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THE WALL STREET JOURNAL.
WSJ.com

MANAGEMENT | SEPTEMBER 19, 2008

EDF May Sweeten British Energy Offer

By [DAVID GAUTHIER-VILLARS](#)

PARIS -- French utility Électricité de France SA is preparing to launch another attempt to buy nuclear power plant operator [British Energy PLC](#), marginally sweetening a £12 billion, or about \$22 billion, bid that failed in July, people familiar with the situation said.

The French power company is considering calling an extraordinary board meeting next week, where it will ask the board to approve a new offer worth 774 pence (\$14) per British Energy share, these people said. EDF made an offer worth 765 pence per share in July. But the transaction collapsed at the last minute on July 31 when two large British Energy shareholders said this offer was too low.

It isn't certain that the latest offer will result in a deal either, as technical issues remain, and some major British Energy shareholders could hold out for a higher price, said the people familiar with the situation.

The July draft bid would have given British Energy shareholders a choice of either about 765 pence a share in cash, or a combination of about 700 pence plus a certificate valued at roughly 65 pence that might have risen in value depending on performance. The British government, which has a roughly 35% stake in British Energy, supported EDF's July bid, because it would like the French company to help revive the U.K.'s nuclear industry.

The attempt to buy British Energy is key to EDF's international expansion plans. The French company is the world's largest operator of nuclear power plants, and has said it aims to use its expertise in four countries: the U.K., the U.S., China and South Africa.

Separately on Thursday, EDF confirmed that it had looked into how it could help rescue its U.S. joint-venture partner [Constellation Energy Group Inc.](#), with which it plans to build nuclear plants in North America. Constellation Energy's stock price has fallen sharply recently because of concerns over its cash situation.

EDF said it eventually refrained from making a move, partly because of U.S. state and federal rules limiting the ownership of nuclear assets by foreign companies.

Later Thursday, billionaire Warren Buffett said his Mid-American Energy Co. had reached a tentative agreement to buy Constellation Energy for \$4.7 billion in cash, a nearly 60% discount to where the company was trading just days ago.

—Rebecca Smith in San Francisco contributed to this article.

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