

To: **All Prospect members of EDF Energy Branch.**

08 September 2010

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Dear Colleagues

THE SALE OF UK NETWORKS – AND THE EWC’S VERDICT

You will have seen today’s announcement of the EDF Board’s decision to sell the UK distribution networks Cheung Kong (CKI). French legislation requires that before a decision of this kind, the employer must take due account of any formal opinion from the European Works Council.

UK delegates and deputies Lee Parris, John Daley, John Kellegher, Neil Freeman, Tony Allan, Tony Caldicott, and Phil Hunt all attended the EWC meeting last week, as did I, on behalf of EPSU, the European Federation of Public Service Unions, and contributed to the EWC’s deliberations on this issue along with delegates from across EDF’s subsidiaries in Europe. Group and Company CEOs Proglio and Vincent de Rivaz formally addressed the plenary session of the EWC on 3 September, and answered questions, and after their presentations the EWC delivered its verdict - a unanimous negative opinion. This is attached for your information, along with the Company’s press release.

In the meantime, UK unions have already begun to engage the final bidder in exploratory dialogue. Yesterday I met CKI representatives, Charles Tsai, Director and General Manager of Hong Kong Electric, and Basil Scarsella CEO of Northern Gas Electric. Dougie Rooney and Carol Lewis represented Unite and Unison, in what was the second such meeting. Alan Leighton attended the first meeting with CKI on 5 August whilst I was on annual leave.

We talked about some of CKI’s overarching themes in their overall approach – being a responsible corporate citizen; being an employer of choice; and achieving a reasonable return on investments. They accurately anticipate that our members’ aspirations are likely to gravitate around job security, job satisfaction and pensions. We have also conveyed that we emphasise the importance of meaningful consultation and dialogue and health and safety. We also touched on some of the underlying reasons for the EWC opinion, and the breadth of constituencies and perspectives it represents – those who face

being sold to CKI, those who will remain in the altered EDF Energy, and the implications of the sale and the perceived changes in the Group's strategic vision and business model for all those who will remain in the EDF Group, and covered by its European Works Council.

Our dialogue with CKI is likely to continue apace in view of the EDF Board's decision to sell Networks.

A special meeting of the branch executive has been convened on 15 September to consider these developments, as well as the outcome of Barber Waiver discussions with senior officers over August.

I shall of course, continue to keep you updated.

Azim Hajee

Negotiations Officer