

METNEXT

your hub to euroland

Dominique LAPEYRE de CHAVARDES
Chairman
Metnext



METNEXT

**A Météo-France / NYSE Euronext Joint Venture
dedicated to the index management of weather risk**

www.paris-europlace.net

PARIS EUROPLACE

Paris - 5th July 2007

Why METNEXT?

Two drivers



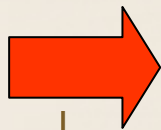
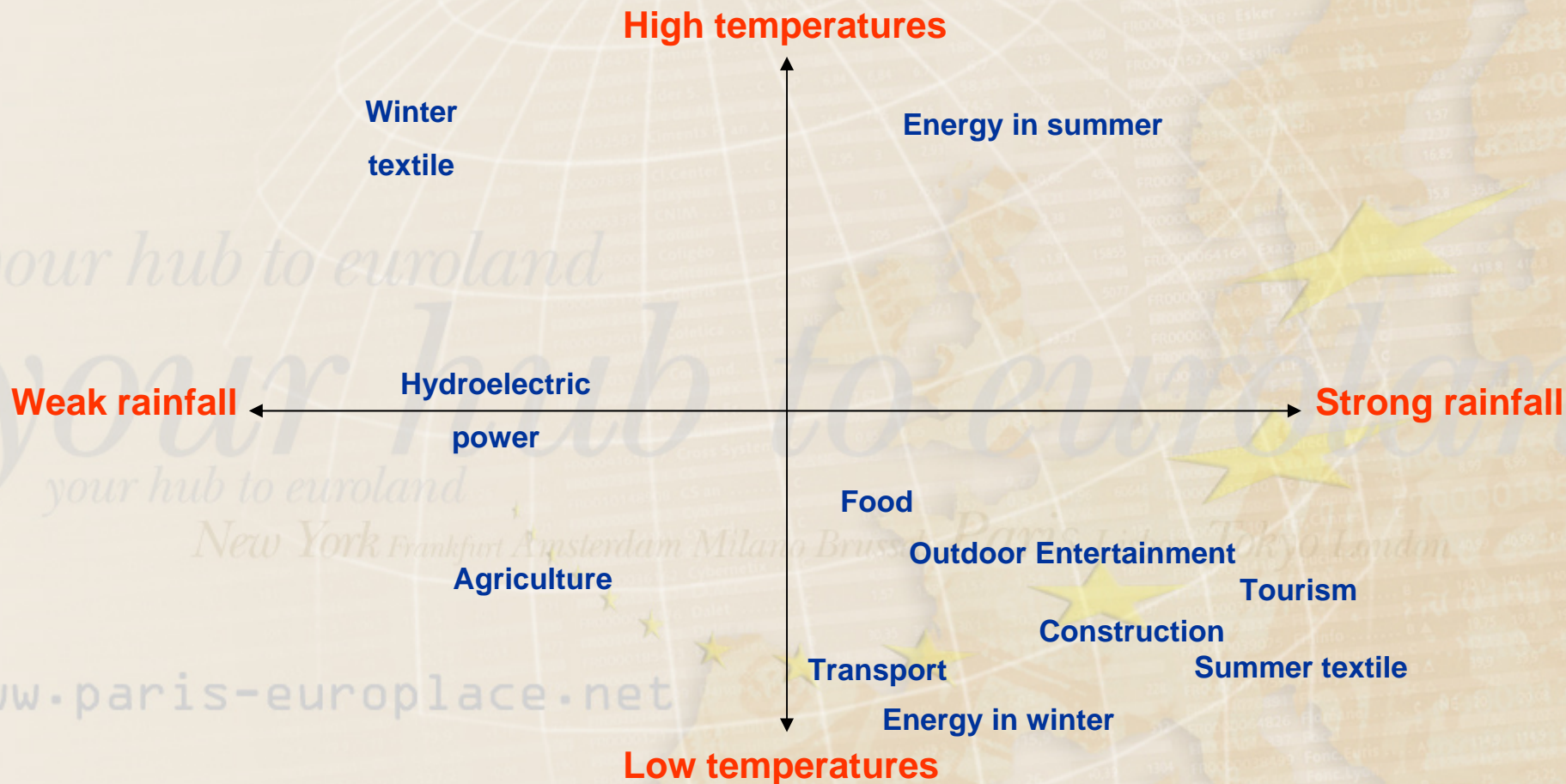
The sensitivity of the economy to the weather



An increasing interest in consequences of the meteorological variability on the companies' business

In a climate change context

A very weather sensitive economy



80% of companies are affected by « normal » weather variations,
(not to speak of weather cats)

A very weather sensitive economy

- **The climatic hazards impact:**

- Between 20-30% of the industrial production in Europe and 35% in the USA
- A turnover of \$1,000 billions in the USA
- \$ 1,250 billions in Europe and \$700 billions in Japan

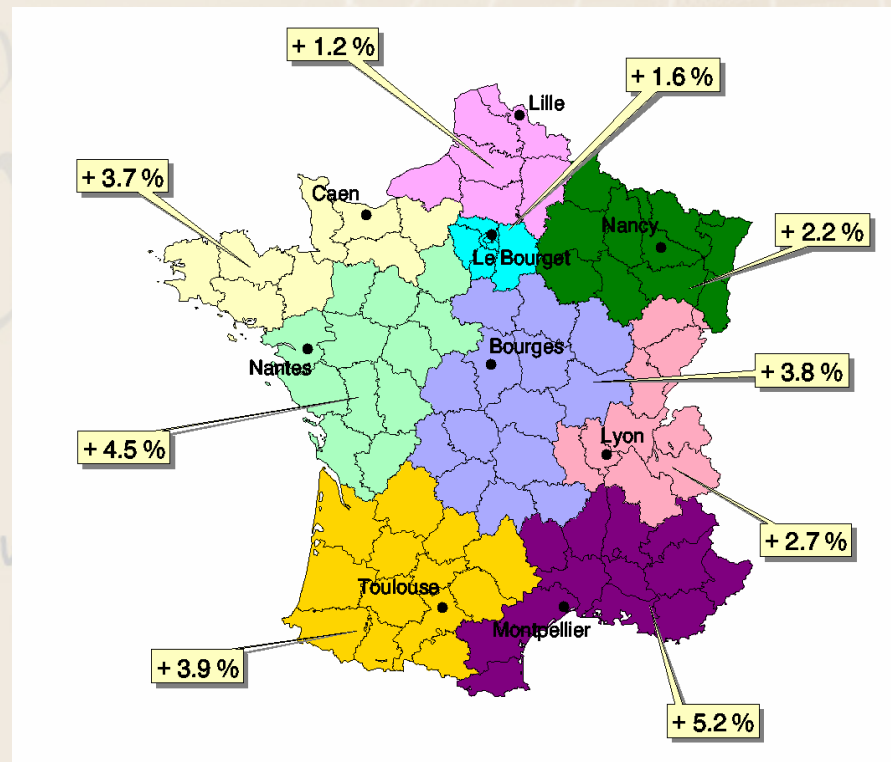


Examples of weather sensitivity (1/3)

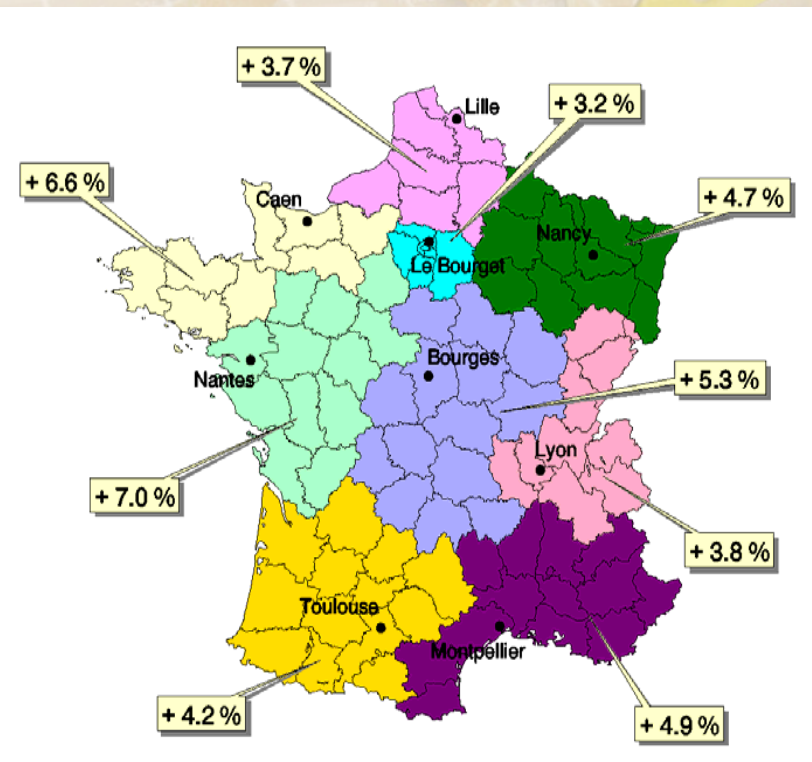
- Consumer goods

Impact for +1°C of the temperature on the sales of:

BEER



CRISPS

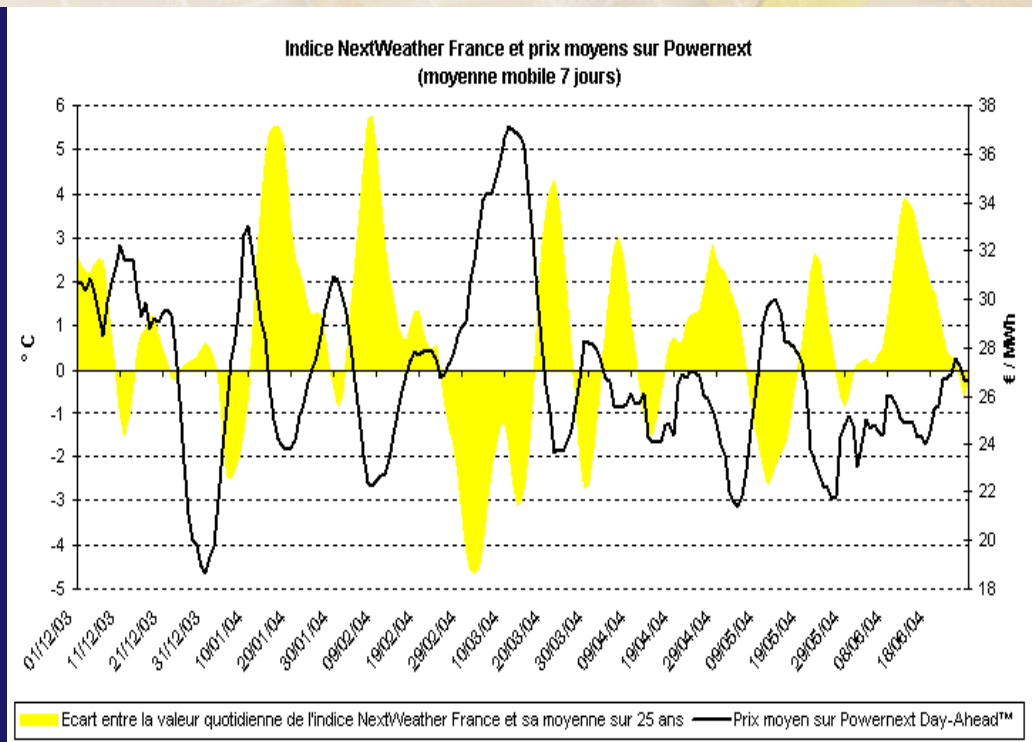
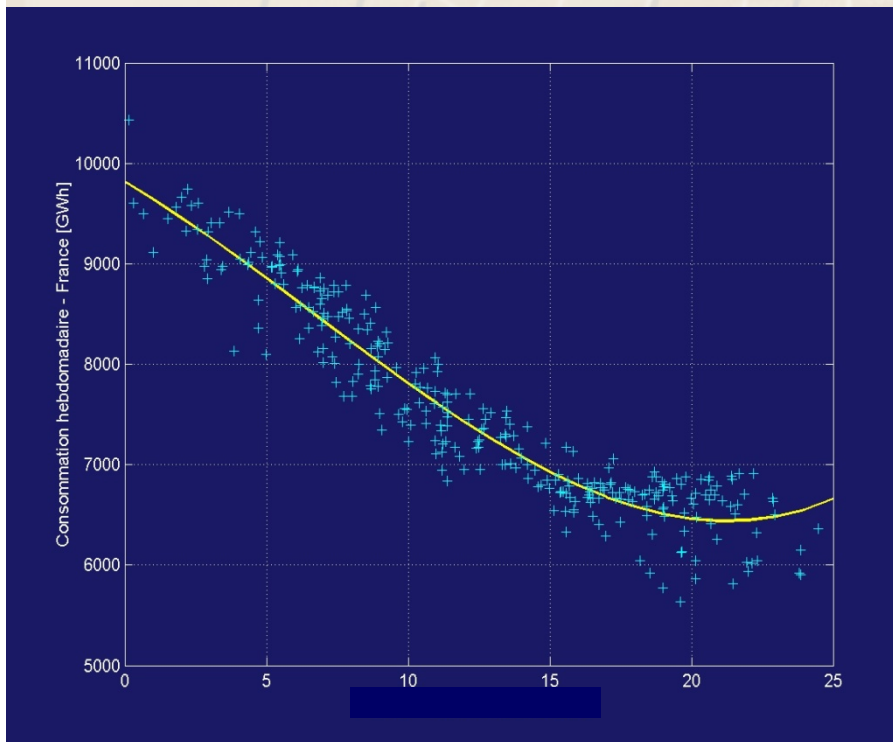


Examples of weather sensitivity (2/3)

● ENERGY

Temperature and electricity demand in France

PowernextWeather Index and electricity spot price



Examples of weather sensitivity (3/3)

- **CLOTHES retail business in Paris**

- **+1°C in september => - 4.75% on sales**
- **83% of the sales figures variability in september is explained by temperature only**

THE WEATHER RISK

IDENTIFIED FREQUENTLY

ANALYZED SOMETIMES

BUT RARELY MANAGED...

NOR HEDGED

METNEXT

- One company, with one back office
- Two distinct core businesses, addressing two distinct markets

Weather sensitive
Companies

**Brokers and
Risk Takers**

**Indices to manage
their weather impact**

**Services to
enable them to
hedge the
weather impact**

For weather sensitive Companies

Observed or forecast customized weather indices to manage a business

- Created from an historical analysis of the weather variations impact on the company management parameters
- Available at variable terms (days, weeks, months...)
- Can be integrated in sales forecasts software
- For sales and supply chain management
- Through yearly service subscription

For brokers and risk takers

Provide all the market actors a technical platform

- Worldwide access to raw data, clean data, homogeneized data and spatial interpolated data sets
- Development of specific meteorological indices and permanent control
- Access to historical indices
- Weather advise
- Calculation agent

For brokers and risk takers

Positioning as:

- A reliable third-party
- An independent operator

An original economic model: only in case of concluded deals

- % of the invested capacity to risk takers
- % of the brokerage commission to brokers

For brokers and risk takers

METNEXT Market Committee

**Committee open to brokers and risk takers in Insurance,
Reinsurance and Finance**

- The Club of the privileged people of METNEXT
- First beneficiaries of the latest meteorological knowledge and the latest scientific developments
- Preferred rate – subscriptions

METNEXT, a joint venture Meteo-France / NYSE Euronext

- **A worldwide ambition**
- **Pôle de compétitivité Paris Europlace**
- **Perspective of developments: Commodities, Carbon allowances, standard index for futures market, ...**

▪ **CONTACT:** *York Frankfurt Amsterdam Milano Brussels PARIS Lisbon Tokyo London*

Place de la Bourse, Palais de la Bourse

F- 75002 PARIS

Tel: +33 (1) 4927 5669

www.metnext.com

PARIS
EUROPLACE

FINANCIAL FORUM

Pavillon d'Armenonville

Thursday July 5 & Friday 6, 2007

www.paris-eurolace.net

www.paris-eurolace.net