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French Utility EdF to Buy British Energy for \$23 Billion

By [DANA CIMILLUCA](#)

Electricite de France SA has agreed to buy U.K. nuclear power-plant operator British Energy PLC for £12.4 billion (\$23 billion), in a deal that will reshape the U.K. energy sector, a person familiar with the matter said.

To seal the deal, EdF agreed to offer 774 pence per share, nine pence higher than the offer that British Energy rejected in July, the person said. The companies plan to announce the deal before trading begins Wednesday in London and EdF scheduled a press conference for Wednesday morning in Paris.

Back in July, the original deal fell apart shortly before it was scheduled to be announced when British Energy's two largest shareholders said they wouldn't accept it. At least one of them, Invesco Asset Management Ltd., has agreed to accept the new, sweetened offer, the person said. As with the prior deal, last minute snags could still derail the deal.

British Energy shareholders will also be offered a combination of about 700 pence a share plus a certificate known as a contingent value right that is tied to British Energy's output and power prices. The earlier deal also had a CVR, which has been sweetened. It is unclear what the terms of the CVR are.

The British government has a roughly 35% stake in British Energy and has been supportive of an EdF deal all along because it would like the French company to help revive the U.K.'s nuclear industry.

EdF is the world's largest operator of nuclear power plants, and Britain is crucial to its ambitious international expansion plans.

British Energy would be a welcome victory for EdF after a recent deal setback. EdF was also participating in a bid to buy out its U.S. joint-venture partner Constellation Energy Group Inc. But billionaire Warren Buffett last week said his Mid-American Energy Co. had reached a tentative agreement to buy Constellation Energy for \$4.7 billion in cash.

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