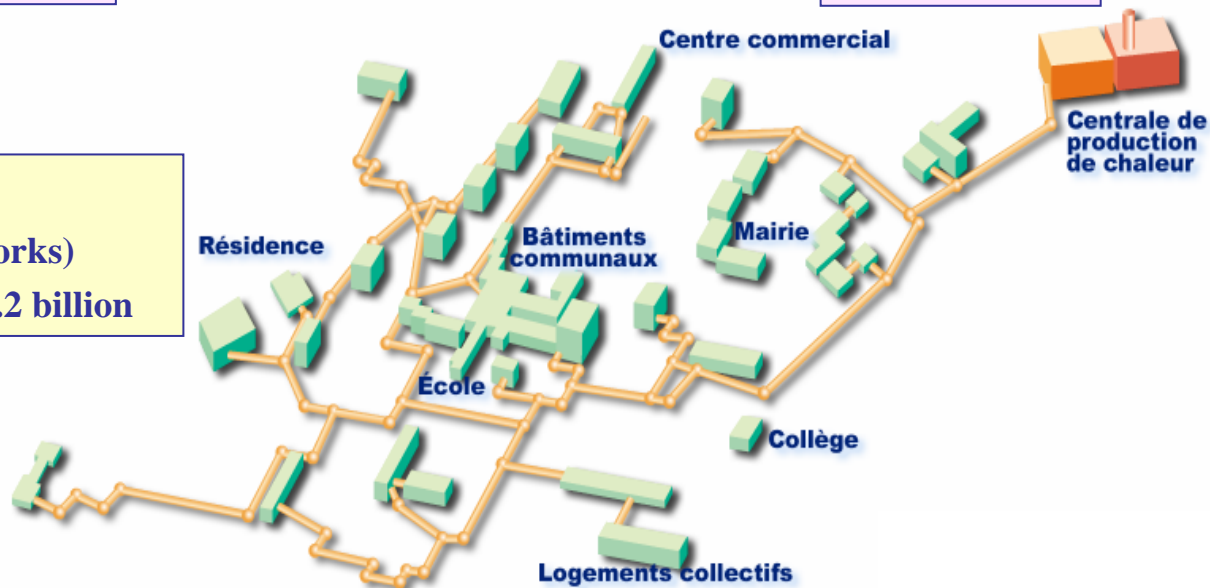
- In general, public service outsourcing
- Contract duration of 10-30 years

Customer references

- Lyons
- Lille
- Vilnius
- Moravia
- Poznan
- Tallinn

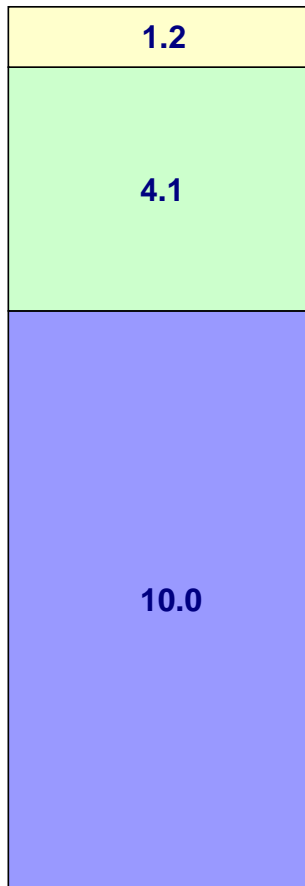
Dalkia:

- No. 1 in Europe (600 networks)
- Revenue managed in 2003: €1.2 billion

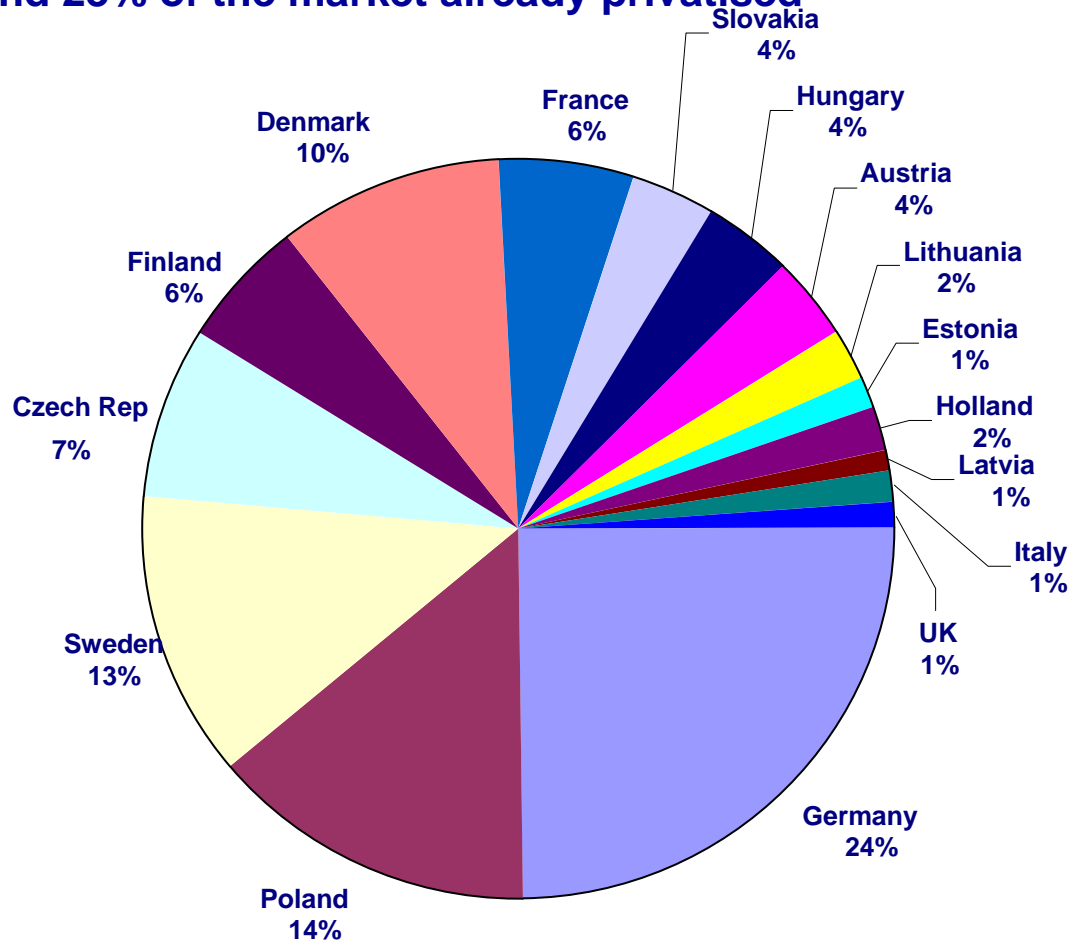


Heating and cooling networks - growth in outsourcing

- The market in the EU25 has an annual value of €15,3bn (2001)
- Germany, Poland and Sweden represent 52% of the market in value terms
- Dalkia: 8% of total market and 23% of the market already privatised



■ Publicly Managed
 ■ Privately Managed
 ■ Dalkia



Business Activities: Heating Systems and Multi-Technical services

Dalkia's activities

- Heating
- Air conditioning
- Technical systems
- Associated electricity production (cogeneration plant : heat + electricity)

Contract types

- In general, guaranteed performance contracts
- Contract duration of 3-8 years

Dalkia key figures

- Apartments - 4.6 million
- Tertiary buildings – 110 million m²
- Hospitals - 3,000
- Educational and research buildings - 10,000
- Sport, culture and leisure centres - 4,500



Dalkia:

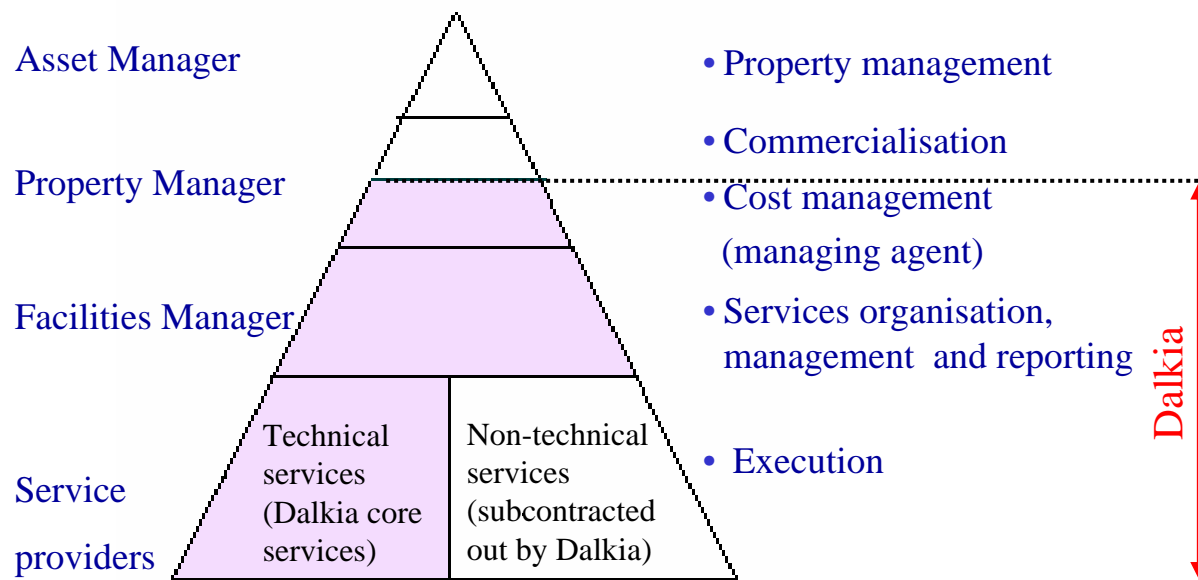
- No. 1 European operator of thermal systems
- Revenue managed in 2003 :
€1.7 billion
- Approximate Externalised Market is €13 bn in the EU15 (Dalkia ~ 13% share)

Business Activities: Facilities management



A business centred on Property

But rather... Dalkia's multi-disciplinary know-how



⇒ Response to customer demand for integrated outsourcing

⇒ Capacity to optimise complex, multidisciplinary services

⇒ Capacity for work force integration (personnel rehiring and reassignment)

Objective :

- to complement FM with energy management

Dalkia and PPP experience

■ **Diversity of contractual types**

- Broad range of experience in a variety of contractual models
- To date there is no standard model and each contract needs to be adapted on a case by case basis according to client needs

■ **Predominantly European focus to date**

- France
 - District Heating, Prisons, Schools
- United Kingdom
 - Health sector, Administration, Transport
- Italy
 - Health sector
- Germany
 - Schools
- Potentially broader European Union application of PPP model

■ **Focus on Asia and particularly China in next 5 years**

Dalkia and PPP development

■ Key Features

- Dalkia as a specialist service provider
 - Operational Guarantees
 - Optimisation of operations, maintenance and particularly energy management
 - Global contract
 - Implication from Dalkia at the conception of project in design phase to ensure that an installation is adapted to optimise operating costs
 - Consortia choice and risk and reward to lie with appropriate partners
 - Financial, Construction, Asset management and operation
 - Revenue streams
 - Bid Process management

Dalkia Approach

- Adapt contract on a case by case basis
- Optimisation of operations and infrastructure
- Avoid where possible debt consolidation and balance sheet implications
- Risk management and value creation to be achieved by those best placed within the partnership