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## Structure of the partnership for Hinkley Point C project

EDF Group today announced a comprehensive set of agreements for the proposed nuclear power station at Hinkley Point C. This additional news release contains further details of agreements with new partners for the project.

Preliminary works for the Hinkley Point C project are well advanced and an agreement has been reached in principle on an investment contract for the planned station. It has an approved EPR reactor design, regulators have awarded relevant nuclear site licences, labour relations agreements are in place and the UK Government has granted permission for construction.

Finalising agreements with industrial partners for equity funding is one of the remaining key steps necessary before a final investment decision can be taken.

### Industrial partnership

Letters of Intent have now been signed by EDF Group, AREVA, CGN (China General Nuclear Corporation) and CNNC (China National Nuclear Corporation) to become strategic and industrial partners in the project.

AREVA, which is the worldwide leader of the nuclear supply industry, is a long-standing partner of the EDF Group. In the UK, AREVA has developed a growing presence in nuclear fuel, services and backend expertise. Jointly with the EDF Group, AREVA has pursued the Generic Design Assessment (GDA) of its EPR technology, making it the only generation III design certified in the UK.

EDF Group and AREVA has been working with both CGN and CNNC for 30 years in the construction and operation of nuclear power plants to international standards. In addition, AREVA has developed fruitful industrial relationships with CNNC, both in the reactor and fuel cycle businesses. The new partnership for Hinkley Point C will bring a range of benefits to the project, the UK, France and China.

EDF Group has world-class expertise in the operation and construction of nuclear power stations. Through EDF Energy which operates 15 reactors, it is the leader in nuclear power in the UK. Improvements in safety, operational performance and high levels of investment in its eight power stations have demonstrated that EDF Energy is a trustworthy and responsible operator in the UK.

Both Chinese partners have extensive and wide-ranging capabilities in the development and construction of nuclear power stations. CGN currently operates 8.3GW of nuclear power. It has eight units in operation and has 15 under construction, including two EPR reactors being built in a joint venture with EDF at Taishan. CNNC has nine units in operation and 12 under construction.

EDF Group will be the “responsible designer” for the project with a central role in the design and engineering of the power station at Hinkley Point C.



The partnership will give CGN and CNNC the opportunity to gain experience in the UK and will support their long term objective of becoming established nuclear developers in the UK in partnership with EDF Group and in full compliance with UK regulatory requirements.

**Equity Share**

The share of equity is expected to be:

- EDF Group 45-50%
- AREVA 10%
- China General Nuclear Corporation (CGN) } 30-40%
- China National Nuclear Corporation (CNNC) }
- Discussions are taking place with a shortlist of other interested parties who could take up to 15%

The UK’s strong nuclear regulation regime ensures that all builders and operators must demonstrate that they operate in the interests of the UK and meet strict compliance requirements for safety and security.

A number of suitably qualified Chinese personnel will join the project to work alongside members of the project team, subject to the usual approvals from the UK regulators.

The risk of constructing the power station to budget and schedule will be shared by EDF Group and its partners.

**Luc Oursel, CEO of AREVA said:** *“The Hinkley Point project is a priority for AREVA and for the whole French nuclear industry, and the group is engaged to ensure its success. Today’s agreement represents the fruit of a joint endeavour with EDF since 2007 to contribute to the renewal of nuclear energy in the United Kingdom. This 5th and 6th EPR projects will benefit from the experience gained from the EPR reactors under construction in Finland, France and China”.*

**He Yu, Chairman of China Guangdong Nuclear Power Holding Co. (CGN), said:** *“CGN is interested in the UK electricity market and will play a key role in the HPC project. CGN would contribute to the project by bringing its experience and expertise, particularly acquired from the CGN controlled Taishan EPR project to HPC. CGN has a long term target and objective in the UK nuclear new build program and it is appreciated that both EDF and the UK government have expressed their understanding of this and agree to give support accordingly.”*

**Sun Qin, Chairman of (China National Nuclear Corporation) CNNC said:** *“CNNC is glad to see that UK government and EDF Group have reached an agreement on the key items of the HPC project. We think that the HPC project has a great significance in both UK energy market and world nuclear power development, and we are proud to participate in it. With experience of all aspects of the nuclear industry and 30 years of building nuclear power plants, CNNC will participate in the UK nuclear new build program with the support of EDF and UK government.”*

**EDF CEO Henri Proglio said:** *“The agreement in principle reached today with the British government offers industrial players a clear and long-term framework that will encourage investment. I am also delighted that other major world nuclear industry players have decided to join us in this large-scale project. Areva, our historical partner,*



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*along with CGN and CNNC, with whom we have been working for 30 years, will contribute their expertise alongside EDF, working towards the success of the Hinkley Point project.”*

These new alliances between British and French industry will allow both to take a leading role in this project and nuclear projects around the world. The project will draw on the global nuclear supply chain, providing opportunities for countries including China.

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