



General Electric
(Switzerland) GmbH
Brown Boveri Strasse 8
5401 Baden Switzerland

**letter to Defence Select Committee - Re: Proposed sale of GE Steam Power
nuclear business to EDF**

23 February 2022

To the Rt. Hon. Tobias Ellwood MP, Chair of the Defence Committee,

Dear Chair,

Further to our correspondence in October and November 2021 regarding GE Steam Power's nuclear business which includes our steam turbine and generator activities at the Rugby site, I attach a copy of GE's recent press release confirming that EDF and GE have signed an exclusive agreement (memorandum of understanding) for EDF to acquire part of GE Steam Power's nuclear activities (the "Transaction"). Upon completion of the necessary works council processes, GE and EDF would propose to enter binding agreements to sell and purchase GE's nuclear steam business. Completion of the proposed Transaction would then be conditional on customary closing conditions, including regulatory approvals. Subject to these conditions, the proposed Transaction is expected to close in the first half of 2023.

The proposed Transaction would include GE Steam Power's conventional island business for nuclear power plants and GE's naval nuclear steam business which currently provides steam turbines, condensers and auxiliaries for the UK navy [REDACTED]. Both these businesses were acquired by GE following the Alstom transaction in 2015.

The proposed Transaction would bring together GE's Steam Power nuclear steam turbine and generator technology and services expertise with EDF, further strengthening EDF's experience in and commitment to the nuclear power sector.



The GE Steam Power nuclear activities and teams in scope of the proposed Transaction are based in about fifteen countries. We expect the business to have approximately 3,400 employees worldwide within the scope of the Transaction, with about 70% of these employees based in France.

GE has two sites in Rugby; GE Steam Power's nuclear steam turbine manufacturing and its turbine and generator servicing activities are based in Rugby and are included in the proposed Transaction. The GE Power Conversion activities/business also based in Rugby, are not in scope of the Transaction.

[REDACTED]

We have had initial discussions with HM Government and have extended an offer to the MoD for a meeting to (i) discuss the proposed Transaction, (ii) address specific question they may have and (iii) discuss GE's continued commitment to support the UK's Naval capabilities more generally. We expect to have further discussion with HM Government as the Transaction progresses. GE and EDF are committed to following all the necessary regulatory processes, including (but not limited to) those required under the National Security and Investment Act (**NSI Act**).

If you, or the Committee, have further questions, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in grey ink, appearing to read 'Christian Stephenson'.

Christian Stephenson
Senior Executive Director
GE Steam Power