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COMP/M.5224 - EDF/British Energy

SECTION 1.2

Description of the concentration

Nature of the concentration

The notified concentration comprises the proposed acquisition by EDF through Lake Acquisitions Ltd. ("Lake Acquisitions")¹ of sole control of British Energy. The concentration will be implemented by way of a public offer by EDF to purchase the entire issued and to be issued share capital of British Energy, including shares to be issued to the NLF on conversion of its existing right to receive an annual payment from British Energy. Implementation of the offer will give rise to a concentration within the meaning of Article 3(1)(b) of the EC Merger Regulation ("ECMR").

The Parties

EDF

EDF S.A. is a company incorporated under the laws of France. It was previously wholly owned by the French state. Since 21 November 2005, its ordinary shares have been listed on the Euronext market in Paris. The French state continues to hold 84.8% of the issued ordinary shares of EDF S.A..

EDF S.A. and its subsidiaries (together "EDF") are active in the generation and wholesale trading of electricity, and in the transmission, distribution and supply of electricity, as well as in the provision of other electricity-related services in France and in other countries.

EDF is also active in the design, building and provision of technical consultancy services relating to the construction, operation and maintenance of electrical plants and power networks.

Through specialised subsidiaries, EDF provides waste recycling and street lighting services.

It has operations in France, Germany, GB, Italy, Hungary, Poland, Slovakia, Spain, Austria, Netherlands, Czech Republic, Switzerland, US, Brazil, South Africa, Ivory Coast, China, Vietnam, Ukraine, Russia, Japan, Mali, Thailand, United Arab Emirates and Laos.

British Energy

British Energy Group plc is a public company limited by shares incorporated under the laws of Scotland. Its ordinary shares are listed on the Official List of the UK Listing Authority and it is a

¹ Lake Acquisitions Limited, is a special purpose vehicle which was incorporated for the purposes of the present transaction and references in this Form CO to "EDF acquiring British Energy" must be understood as "via the SPV".

member of the FTSE 100 index. The NLF, an entity set up by HM Government to fund the decommissioning and other waste liabilities associated with GB's existing nuclear fleet, is entitled to receive an annual payment from British Energy to assist in funding the AGR historic fuel liabilities and decommissioning of British Energy's existing nuclear stations. These existing rights are convertible into new shares of British Energy amounting to approximately 35.6 %² of the enlarged voting share capital of British Energy (assuming full exercise of the NLF's conversion right but no exercise of the Warrants).

British Energy is active in the generation and wholesale trading of electricity and in the supply of electricity to I&C customers and the provision of other electricity-related services, all of which activities are undertaken only in GB.

² Figure as at 30 October 2008.