



The Nuclear Power Note

Bruno Villard, Nicolas Bach and Claude Herskovits, from CIB Corporate Finance have won an Innovation Award in the Products and Services category for an innovative financing solution : The Nuclear Power Note, an innovation key to success in the EDF British Energy deal. Bruno Villard, you are Head of the Energy Group, can you explain this operation?

The Nuclear Power Note is a listed product, which was offered to the shareholders within the framework of a public offer in the UK, basically in order to win the recommendation of the board, which is really key. Instead of offering just a cash amount (this value for the company per share), the idea was to propose another option, which was a cash amount plus something, which is contingent, which depends on the realization of potential key parameters. I think it's the first time this kind of product has been proposed to shareholders in the UK.

Nicolas Bach, you are Director in the Energy Group within Corporate Finance. What role did the Nuclear Power Note play in this operation between EDF and British Energy?

We were negotiating with potential investors, which at the time of the negotiations were, I mean, at the very high valuation expectations, just because of, you know, the fact that energy prices were at the top. So the instrument was the only way for us to really bridge the gap between what EDF was ready to offer and what the shareholders were really expecting.

Bruno Villard, back to you, how did you organize the teamwork?

How we work? Thierry Barel has set up a multidisciplinary team within Corporate Finance, so the Energy team, which I represent here, the UK team, and the advisory [team] for listed companies. And then we worked with the company and the other advisers, and at some points within the process on the Nuclear Power Note, GECD was involved because basically they are the ones market-making the product now.

Finally, Claude Herskovits, as Managing Director for Corporate Finance London, would you have suggestions to generate more frequent innovations like this one within CIB?

Teamwork is an essential part of our job, even within Corporate Finance, the people who form part of our team have very different skill sets, and very different types of experience. Well I think what this process has taught us is that there are a lot of very bright people within the organization with a lot of experience and a lot of good creative ideas. I think that in different situations in the future, to the extent that, that knowledge and that experience can be harnessed and be drawn upon, even in situations where apparently there is very little in common. I think it can only be helpful and only be good for the organization in terms of coming up with new creative solutions, which we'll be able to differentiate ourselves from our competitors.

Gentlemen, thank you very much !