



Press release

**CA Cheuvreux report analyses the political momentum
behind the forthcoming European Union vote on climate & energy**

Paris – 2 December 2008 – In its note “Climate Change Policies Impact”, CA Cheuvreux carbon specialist evaluate the consequences of the on-going EU negotiations to strike a deal on the Climate Energy package. The report analyses how the French Presidency of the EU can win a vote on climate and energy measures by the end of the year before handing over to a Czech Presidency in 2009, even if this entails yielding to some claims of Eastern European countries and governments that echo the grievances of their industrial lobbies.

Stéphane Voisin, Head of SRI research at CA Cheuvreux, comments: "The political calls on the need to green the economy are louder than ever. The new US and EU green stimulus to incentivise economic growth sounds like good news but needs to translate rapidly into measures to fuel investors' confidence in the potential of green businesses. The Poznan UN convention on Climate Change starting today will certainly add to the momentum, but no major progress is expected there. The real short term driver for market confidence on these themes is the strength of the CO² constraint signal that will come out of the on-going negotiation around the Climate Energy package. So watch Brussels, not Poznan this week..."

The CA Cheuvreux report analyses the potential impact on electricity utilities and energy-intensive industries as they employ carbon mitigation strategies under the tightened CO² constraints of a new regime. At stake is a wealth transfer of some €440bn over the 2013-2020 period from EU industries to governments in the form of CO² rights auctions. Anything less than a full auctioning scenario could free up significant upside in the valuation of CO²-intensive players such as RWE and Enel. Meanwhile, economic slowdown has increased fears of job losses induced by the potential relocation of EU heavy industries with, for example, building materials being at risk.

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CA Cheuvreux is **Crédit Agricole Group's European equity broker** and a subsidiary of the group's corporate and investment bank **Calyon**. Its **research team** of 115 analysts and economists covers nearly 800 stocks in Europe and the Middle East. Its range of **execution and sales trading services** covers more than 60 European, North American, Middle Eastern and now South African markets. CA Cheuvreux has **15* offices worldwide**, including recently established bases in Vienna and Istanbul.

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CA Cheuvreux has been a **pioneer** since 2005 in **integrating extra-financial criteria into its "traditional" financial analysis**. All our analysts are committed to identifying and analysing ESG-related issues and challenges for each sector and company that they cover, to provide institutional investors with **high-quality extra-financial research and related services**. CA Cheuvreux's objectives are threefold: making investors aware of the risks and opportunities related to SRI issues, measuring their impact on European sectors and companies, and helping investors engage with companies in this respect, via dedicated conferences, debates and one-on-one meetings. CA Cheuvreux's SRI research proposes four distinct products: **Environmental & Social Research, Governance Research, Carbon Research, and Green Tech Research**.

CA Cheuvreux ranked **No. 3** for its SRI research in **Institutional Investor** and **Thomson Extel** SRI rankings.

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