



centrica

General Meeting 2009

Old Billingsgate, London
Monday, 8 June 2009

we **source** it
we **generate** it
we **process** it
we **store** it
we **trade** it
we **save** it
we **supply** it
we **service** it

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Roger Carr

Chairman

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British Energy

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- Announcement on 11 May to enter into certain transactions with EDF to acquire 20% stake in British Energy
- Delivers significant benefit to Centrica shareholders:
 - Reduces exposure to volatile commodity prices
 - Secures Centrica's participation in the UK nuclear industry

British Energy

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- Leading supplier of nuclear energy in the UK
- Operates eight nuclear power stations and one coal-fired plant
- New BE power stations will help secure future UK electricity requirements
- Additional power assets will generate more of the electricity we need for our customers
- SPE sale as part of the transaction

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Sam Laidlaw

Chief Executive

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Why invest in British Energy? *centrica*

- Strategic priority to increase gas and power requirements from our own assets
- Reduces exposure to short term volatility in wholesale commodity prices
- Secures energy supplies for the future
- Delivers more stable post-tax earnings – increased shareholder benefit

Why nuclear?

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- Additional source of electricity for our 6 million electricity customers
- Increasing gas and power production from our own assets to around 45%
- Low carbon source of power
- Participation in new nuclear programme provides long term hedge and growth opportunity

Details of transaction

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- 20% equity stake in British Energy
- Net cash consideration of £1.1billion - restructured from original £3.1billion cash transaction
- Partly financed through sale of SPE for €1.325bn
- SPE sale is multiple of 13.8 x EBITDA – compares favourably to similar European transactions
- 20% of available power, plus additional firm 18TWh 2011-16

Governance package

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- Centrica is a 20% investor in Lake Acquisitions the joint venture holding company
- EDF has day-to-day operational control, utilising nuclear expertise
- Centrica rights include:
 - Full information
 - Board representation on both Lake Acquisitions and British Energy Group
 - Veto over certain investment decisions

Nuclear new build

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- Key element of the EDF partnership is participation in UK new nuclear build programme
- Centrica option for 20% stake in each new reactor project
- Final investment decision on first reactor expected in 2011
- EDF intends initially to build four reactors in the UK
 - Two reactors at each of Sizewell and Hinkley Point
 - First commissioning targeted for end 2017

Summary

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- Transaction supports group strategy announced two years ago
- New nuclear adds to our wide range of investment opportunities
- Continue to strengthen North American business
- Maintain strong balance sheet

The background image shows a power plant facility. On the left, there is a large, white, dome-shaped cooling tower. To its right is a tall, dark, cylindrical chimney stack. The main part of the image is dominated by a large, blue-tinted building with a corrugated metal facade. The sky is dark and cloudy. The overall tone is industrial and somewhat somber.

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