



For Immediate Release
27th January 2016

Hinkley Point C likely to be “dead in the water”

The Stop Hinkley Campaign has learnt that the final investment decision on Hinkley Point C has been taken off the agenda of today’s EDF Board meeting because of serious concerns among the private investors about how the project will be financed. The main item on the agenda is now expected to be the company’s merger with Areva, the French nuclear energy group. (1)

The managers’ union CFE-CGC, which has a seat on EDF’s board, posed a set of last-minute questions to the company about the financial risks. (2) It has voiced concern that “significant” financial issues related to Hinkley could “put EDF in danger” in the long term. A CFE-CGC document highlighted the construction problems at both Flamanville and another similar plant in Finland, which is 10 years behind schedule and €5bn over budget. It asked: “*What is the rationale for starting construction on two EPRs [European pressurised reactors], at the same site, in such a short period of time?*” The second largest shareholder after the French Government – the Association of Employee Shareholders (EAS) - has asked for the project to be halted. (3)

Other points of interest from today’s press include:

- EDF has debts of €37 billion (£28 billion) and its share price has fallen from €29 in April 2014 to €11.87 this week. Peter Atherton, an analyst at Jefferies, the US investment bank, said: “*Financing such a massive project will place a significant strain on EDF’s finances.*” (4)
- EDF is struggling to find the cash for its 66.5% share of Hinkley Point C and is now "putting pressure on the [French] state, which owns 84.5% of the Company, to come up with fresh funds". (5)
- According to Analysts at Bank of America Merrill Lynch EDF may now need to find a new financial partner to fund 16.5% of the project, reducing EDF’s share to 50%. (6)
- The earliest a final investment decision can now be made would be 16 February. (7)

Stop Hinkley Spokesperson Roy Pumfrey said:

“By our reckoning this is the ninth time EDF has said a final investment decision is imminent, and then nothing has happened. With all the problems that EDF has – the need to spend €55bn upgrading

old French reactors; find €1.4bn to buy Areva and increasing waste disposal costs, (8) I really can't see how the situation will be any different by 16th February”.

“Problems with the construction of other EPRs at Flamanville in France, (9) Olkiluoto in Finland and Taishan in China continue to mount up. It is now looking increasingly likely that Hinkley Point C is dead in the water.”

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Notes;

- (1) FT 26th Jan 2016
<http://www.ft.com/cms/s/0/2f249254-c451-11e5-b3b1-7b2481276e45.html>
- (2) The questions are available here: http://www.cfe-energies.com/dossiers_et_themes/economie_des_entreprises/info_salaries_edf_sa_projet_hinkley_point_c_15_questions_au_conseil_dadministration_de
- (3) Guardian 13th November 2015 <http://www.theguardian.com/environment/2015/nov/13/hinkley-point-nuclear-plan-puts-survival-edf-at-risk-say-employee-shareholders>
- (4) Times 27th Jan 2016
http://www.thetimes.co.uk/tto/business/industries/industrials/article4675395.ece?CMP=OTH-gnws-standard-2016_01_27
- (5) BBC 27th Jan 2016 <http://www.bbc.co.uk/news/business-35415187>
- (6) Telegraph 26th Jan 2016 <http://www.telegraph.co.uk/finance/newsbysector/energy/12123674/Hinkley-Point-go-ahead-delayed-amid-EDF-funding-doubts.html>
- (7) BBC 27th Jan 2016 <http://www.bbc.co.uk/news/business-35415187>
- (8) For more on these problems see our Press Release of 14th January 2016
<http://www.stophinkley.org/PressReleases/pr160114.pdf>
- (9) See Reporterre 21st Jan 2016 <http://www.reporterre.net/La-situation-du-nucleaire-francais-inquiete-l-Autorite-de-surete>