



## EDF Investor Day: Nuclear Strategy and Finance

EDF is organising today a Day for investors and financial analysts dedicated to strategy and financial issues relating to EDF Group's nuclear activities.

### **A confirmation of future EPRs commissioning timetable**

In the framework of its contribution to nuclear revival worldwide as investor, operator builder, the Group will confirm its objective of connecting the Flamanville EPR to the network in 2012. EDF will also set out the following commissioning timetable: a first Chinese EPR in 2013 (Taishan 1), a first North American EPR in 2016 (Calvert Cliffs 3) and a first EPR in the United Kingdom at at end-2017.

### **Improved competitiveness of EPR reactors**

The updated construction cost of the EPR being built in Flamanville came out at €4bn in 2008 euros, (+20% higher than the previous estimated cost of €3.3bn in 2005 euros). This update takes into account increase in prices and the effects of some contractual indexes due to higher raw material costs and the impact of technical and regulatory evolutions. The new total cost of the electricity generated is therefore €54/MWh in 2008 euros.

The construction cost of a second EPR in France, similar to Flamanville 3, will have to take into account the likely very high increase in component prices at this time horizon and the initial benefits of a series effect.

In the United Kingdom, it will be necessary to take into account the costs induced by specific processes for authorizations from British authorities.

The EPR is sustainably competitive compared to other generation mean, the development costs of which have risen faster. In Europe, development costs of a gas combined cycle and a coal-fired thermal plant are therefore respectively 45% and 54% more expensive than in 2006. Current estimates for development costs for a new facility (base load) come at least out at 68€/MWh for a gas-combined cycle and at 70€/MWh for a coal-fired thermal plant with the lowest assumptions for raw material and CO2 costs.

China benefits from a very favourable cost environment compared to European EPRs.

Using a comparable method, the estimated cost for a US EPR is close to the costs presented for Europe.

## **Confirmation of Group's target of nuclear fleet's availability by 2011 and update on lifespan extension of plants**

The Group confirms its 85% target availability factor by 2011, and specifies that the nuclear fleet's availability rate in 2008 should come close to that of 2007 (80.2%).

Several action plans will contribute to reach this target. This will include the optimisation of planned outages and the gradual implementation of measures aimed at improving equipment performance.

EDF nuclear fleet is young, with an average age of 22 years. Two units will turn 30 in 2009. EDF has already started R&D and industrial action plans with the view to extend the lifespan of the fleet beyond 40 years. These actions translate into a €400M Capex per unit. However, it is up to the French Nuclear Authority to grant authorisation to operate for an additional ten-year power station by power station during its ten-year inspections.

## **Human and Financial Resources backing the nuclear development strategy**

The Group is supporting its development through an extensive recruitment programme to hire 5,000 engineers and technicians over the next 10 years. Three major initiatives have been launched to achieve its objectives under the auspices of the European foundation for tomorrow's energies: reinforcing and structuring of energy courses on the syllabi of French "Grandes Ecoles" and leading Universities, creation of the first international "Nuclear Energy" Master's and setting up of specialised courses to train experts.

EDF's ambitions in New Nuclear translate into a total Capex programme estimated today between €40bn and €50bn by 2020. The net financing requirements for EDF over the same period should be comprised between €12bn and €20bn, given the involvement of partners in these projects in France, China, the United States and possibly the United Kingdom.

## **Maintaining of short-term priorities during the crisis**

To conclude, in the Group's opinion, the current crisis does not question the energy challenges. EDF is progressing on the implementation of its performance plan, its dynamic investment policy, in particular in generation means with low CO2 emissions.

**About EDF**

The EDF Group, one of the leaders in the energy market in Europe, is an integrated energy company active in all businesses: production, transport, distribution, energy selling and trading. The Group is the leading electricity producer in Europe. In France, it has mainly nuclear and hydraulic production facilities where 95% of the electricity output involves no CO2 emissions. EDF's transport and distribution subsidiaries operate 1,246,000 km of low and medium voltage overhead and underground electricity lines and around 100,000 km of high and very high voltage networks. The Group is involved in supplying energy and services to more than 38 million customers around the world, including more than 28 million in France. The Group generated consolidated sales of € 59.6 billion in 2007, of which 44% in Europe excluding France. EDF is listed on the Paris Stock Exchange and is a member of the CAC 40 index.

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