



British Energy Group plc

Unaudited results of British Energy Limited
(formerly British Energy plc) for the third quarter
(ended 31 December 2004) of the financial year
ending 31 March 2005 (Q3 05)

Investor Presentation

14 February 2005

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The information in this presentation is drawn from the results for the Third Quarter ended 31 December 2004 (unaudited), the results for the first nine months ended 31 December 2004 (unaudited), the results for the Third Quarter ended 31 December 2003 (unaudited) and the results for the first nine months ended 31 December 2003 (unaudited). This presentation is a summary and reading it is not a substitute for reading the results in their entirety.

All numbers are derived from UK GAAP, unless otherwise stated. The Company's restructuring was completed on 14 January 2005, as a result, the financial results given in this presentation have been prepared on a pre-restructuring basis. A number of important accounting differences arise as a result of the restructuring as set out in the appendix. Definitions are set out in the appendix.

This document contains certain "forward-looking" statements as defined in Section 21E of the US Securities Exchange Act of 1934, including statements with respect to British Energy's business plans, the performance of its stations, electricity prices and other matters that are not historical facts concerning the business operations, financial condition and results of operations of British Energy. These forward-looking statements typically contain words such as "intends", "expects", "anticipates", "estimates", "aim", "believe", "assume", "should" and words of similar import, which are predictions of or indicate future events or future trends. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the control of British Energy and may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. British Energy has identified some important factors that may cause such differences in its Form 20-F annual report for the year ended 31 March 2004 and its 6-K in connection with the Restructuring both of which have been filed with the US Securities and Exchange Commission.

Due to the uncertainties and risks associated with these forward-looking statements, which speak only as to the date hereof, we are claiming the benefit of the safe harbor provision referred to above.

1 Overview

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- ◆ Results reflect British Energy prior to the Restructuring that was successfully completed on 14 January 2005
- ◆ Output for the year is expected to meet the announced 59.5 TWh
- ◆ Realised prices are up by 18% to £20.8/MWh for Q3 05 compared with Q3 04
- ◆ Sales to the industrial sector continues to grow. Contracts in place for virtually all of the planned output for FY 05, of which nearly all are at fixed prices. Average price for fixed price contracts was £21.3/MWh
- ◆ Operating unit costs for Q3 05 have increased by £4.3/MWh to £21.5/MWh largely due (85%) to lower output, depreciation and announced incremental investment in people and plant

1.1 Overview (Cont.)

- ◆ Continue to implement the improvement programme with establishment of the project division and asset planning function. Work prioritisation is expected to be completed shortly
- ◆ Hartlepool and Heysham 1 lost 4.2 TWh due to major cast iron pipework replacement, boiler inspections, fire and flood threats and graphite safety cases
- ◆ Rest of fleet has performed better when comparing Q3 04 and Q3 05, an increase of 1.9TWh
- ◆ Non-outage backlog of maintenance is improving and has reduced by 31% during the course of the financial year
- ◆ Headquarters relocated from Peel Park to smaller offices in Livingston opened December 2004
- ◆ New quality hires expected to be 450 in FY 05 and on plan with a net increase of 230
- ◆ Trading Development Plan to be completed April 2005

1.2 Key Financial Headlines

	Q3 05	9M 05
Total output (TWh)	15.8	47.5
Nuclear output (TWh)	14.0	42.7
Coal output (TWh)	1.8	4.8
Realised prices (£/MWh)⁽¹⁾	20.8	18.8
Total operating unit costs^{(1) (2)} (£/MWh)	21.5	21.1
Margin (£/MWh)⁽²⁾	(0.7)	(2.3)
Operating loss before exceptional items⁽³⁾ (£m)	(8)	(91)
Operating loss after exceptional items - continuing activities⁽³⁾ (£m)	(20)	(134)
Loss on ordinary activities before tax⁽³⁾ (£m)	(87)	(349)
EBITDA - continuing activities⁽³⁾ (£m)	11	(36)

⁽¹⁾ Excluding electricity supply costs.

⁽²⁾ Stated before exceptional items.

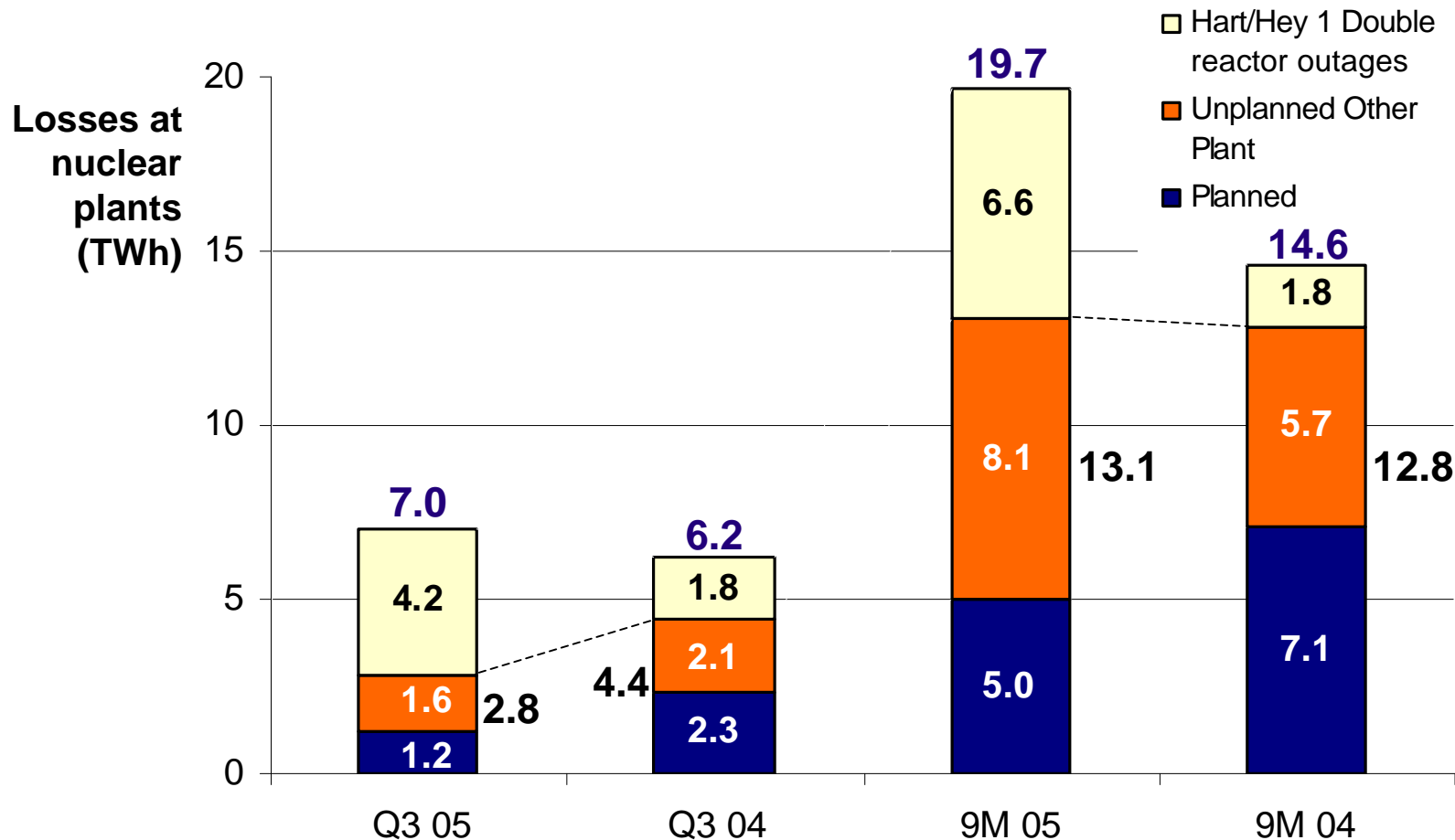
⁽³⁾ Stated after charging Capex of £29m for Q3 05 and £61m for 9M 05.

1.3 Output summary

	Q3 05	9M 05	Q3 04	9M 04
Output (TWh)				
Nuclear - AGRs	11.5	35.9	13.3	41.7
Nuclear - PWR	2.5	6.8	1.4	6.3
Total Nuclear	14.0	42.7	14.7	48.0
Coal	1.8	4.8	2.6	4.8
Total	15.8	47.5	17.3	52.8
Load Factors (%)				
Nuclear - AGRs	62%	65%	72%	75%
Nuclear - PWR	93%	86%	53%	81%
Total Nuclear	66%	68%	70%	76%
Coal	40%	37%	58%	37%

1.4 Losses at nuclear plants

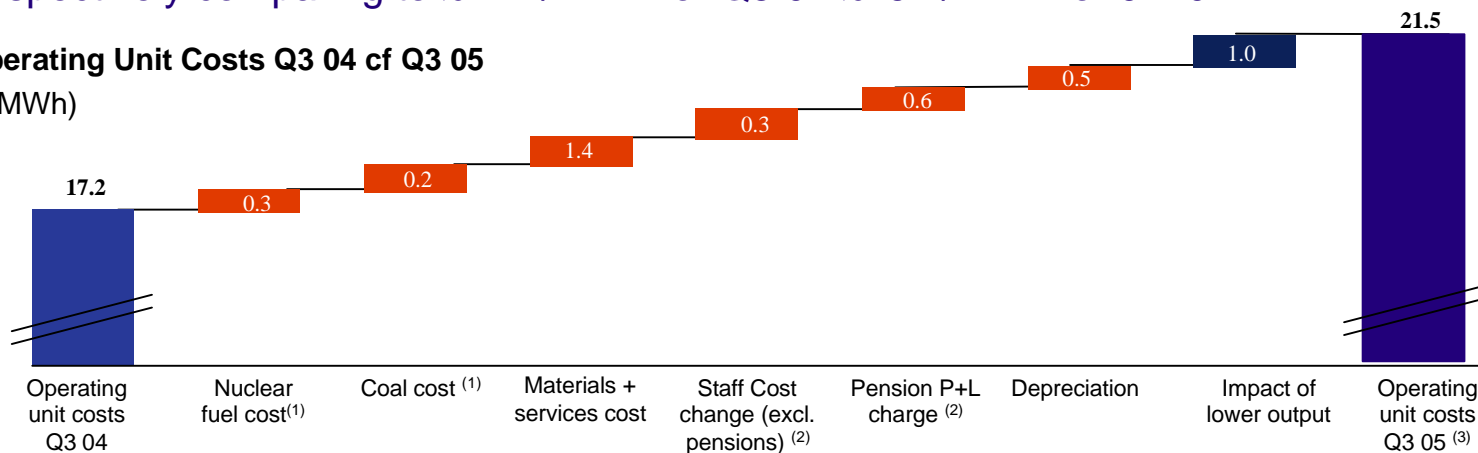
Losses at nuclear plants (TWh)



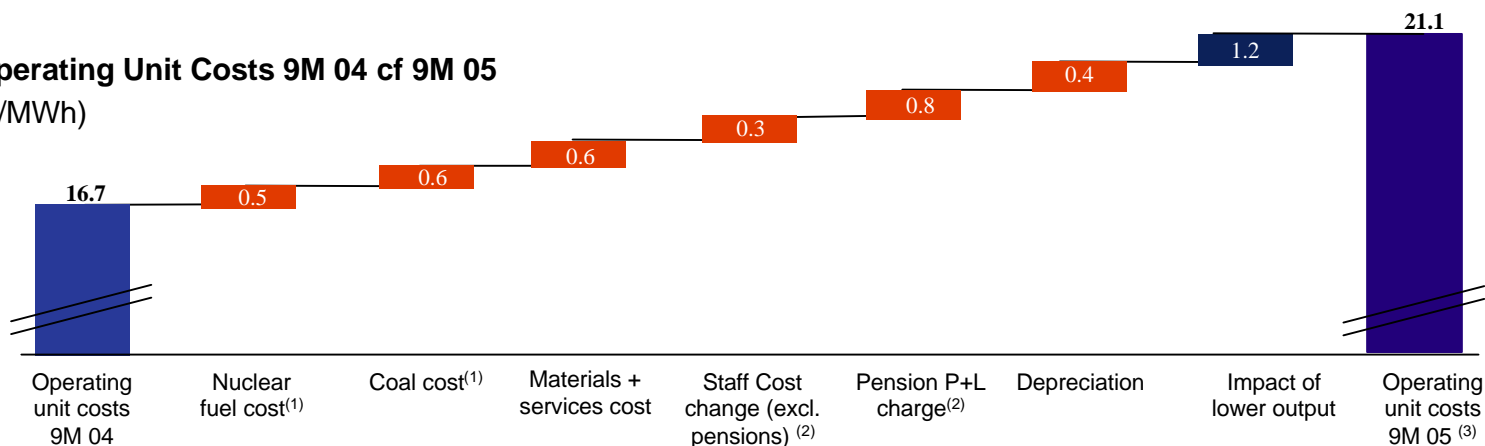
1.5 Incremental Cost Analysis

Total operating unit costs, were £21.5/MWh and £21.1/MWh for Q3 05 and 9M 05 respectively comparing to £17.2/MWh for Q3 04 £16.7/MWh for 9M 04.

Operating Unit Costs Q3 04 cf Q3 05
(£/MWh)



Operating Unit Costs 9M 04 cf 9M 05
(£/MWh)

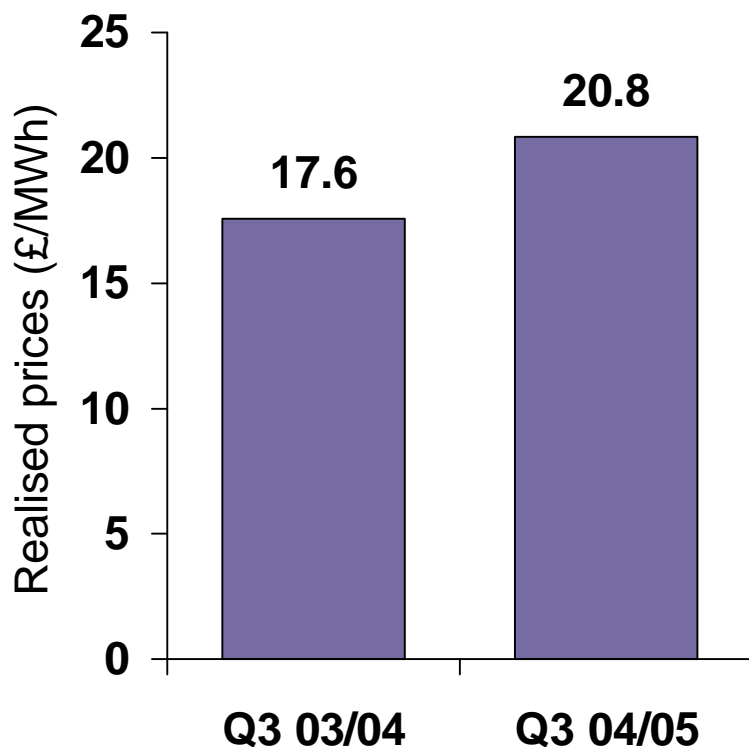


⁽¹⁾ Fuel costs are treated as wholly variable. Increases per unit are each calculated by reference to total output.

⁽²⁾ Staff costs increased by £15m in the quarter and £54m for 9M 05 of which £10m is due to pension costs (Q3 04 Nil), £40m and £NIL respectively for 9M period.

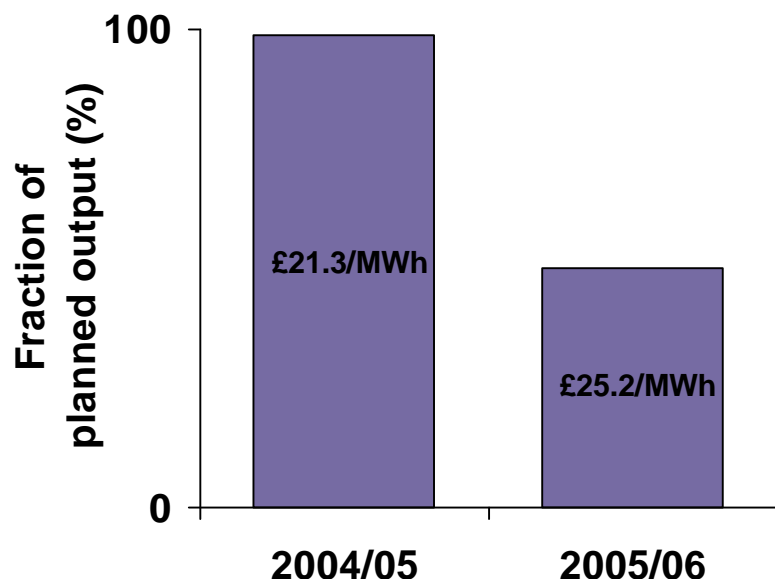
⁽³⁾ Operating Unit Costs are separate to and not comparable with nuclear cash costs and include, inter alia, costs of Eggborough.

1.6 Trading



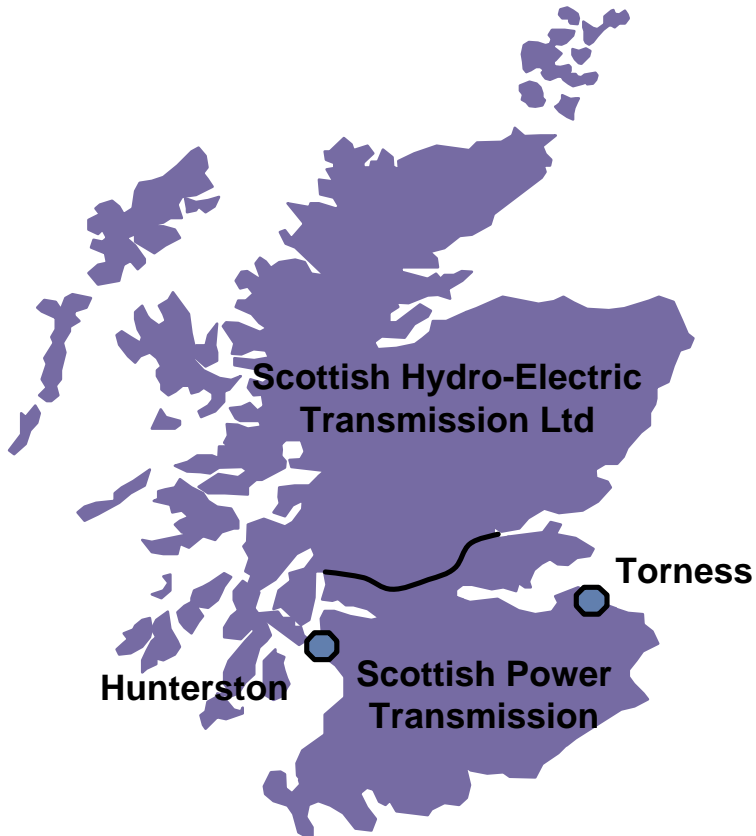
- ◆ Realised prices for Q3 05 up 18% over prior period
- ◆ Eggborough:
 - new biomass feed systems operational
 - FGD due to complete Summer 05
- ◆ EU ETS started, carbon allocations not yet finalised by HMG

Fixed Forward Contracts at 31 December 2004



- ◆ Continuing strategy to contract forward across the wholesale market and direct supply business
- ◆ Fully hedged for 2004/05
- ◆ Approximately half of planned output for 2005/06 is covered by fixed price contracts at average price of £25.2/MWh

1.6c Trading - BETTA



- ◆ British Electricity Trading and Transmission Arrangements (BETTA) planned to start 1 April 2005
- ◆ Single system operator and balancing mechanism
- ◆ Nuclear Energy Agreements (NEA) will terminate at BETTA 'go live'
- ◆ BETTA creates a larger potential market for our Scottish generation
- ◆ Single portfolio of GB generation and sales post BETTA

National Grid Company will be:

- System operator for Great Britain
- Transmission asset owner for England and Wales

1.7 Performance Improvement Programme

- ◆ Investment in Plant £50m Q3 05 and £114m 9M to 31 December 2004
 - Eggborough FGD - £4m 9M 05
 - Cast Iron - £18m 9M 05
- ◆ Cast iron replacement substantially completed at Heysham 1 and Hartlepool, work in progress at Hunterston and Hinkley. The majority of the balance of replacement work and replacement of underground pipework at sites as required will continue into FY 06
- ◆ Forecast Investment in Plant of £150m - £170m for FY 05, narrower than the previous £140m - £170m

1.8 Dungeness Life Extension

- ◆ Technical review well under way
- ◆ Commercial and economic viability is being determined
- ◆ Expect to report in the second half of 2005
- ◆ Periodic Safety Review to be completed January 2008

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2.1 Summary of results

(£m)	Q3 05	9M 05	Q3 04	9M 04
Turnover - continuing activities	412	1,135	369	1,046
Operating costs before exceptional items	(420)	(1,226)	(354)	1,040
Operating (loss) / profit before exceptional items ⁽¹⁾	(8)	(91)	15	6
Exceptional operating items	(12)	(43)	(3)	(27)
Operating profit / (loss) before tax and after exceptional items - continuing activities ⁽¹⁾	(20)	(134)	12	(21)
Loss on ordinary activities before tax ⁽¹⁾	(87)	(349)	(10)	(81)
EBITDA - continuing activities ⁽¹⁾	11	(36)	26	42

⁽¹⁾ Stated after charging Capex of £29m for Q3 05 and £61m for 9M 05.

2.2 Turnover analysis

(£m)	Q3 05	9M 05	Q3 04	9M 04
Wholesale generation	144	417	152	475
Direct supply net of energy supply costs	185	476	152	389
Energy supply costs	80	222	57	160
Miscellaneous income	3	20	8	22
Turnover from continuing activities	<u>412</u>	<u>1,135</u>	<u>369</u>	<u>1,046</u>
% split - excl. energy supply costs				
Wholesale generation	44%	47%	50%	55%
Direct supply	56%	53%	50%	45%
Output (TWh)	15.8	47.5	17.3	52.8
Realised price (£/MWh)	20.8	18.8	17.6	16.4

2.3 Operating costs

	Q3 05	9M 05	Q3 04	9M 04
(£m) Costs				
Nuclear (historic BNFL contracts)	76	233	78	233
Coal	31	83	31	60
Total fuel costs	107	316	109	293
Materials and services ⁽¹⁾	140	408	118	380
Depreciation	19	55	11	36
Staff costs	74	225	59	171
Operating costs - excluding supply costs and exceptionals	340	1,004	297	880
Energy supply costs	80	222	57	160
Operating costs - excluding exceptionals⁽¹⁾	420	1,226	354	1,040
(£/MWh) Total operating unit costs - net of exceptionals and energy supply costs⁽¹⁾	21.5	21.1	17.2	16.7
Adjustments:				
BNFL revised back end contract costs / (savings)	(0.1)	0.1	(0.3)	(0.7)
Depreciation	(1.2)	(1.2)	(0.7)	(0.7)
Adjusted operating unit costs⁽¹⁾	20.2	20.0	16.2	15.3

⁽¹⁾ Stated after charging Capex of £29m for Q3 05 and £61m for 9M 05.

2.4 EBITDA - continuing activities

(£m)	Q3 05	9M 05	Q3 04	9M 04
Operating (loss) / profit before exceptional items	(8)	(91)	15	6
Depreciation	19	55	11	36
EBITDA - continuing activities	11	(36)	26	42
P&L effect of revised BNFL back end contracts ⁽¹⁾	2	(3)	6	37
Adjusted EBITDA - continuing activities	<u>13</u>	<u>(39)</u>	<u>32</u>	<u>79</u>
Capex expensed in the P&L⁽²⁾	<u>29</u>	<u>61</u>	<u>13</u>	<u>60</u>

Notes:

- (1) Represents incremental benefit from revised BNFL back end contracts amounting to £2m in Q3 05 and charges £3m in 9M 05 (benefit of £6m in Q3 04, £37m in 9M 04) which will not be reflected in the P&L until completion of the Restructuring. Excludes impact on revalorisation.
- (2) Capex in the table is shown for presentation purposes only. Capex will continue to be fully expensed in the P&L until it is possible to demonstrate that it enhances the carrying value of the fixed assets at that time. Based on UK GAAP, Capex, as referred to above can not be added to EBITDA.

2.5 Cash / net debt - pre Restructuring and post Restructuring pro forma

(£m)	31 Dec 04	31 Mar 04
Cash not used for collateral	94	276
Cash used for collateral	<u>308</u>	<u>297</u>
Total cash	<u><u>402</u></u>	<u><u>573</u></u>
Total Debt: Pre Restructuring ⁽¹⁾	887	883
Less total cash	<u>(402)</u>	<u>(573)</u>
Net debt	<u><u>485</u></u>	<u><u>310</u></u>
Proforma total debt ⁽²⁾	704	700
Less total cash	<u>(402)</u>	<u>(573)</u>
Proforma net debt (if restructuring had been effected)	<u><u>302</u></u>	<u><u>127</u></u>

At 31 December 2004 and at 31 March 2004 there were no drawings under the Government Facility, nor any drawings between those dates. The Receivables Facility is undrawn.

Notes:

- (1) Includes only debt amounts and excludes other significant trade creditors affected by the Restructuring.
- (2) Under the terms of the Restructuring £700m of debt replaced the historic debt of £883m, PPAs of £316m, the Eggborough related interest rate swaps, and the RBS letter of credit.

2.6 Reporting Agenda - Financial Year 05/06

EVENT

INDICATIVE DATE

2005

Q4 05 / FY 05 Results, Fair Valuation Results

July

AGM

September

Q1 06

September

H1 06

December

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4.1 Operating cash flow

(£m)	Q3 05	9M 05	Q3 04	9M 04
Operating (loss) / profit before exceptional items⁽¹⁾	(8)	(91)	15	6
Depreciation	<u>19</u>	<u>55</u>	<u>11</u>	<u>36</u>
EBITDA - continuing activities⁽¹⁾	11	(36)	26	42
Nuclear liabilities non-cash	32	98	33	96
Nuclear liabilities paid	(46)	(109)⁽²⁾	(17)	(45)
Movements in other provisions	10	12	0	(2)
Working capital	(60)	(67)	(4)	(60)
Cash exceptional items	(13)	(24)	(11)	(30)
Net cash flow from operating activities⁽³⁾	<u>(66)</u>	<u>(126)</u>	<u>27</u>	<u>1</u>

Notes:

(1) Stated after charging Capex of £29m for Q3 05 and £61m for 9M 05.

(2) This benefited from £20m of deferred payments from FY 04 and an additional £25m during 9M 05.

(3) This is stated after Capex expensed of £29m for Q3 05 and £61m for 9M 05 and reflects the cash flow savings under the revised BNFL back end arrangements represented by an incremental benefit amounting to £2m in Q3 05 and charges £3m in 9M 05 (benefit of £6m in Q3 04, £37m in 9M 04) which will not be reflected in the P&L until completion of the Restructuring.

4.2 Reconciliation of operating cash flow with total cash

(£m)	Q3 05	9M 05	Q3 04	9M 04
Net cash flow from operating activities ⁽¹⁾	(66)	(126)	27	1
Returns on investments and servicing of finance	(13)	(49)	(16)	(55)
Taxation	0	0	0	(15)
Net receipts from sale of investments	0	4	156	165
Sub-total	(79)	(171)	167	96
Drawings / (repayments) under Government Facility	0	0	(97)	0
(Decrease) / increase in Total Cash ⁽²⁾	<u>(79)</u>	<u>(171)</u>	<u>70</u>	<u>96</u>

Notes:

⁽¹⁾ Capex of £29m for Q3 05 and £61m for 9M 05 was expensed.

⁽²⁾ This is stated after Capex expensed of £29m for Q3 05 and £61m for 9M 05 and reflects the cash flow savings under the revised BNFL back end arrangements represented by an incremental benefit amounting to £2m in Q3 05 and charges £3m in 9M 05 (benefit of £6m in Q3 04, £37m in 9M 04) which will not be reflected in the P&L until completion of the Restructuring.

4.3 Losses from outages of nuclear plant

Impact on Output (TWh)	Q3 05	9M 05	Q3 04	9M 04
Planned losses from routine events				
– Statutory Outages	0.3	2.8	1.3	4.9
– Refuelling	0.9	2.2	1.0	2.2
	<u>1.2</u>	<u>5.0</u>	<u>2.3</u>	<u>7.1</u>
Unplanned losses				
– Hart/Hey1 - Fire and Flood works	3.4	3.4	-	-
– Hart/Hey1 - Cast Iron	0.7	1.1	1.9	1.8
– Hart/Hey1 - Boiler Integrity	0.1	2.1	-	-
– Various - Others	-	2.9	0.8	2.5
– Total Outages each > 14 days	<u>4.2</u>	<u>9.5</u>	<u>2.7</u>	<u>4.3</u>
– Other Outages each < 14 days	<u>1.6</u>	<u>5.2</u>	<u>1.3</u>	<u>3.2</u>
	<u>5.8</u>	<u>14.7</u>	<u>4.0</u>	<u>7.5</u>

4.3a Historic losses from outages of nuclear plant

Unplanned losses from non-routine events:		Q2 05	Q1 05	Q4 04	Q3 04
Impact on Output (TWh)					
Q2 05	– Hart/Hey1 - boiler integrity et al	2.0			
	– Heysham 2 - gas circulator inspections	0.6			
	– Hartlepool - cast iron repairs	0.5			
	– Dungeness B - alternator repair	0.3			
	– Hunterston B - feed vessel leak repair	0.2			
Q1 05	– Sizewell B - rotor earth fault		0.8		
	– Torness - boiler modifications		0.5		
	– Heysham 2 - boiler feed restriction repair outage		0.4		
Q4 04	– Heysham 1 - cast iron repairs			1.4	
	– Torness - channel gas temperature anomaly			0.3	
Q3 04	– Heysham 1 - cast iron repairs				1.8
	– Torness - reheater repair				0.3
	– Hinkley Point B - boiler repair				0.3
	– Heysham 2 - main boiler feed pump				0.2
	Other Outages each < 14 days:	2.0	1.6	1.6	1.3
	Total Unplanned Losses for Quarter	5.5	3.4	3.2	4.0

(Numbers are rounded to one decimal place)

4.4 Reconciliation of UK to US GAAP income statement

Q3 05 (£m)

(Loss after tax and exceptional items) under UK GAAP	(87)
Adjustments:	
FAS 133	336
Deferred tax credit recognised under US GAAP	(76)
Capitalisation of fixed asset expenditure under US GAAP	29
Revalorisation and amortisation of back end fuel liability	8
Pension costs	-
Decommissioning fund revalorisation through OCI for US GAAP	(29)
Decommissioning liability	7
Lower depreciation under US GAAP	4
Bonds renegotiation in 1999 not recognised for US GAAP	(1)
Profit / (Loss) under US GAAP	<u>191</u>

4.5 Reconciliation of UK to US GAAP Equity

Q3 05 (£m)

Equity shareholders' deficit under UK GAAP	<u>(3,608)</u>
Adjustments:	
FAS 133 (mark to market of certain trading contracts)	(85)
Deferred tax liability recognised under US GAAP	(116)
Fixed asset impairment adjustments	(152)
Back end fuel liability	1,642
Decommissioning liability	759
Pension costs	(210)
Bonds renegotiation in 1999 not recognised for US GAAP	21
	<u>(1,749)</u>
Non equity shareholders' funds	<u>93</u>
Total shareholders' deficit under US GAAP	<u>(1,656)</u>

ASSET IMPAIRMENT - The Company conducted an asset impairment review at 31 March 2003 writing down fixed assets by £3,738m. The carrying value of fixed assets was reviewed again as at 31 March 2004, and, as a result, there was a non - cash accounting upward adjustment of £295m for the partial reversal of the write-down of fixed assets in the prior year principally due to an expectation of higher electricity prices.

CAPEX - Following the asset impairment reviews all expenditure of a capital nature has been expensed through the profit and loss account. Capex excludes all non recurring revenue expenditure and expenditure on strategic spares. The Group has expensed Capex which may have been capitalised in the absence of the impairment review. The Company will continue to expense capital items until such time as it is possible to demonstrate they result in an enhancement to the carrying value of the fixed assets at that time. There is no certainty as to when this condition will be satisfied. Based on UK GAAP, Capex, as referred to above, cannot be added back to EBITDA.

BNFL - Cash payments are being made to BNFL as if the revised back end contracts, which are contingent on the Restructuring being implemented successfully, had become effective on 1 April 2003. The effect of the revised BNFL back end contracts is reflected in the cash flow statements but not in the P&L account any of the periods referred to in this report and will only be reflected in the P&L Account for periods ending post restructuring.

EBITDA - EBITDA has been reduced by Capex expensed to the P&L Account. The effect of the revised BNFL back end contracts is not reflected in EBITDA and only be for periods ending post restructuring. EBITDA is defined by the Company as earnings before interest, taxes, depreciation, amortisation, and related exceptional items. The Company has included information concerning EBITDA because it believes that it is used by certain investors as one measure of the Company's financial performance. See Definitions slide for further information

DEBT - Debt / borrowings on the balance sheet is stated on a pre-restructured basis and is higher than the proforma total debt post Restructuring of £700m and does not include any drawings under the Receivables Facility, which was undrawn at 31 December 2004.

RESTRUCTURING - The financial statements have been prepared on a pre - restructured basis, although cash payments are being made to BNFL as if the revised back end contracts, contingent on the successful Restructuring, had become effective on 1 April 2003.

SEASONALITY - In reviewing these results, it is important to note that, in general, output and prices tend to be higher in the third and fourth quarters of the year.

COST SAVINGS - The Company has moved away from a focus purely on cost reduction, to combine an aggressive cost containment and value approach with a major change programme to improve performance, which is likely to lead to an increase in total staff numbers and costs. We expect as a result of the Performance Improvement Programme and other development programmes to increase staff numbers by approximately 230 people in 2004/05. It is also expected that costs will increase over time due to an increase in Capex expenditure.

IMPACT OF FORWARD CONTRACTING ON REALISED PRICES - The Company supplies approximately 20% of the UK electricity market. Due to insufficient liquidity, in the short term markets, the Company sells electricity forward through diverse routes to market with a view to reducing overall exposure to volatility in the short and medium term wholesale electricity markets including through the Direct Supply Business (DSB) which is equal to approximately 40% of our total electricity generation. Contracts in DSB are generally entered into on a fixed price basis for delivery starting in April or October for contracts of one or two years, the majority of which are one year. In addition the Company sells through the wholesale market including through longer term structured trades on fixed or floating price terms. Longer term structured trades typically contain provisions to fix pricing up to six months ahead of the period of delivery. The Company entered into a 4 year contract with Centrica starting April 2003 and ending April 2007 for a total of 38 TWh. Over half the output to be sold over the term of this contract is at fixed prices. This approach to trading reduces the medium term benefit the Company receives due to wholesale electricity prices rising.

IMPACT OF BNFL REVISED AGREEMENTS - The revised BNFL Agreements incorporate certain provisions that link the cost of the Company's front end and back end fuel service agreements to electricity prices. The electricity price as defined in the contract is based on market prices and is partly set using market prices in the prior period and is not based on BE's realised price.

NUCLEAR UNIT CASH COSTS - Average unit costs for nuclear power stations include maintenance, expenditure on nuclear plant and equipment and corporate overheads but exclude the impact of the NLF Cash Sweep Payment, working capital movements and costs associated with Eggborough.

NUCLEAR CASH COST PER UNIT - The Company has conducted a review of the projections for the three year period ending 31 March 2007 and annual average nuclear output for the period is now expected to be around 61.8 TWh per annum. On this basis, our average nuclear unit cash costs are projected to be £19.1 per MWh at current price levels. The Directors expect that these average unit costs will remain unchanged whilst wholesale baseload electricity prices remain at or above £22.7 per MWh at 2003/2004 price levels (or £21.0 per MWh, at 2002/2003 price levels, indexed to RPI), and assuming we achieve our average annual nuclear output figure. However should wholesale baseload electricity prices fall below this figure, our fuel costs will decrease in accordance with the provisions of our revised arrangements with BNFL.

AGR (advanced gas-cooled reactor) - The second generation of civil gas-cooled nuclear reactor built in the UK.

Base load generation - Mode of operation of a power station at a constant high level of output for a sustained period of time to assist in meeting minimum national demand.

BETTA - British Electricity Trading and Transmission Arrangements.

BNFL - British Nuclear Fuels plc.

DSB - Direct Supply Business.

EBITDA - Earnings before interest, taxes, depreciation, amortisation and related exceptional items. EBITDA does not include the incremental adjustments resulting from the revised BNFL back end contracts and is after Capex expensed. The Company has included information concerning EBITDA because it believes that it is used by certain investors as one measure of the Company's financial performance. EBITDA is not a measure of financial performance under United Kingdom generally accepted accounting principles and is not necessarily comparable to similarly titled measures used by other companies. EBITDA should not be construed as an alternative to operating income or to cash flows from operating activities (as determined in accordance with United Kingdom generally accepted accounting principles) as a measure of liquidity.

Energy Supply Costs - Mainly comprise the costs incurred for the use of the distribution and transmission systems and the cost of compliance with the Renewables Obligation, recovered through turnover.

EU ETS - European Union Greenhouse Gas Emission Trading Scheme.

HMG - Her Majesty's Government.

Investment in Plant - Investment expenditure on plant projects, major repairs and strategic spares across the whole Group, including incremental costs associated with the Performance Improvement Programme.

Load factor - The electricity produced by a power station expressed as a percentage of the electricity it could have produced if operating at its full load capability over a fixed time period, usually one year.

Market Price - Represents the price for annual forward baseload contracts.

MW (megawatt): MWh (megawatt-hour) - One megawatt equals 1,000 KW: one megawatt-hour represents one hour of electricity consumption at a constant rate of 1 MW.

Non-Outage Backlog - Total of outstanding plant defects which are work requests that have been partially actioned by maintenance, or are still awaiting action after screening by the station Work Review Groups based on a priority weighting set by the NPRC.

Outage (planned and unplanned) - A period during which a reactor is shut down. The periodic shutdown of a reactor including for maintenance, inspection and testing or, in some cases, for refuelling is known as a planned outage. In the UK, some planned outages are known as statutory outages and are required by the conditions attached to the nuclear site licence needed to operate the station. Unscheduled shutdown of a reactor for a period is known as an unplanned outage.

PWR (pressurised water reactor) - The most recent type of nuclear reactor to be constructed in the UK which uses pressurised water as both the coolant and the moderator.

Realised Price - Previously described as 'achieved price'. This is the average price of electricity sold during the relevant period. It is calculated by dividing UK turnover, net of energy supply costs and miscellaneous income, by total output during the period.

Receivables Facility - A three year £60m trade receivables financing facility entered into by British Energy Generation Limited (BEG) on 25 August 2004 under which, on utilisation, BEG will sell to the financial institution on a full recourse basis receivables arising from its direct supply business. The Receivables Facility is guaranteed by the other principal companies within the Group (excluding EPL).

Restructuring Effective Date - 14 January 2005, the date on which the Restructuring was completed.

Revalorisation - Revalorisation arises because nuclear liabilities are stated in the balance sheet at current price levels, discounted at 3% per year from the eventual payment dates. The revalorisation charge is the adjustment that results from restating these liabilities to take into account the effect of inflation in the year and to remove the effect of one year's discount as the eventual dates of payment become one year closer. A similar revalorisation credit arises from restatement of the decommissioning fund assets.

RPI - Retail Price Index.

Total Cash - This is the sum of cash at bank and deposits.

Total Operating Unit Cost - This is calculated by dividing the total UK operating costs, net of exceptional items and energy supply costs, by total output.

TW (terawatt): TWh (terawatt-hour) - One terawatt equals 1,000 GW: one terawatt-hour represents one hour of electricity consumption at a constant rate of 1 TW.