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EDF's consternation

Pierre Gadonneix, the EDF chairman, is a very cautious man. So cautious, say his critics, he often finds it difficult to close a deal. And by the time he has made up his mind to take the plunge, it is usually too late.

For months the state-controlled French electricity company has been engaged in on/off negotiations to acquire British Energy. Finally, it looks as if EDF will go ahead and improve its original offer to secure the UK nuclear group. But many wonder what its chances would have been if a nimbler rival bidder had emerged. Fortunately, it seems no one else was prepared to take on British Energy.

That has not been the case with Constellation Energy, the French group's US partner, which has long been regarded as its key vehicle to secure a chunk of the potentially lucrative US nuclear industry revival. This month EDF doubled its stake in Constellation to 9.5 per cent. Constellation shares have been crashing for weeks, offering the French group an opportunity to increase its stake in its strategic US partner at a bargain price.

For US regulatory reasons, EDF could not entertain making a takeover bid for Constellation. But it seriously considered boosting its stake to about 20 per cent. Yet once again it seems to have been outmanoeuvred by a much more savvy dealmaker – in this case no less than Warren Buffett, who has just snapped up the US company.