Management report

2009

Contents

Financial and legal information

1

1.1 Key figures

The figures presented in this document are taken from the EDF group's consolidated financial statements.

Key figures at December 31, 2009 are as follows:

EXTRACTS FROM THE CONSOLIDATED INCOME STATEMENTS

Years ended December 31 *(in millions of Euros)*	2009 [2]	2008 [1]	Variation	Variation *(%)*	Organic growth *(%)*
Sales	66,336	63,847	2,489	3.9	-0.2
Operating profit before depreciation and amortization (EBITDA)	17,466	14,240 [3]	3,226	22.7	1.2
Operating profit (EBIT)	10,107	7,910	2,197	27.8	-
Income before taxes of consolidated companies [4]	5,582	4,860	722	14.9	-
Group net income	3,905	3,484	421	12.1	-
Net income excluding non-recurring items [5]	3,923	4,392	(469)	-10.7 [6]	-

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs" (see notes 1 and 2 to the consolidated financial statements) and changes in presentation for Edison trading revenues.

(2) Figures for 2009 include the effects of first consolidation of British Energy from January 5, 2009, Constellation Energy Nuclear Group from November 6, 2009 and SPE from November 26, 2009.

(3) This amount includes the provision of €1,195 million established following prolongation of the transition tariff system (TaRTAM). Without this provision, 2008 EBITDA would amount to €15,435 million. 2009 EBITDA (which does not include the provision for prolongation of the TaRTAM system) was €2,031 million or 13.2% higher than 2008 (before including the TaRTAM provision).

(4) The income before taxes of consolidated companies corresponds to the EDF group's net income before income taxes, the share in net income of companies accounted for under the equity method, and minority interests.

(5) Net income excluding non-recurring items is not defined by IFRS, and is not directly visible in the consolidated income statements. It corresponds to the Group's share of net income excluding non-recurring items, net of tax (see § 1.6.9).

(6) -9.6% based on constant exchange rates and scope of consolidation.

EXTRACTS FROM THE CONSOLIDATED BALANCE SHEETS

Years ended December 31 *(in millions of Euros)*	12.31.2009 [2]	12.31.2008 [1]
Non-current assets	148,417	117,481
Inventories and trade receivables	32,295	28,434
Other assets	49,485	41,982
Cash and cash equivalents and other liquid assets	11,717	12,595
TOTAL ASSETS	**241,914**	**200,492**
Equity (EDF share)	27,952	23,197
Minority interests	4,773	1,801
Specific concession liabilities	39,884	38,516
Provisions	57,992	48,137
Loans and other financial liabilities [3]	54,213	37,071
Other liabilities	57,100	51,770
TOTAL EQUITY AND LIABILITIES	**241,914**	**200,492**

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs" (see notes 1 and 2 to the consolidated financial statements).

(2) Figures for 2009 include the effects of first consolidation of British Energy from January 5, 2009, Constellation Energy Nuclear Group from November 6, 2009 and SPE from November 26, 2009.

(3) Including hedging derivatives and the liabilities of companies held for sale.

OPERATING CASH FLOW

Years ended December 31 *(in millions of Euros)*	2009	2008	Variation	Variation *(%)*
Operating cash flow [1]	12,133	10,083	2,050	20.3

(1) Operating cash flow is not defined by IFRS, and is not directly visible in the consolidated cash flow statements.
EDF uses the indicator "Operating cash flow" to assess the Group's capacity to generate free cash flow. This indicator, also known as "Funds From Operations" (FFO), is equivalent to net cash flow from operating activities (Cash flow statement) adjusted for the impact of non-recurring items excluding changes in working capital, less net financial expenses disbursed and income taxes paid.

NET INDEBTEDNESS

Years ended December 31 (in millions of Euros)	12.31.2009	12.31.2008	Variation	Variation (%)
Loans and other financial liabilities	53,868	37,451	16,417	43.8
Derivatives used to hedge liabilities	373	(381)	754	-197.9
Cash and cash equivalents	(6,982)	(5,869)	(1,113)	19.0
Liquid assets	(4,735)	(6,725)	1,990	-29.6
Net financial indebtedness of companies included in non-current liabilities held for sale	(28)	-	(28)	n.s.
NET INDEBTEDNESS	**42,496**	**24,476**	**18,020**	**73.6**

1.2 Economic Environment and Significant Events

1.2.1 Economic environment

The widespread crisis in the international economy since autumn 2008 substantially affected demand for electricity in Europe (which was down by an average 3% in 2009 from 2008 levels), and prices for electricity and natural gas.

1.2.1.1 GDP GROWTH [(1)]

After a sharp slowdown in late 2008 that was even more marked in most countries in the first quarter of 2009, business levels in the advanced economies [(2)] stabilized in the second quarter of 2009 and improved in the third quarter (+0.5%), chiefly due to rescue plans and a return to normal on the financial markets. This recovery was not consistent across all economies, and some countries such as Spain and the United Kingdom are not yet out of recession.

The economic climate appeared to continue its general improvement in the fourth quarter.

GDP in OECD countries is expected to show a downturn of 3.6% in 2009 after 0.3% growth in 2008 (and +2.4% in 2007). In the **Euro zone**, a 3.9% decline in GDP is anticipated for 2009 after 0.5% growth in 2008 (and 2.7% growth in 2007).

In France, GDP should register a 2.3% decrease for 2009 after 0.3% growth in 2008 (+2.1% in 2007).

GDP's decline in the United Kingdom should reach 4.7% (annual average) for 2009 compared to a growth of 0.6% in 2008.

In Germany, GDP is expected to fall by 4.8% after a 1% rise in 2008.

The anticipated decrease in Italy's GDP is 4.9%, compared to a 1.0% decline in 2008.

1.2.1.2 TRENDS IN MARKET PRICES FOR ELECTRICITY AND THE PRINCIPAL ENERGY SOURCES

1.2.1.2.1 WHOLESALE ELECTRICITY PRICES

– Spot prices in France, Germany, the United Kingdom and Italy [(3)]

Spot (next-day delivery) electricity prices in Europe were lower in 2009 than 2008, in line with price trends for fossil fuels and CO_2 emission quotas.

In **France**, average spot electricity prices for 2009 stood at €43/MWh baseload and €58.2/MWh peakload, down by 37.8% for baseload (-€26.1/MWh) and 36.6% for peakload (-€33.6MWh) compared to 2008.

Consumption in France in 2009 was an average 1.6% [(4)] lower than in 2008, mainly due to the economic slowdown. Electricity output was below 2008 levels, principally as a result of longer outages for nuclear units following industrial action in the spring, and technical issues at certain units concerning alternators and steam generators.

In **Germany**, 2009 spot prices averaged €38.9/MWh baseload and €51.42/MWh peakload, a decrease of 40.9% (-€26.9/MWh) and 41.9% (-€36.9/MWh) respectively from 2008 levels. This downturn was more pronounced than in France due to the more plentiful supply in Germany. Spot prices (baseload) were lower in Germany than France by an average of €4.2/MWh in 2009 and €3.4/MWh in 2008.

1. Source: Note de conjoncture INSEE, December 2009. Forecasts are estimates issued by INSEE.
2. Countries belonging to the OECD (Organization for Economic Cooperation and Development).
3. France: Average previous day Powernext price for same-day delivery; Germany: Average previous day EEX price for same-day delivery; United Kingdom: Average previous day Platts OTC price for same-day delivery; Italy: Average previous day GME (PUN) price for same-day delivery.
4. Source: RTE, electricity report 2009.

In the **United Kingdom**, the average 2009 spot prices were €41.1/MWh baseload and €50/MWh peakload, approximately 55% lower than in 2008 for both baseload (-€48.9/MWh) and peakload (-€63.7/MWh).
This sharper fall than in France and Germany is attributable to the significant downturn in gas prices during 2009. Spot prices were also brought down by lower CO_2 emission quota prices and the more restricted impact of constraints under the European Large Combustion Plant Directive (LCPD) as a result of depollution investments in the UK.

In **Italy**, baseload spot prices followed a similar trend, retreating by 25.9% from 2008 levels to an average of €63.7/MWh. This less severe decrease compared to other European countries is principally explained by the more limited fall in gas prices: in Italy, gas contract prices are generally calculated based on sliding averages over a period of up to 6 months.

– Forward prices in France, Germany, and the United Kingdom [1]

After the wide fluctuations in 2008, forward electricity prices were more stable in 2009, registering an average decrease of over 30% between 2008 and 2009. They generally followed the same trends as fossil fuel and CO_2 emission quota prices.

In **France**, the average price under the 2010 annual contract was €51.7/MWh baseload and €72.4/MWh peakload, 30.2% lower than in 2008.
The 2010 annual contract baseload price fell sharply during the first two months of 2009, falling on February 25 to its lowest-ever level of €43.8/MWh, before recovering from March onwards and stabilizing at between €47/MWh and €55/MWh in the second half of the year. In the final two months of 2009 the 2010 annual contract reflected movements in the price of the "1st quarter 2010" contract, which was affected by fluctuations in market actors' expectations regarding the supply-demand balance for the coming winter.

In **Germany**, the 2010 annual contract price followed the same pattern as in France. It stood at €49.2/MWh baseload in 2009, down by 30% from 2008.
The contract price differential between France and Germany remained stable in the first three quarters of 2009: French prices were higher by an average of €2/MWh. The differential rose significantly at the end of the year to reach €7/MWh in early November, before falling back to €3.5/MWh by December 31. This high volatility reflects the influence of French spot prices on the 2010 annual contract at the end of the year. In Germany, in contrast, forward prices echoed the decline in fossil fuel prices constantly throughout the second half of 2009.

In the **United Kingdom**, the 2009 April Ahead baseload contract price moved in line with gas and CO_2 emission quota prices. It decreased throughout the second half of the year due to falling gas prices, reaching an average €45.7/MWh at December 31, 2009.

1.2.1.2.2 CO_2 EMISSION QUOTA PRICES [2]

The price of CO_2 emission quotas for delivery in December 2010 was 42.2% lower than the previous year, at an average €13.4/t. The economic crisis caused a slowdown in industrial production, resulting in lower CO_2 emissions and a corresponding significant decline in quota prices.

1.2.1.2.3 FOSSIL FUEL PRICES

	Natural gas *(p/th)*	Coal *($/t)*	Oil *($/bl)*
Price at December 31, 2008	58.8	86	45.6
Price at December 31, 2009	46.3	87.3	77.9
Average % change 2009/2008	-36.2	-40.2	-36.5
Highest in year	60.4	97.5	79.7
Lowest in year	33.1	70.5	39.6
Average for year	47	83.5	62.7

Forward prices for **coal** [3] (Europe API 2 index) dropped by 40.2% in 2009 to an average $83.5/t. This decrease results from a strong rise in stocks, which reached record levels in Europe due to the falling demand for coal since the second half of 2008. It also caused a decline in international trade that brought maritime freight prices down. Forward coal prices were less volatile in 2009 than in 2008: they varied between $70/t and $100/t over the whole year.

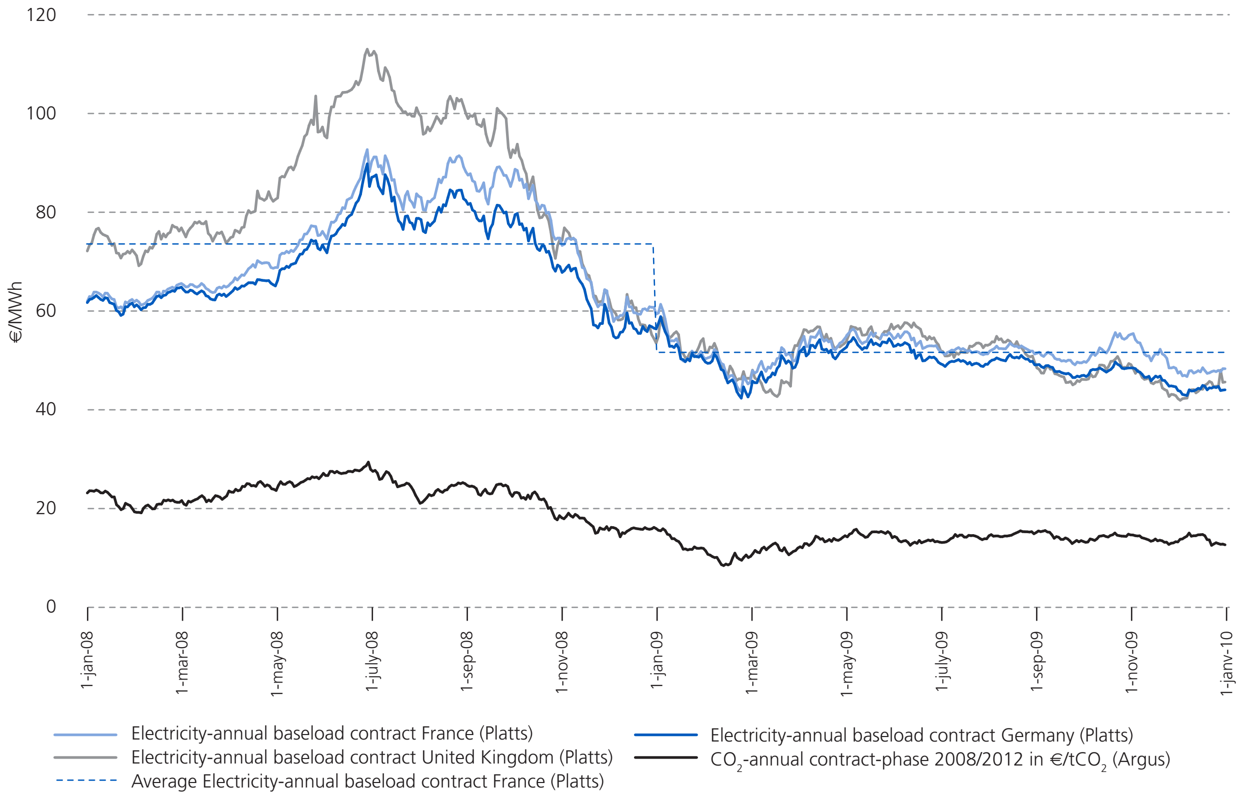
The average price of **oil** [4] (Brent) for 2009 was $62.7/barrel, down by $35.9/barrel from 2008. Two distinct phases were visible in 2009. From January to March, prices stagnated around the low point of close to $45/barrel reached after the fall caused by the economic crisis during the second half of 2008. There were then signs of a recovery from April in the US and the Asia-Pacific region, and an upturn in prices ensued. Oil prices ended the year at $77.9/barrel.

Natural gas [5] prices under the United Kingdom's annual contract averaged 47 p/therm in 2009, down by 36.2% from 2008. In contrast to other energy commodity prices which bounced back in the second half-year, natural gas prices followed a downward trend all year, as a result of:
- lower industrial demand, leading to a build-up of large stocks;
- higher supply levels as several methane terminals began operations off the British coast.

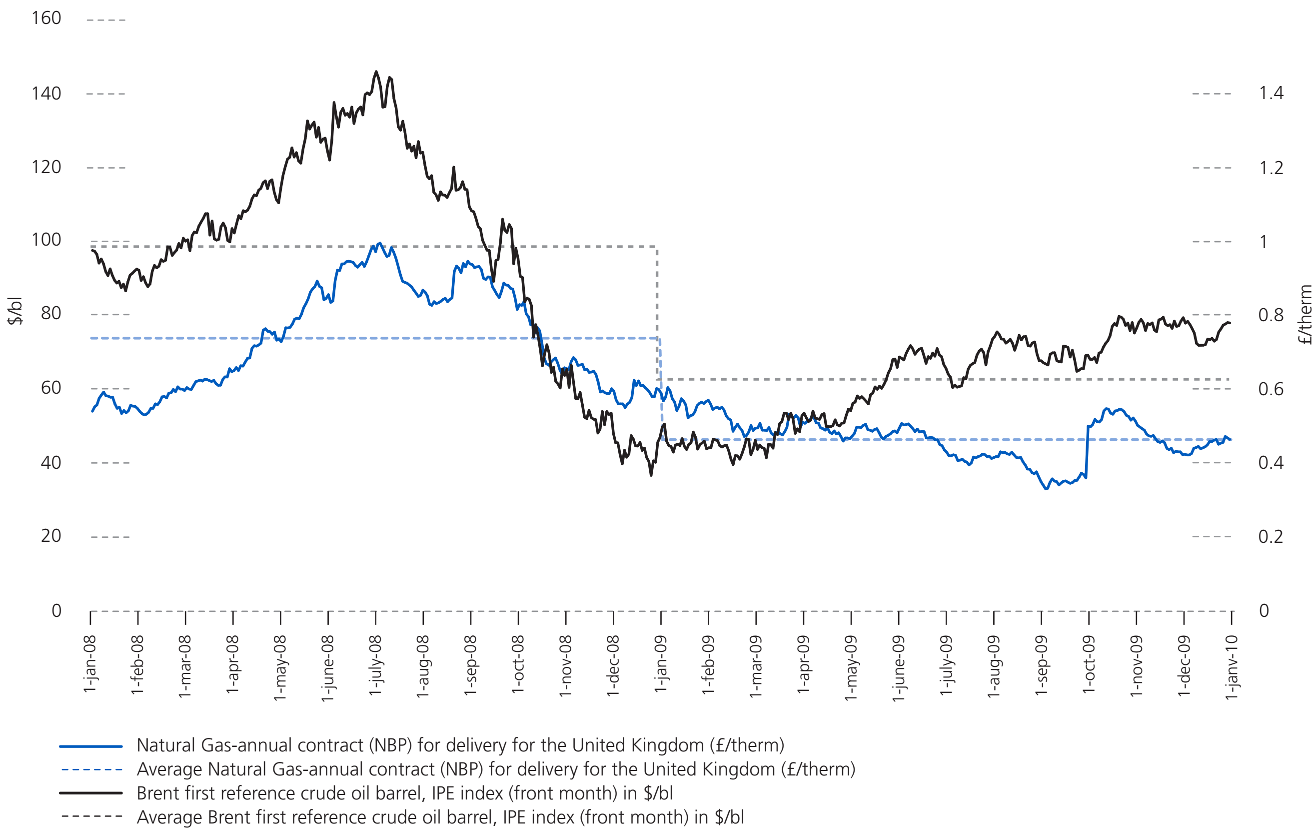
Gas prices for the North British Pool stood at 46.3 p/therm at December 31, 2009.

1. France and Germany: Platts average 2009 annual contract price; UK: Platts average annual contract prices from April 2008 then April 2009 (in the UK, annual contract deliveries take place from April 1 to March 31 following the NETA calendar). There is no forward electricity market in Italy.
2. Average Argus index for the first annual contract of Phase II (2008-2012).
3. Average Argus index for the first annual contract, delivery in Europe (CIF ARA).
4. Brent first reference crude oil barrel, IPE index (front month); USD per barrel.
5. Platts average index, for delivery starting from October of the following year for the UK (NBP); pence per therm.

FORWARD ELECTRICITY PRICES IN FRANCE, GERMANY AND THE UNITED KINGDOM AND CO_2 EMISSION QUOTA PRICES (PHASE II, 2008-2012)



NATURAL GAS AND BRENT OIL PRICES, 2008-2009



1.2.1.3 ELECTRICITY CONSUMPTION [1]

National electricity consumption in France for 2009 totaled 486.4 TWh, 1.6% lower than for 2008. The decline eased off in late 2009: consumption for November and December was higher than in the same months of 2008, when the effects of the economic crisis were already perceptible. Electricity consumption was down by 8.6% from 2008 for large industrial customers, and 3% for small and medium business customers.
In contrast, consumption by customers connected to low-voltage supply (residential customers, professional customers, public authorities, public lighting, and various services) was up by 2% (in line with the 3% increase between 2007 and 2008).
Peakload consumption in winter continued to show marked growth.

Estimated national electricity consumption is expected to have decreased in 2009 by almost 7% in the **United Kingdom** (approximately 320 TWh), 5.5% in **Germany** (approximately 518 TWh) and 6.7% in **Italy** (approximately 290 TWh).

1.2.1.4 ELECTRICITY AND NATURAL GAS SALES TARIFFS

In **France**, electricity sales tariffs were raised on August 15, 2009 by 1.9% for the "blue" tariff, 4% for the "yellow" tariff and 5% for the "green" tariff.
The average rise for all these tariffs was thus 2.7% excluding the TaRTAM transition tariff system.

The new network access tariff scales (TURPE 3) adopted by the French government in a decision of June 5, 2009 following a proposal by the regulator CRE came into effect on August 1, 2009.

This tariff enables ERDF and RTE to finance investments and implement a targeted quality improvement programme at ERDF and a mechanical safety programme at RTE. It also provides an incentive for both companies to raise performance levels and encourage energy efficiency.
The new tariffs will apply for 4 years from August 1, 2009, with immediate rises of 2% for transmission network use and 3% for supply network use.
The TURPE 3 tariff is indexed to inflation for each year of the period 2010-2012.

In the **United Kingdom**, after increasing electricity tariffs by 17% and natural gas tariffs by 22% in July 2008, EDF Energy lowered electricity tariffs for residential customers and small and medium business customers by 8.8% from March 31, 2009.
For distribution tariffs, on December 23, 2009 EDF Energy agreed to the energy regulator Ofgem's price reduction proposals for the period April 1, 2010 to March 31, 2015.

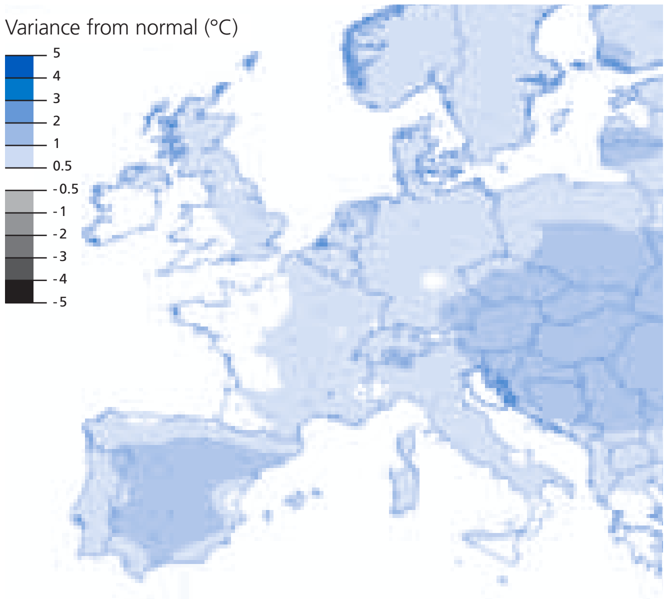
In **Germany**, following a rise in its basic electricity price by an average 4.9% from July 1, 2008, with guaranteed stability for one year, EnBW increased its "EnBW Komfort" basic electricity price (applicable to some 1.5 million customers) by 7.5% on July 1, 2009. This increase also applies from January 1, 2010 to customers who opted for a special tariff.

In the natural gas business, after a 19.7% price rise on November 1, 2008, EnBW reduced its basic "ErdgasPlus" gas tariff three times in 2009. The total reduction was 22.1%.

1.2.1.5 WEATHER CONDITIONS

1.2.1.5.1 TEMPERATURES

TEMPERATURE VARIANCE FROM NORMAL LEVELS, JANUARY TO DECEMBER 2009 [2]

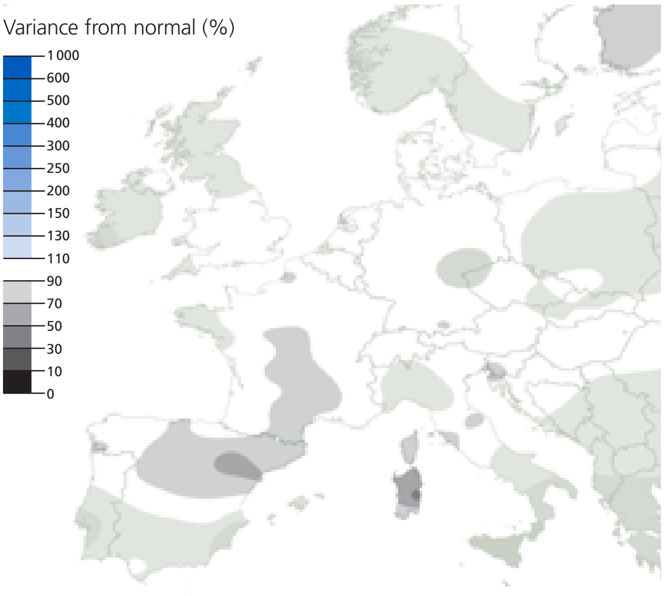


The weather was an average 0.3°C milder in France in 2009 than 2008 despite distinctly colder temperatures in January and February (respectively -4.1°C and -2.2°C lower). In the middle of the year 2009 from March to October, average temperatures were more in line with normal seasonal levels. November 2009 was milder than normal (+2.0°C) while the second half of December was colder, but overall, the final quarter was milder than normal seasonal levels (+0.5°C) and the corresponding period of 2008 (+1.4°C).

1. For countries other than France, estimates are supplied by local EDF subsidiaries.
2. Source: Météo France. Map comparing average temperature to normal levels measured over 30 years (1971-2000 for Western Europe and 1961-1990 for Eastern Europe).

1.2.1.5.2 RAINFALL

RAINFALL: JANUARY TO DECEMBER 2009 [1]



In France, rainfall was higher than normal over the first five months of 2009, particularly in the Southern Alps and the Pyrenees, and near-normal in the Massif Central and the Northern Alps. Between July and October a significant shortfall in precipitation gradually spread across the country as a whole, especially in September. Rainfall was generally in short supply over the year as a whole and as a result, EDF's hydropower capability was below normal in 2009 (by about 10% compared to past averages).

1.2.2 Significant events [2] [3]

1.2.2.1 STRATEGIC DEVELOPMENTS

The EDF group carried out several major strategic transactions in 2009: completion of the acquisition of British Energy in the UK and the partnership with Centrica leading to the takeover of SPE in Belgium, acquisition of 49.99% of the nuclear generation and operation assets of Constellation Energy Group (CEG) in the US, and the investment in the new Swiss entity Alpiq. These operations should place the Group among the leaders in the worldwide nuclear renewal.

Besides, there has been a substantial increase in operational investments across all of the Group's activities.

1.2.2.1.1 DEVELOPMENT OF NUCLEAR ACTIVITIES WORLDWIDE

1.2.2.1.1.1 France

Flamanville EPR

Work continued during 2009 on construction of the new Flamanville 3 reactor, due to be commissioned in 2012 and to produce its first electricity for sale on the market in 2013.

Penly (Normandy) EPR project

On May 1, 2009, it was announced that the Penly EPR would be constructed by EDF through a company formed for that purpose, and that GDF-Suez will participate in the operation. The capital structure will be as follows: EDF will hold 50% plus one share, and GDF-Suez will hold 33.33% plus one share. GDF-Suez will decide with Total on the potential transfer of some of its investment. EDF will decide whether to involve other electricity operators (principally Enel) in the project through the residual 16.66% of the capital.

1.2.2.1.1.2 United Kingdom

The successful friendly takeover bid in January 2009 for **British Energy**, UK's leading electricity producer, was a key step forward in the EDF group's development in the UK and nuclear activities worldwide.

In connection with this transaction, EDF entered into an **agreement with Centrica**, under which Centrica acquired a 20% holding in British Energy for £2.3 billion and EDF acquired Centrica's indirect 51% stake in **SPE** for £1.2 billion (€1.3 billion).

EDF and Centrica set up an 80/20 joint venture for pre-development of a nuclear renewal programme in the UK. The two companies' objective is to build and operate four EPR-type nuclear reactors due to be commissioned successively from 2017.

Exercise by Eggborough plant bondholders of their purchase option

On August 25, 2009, a banking consortium that had provided financing for British Energy's acquisition of the Eggborough coal-fired plant in 2000 announced that it would exercise its option to buy the plant in compliance with the "Share Option Agreement" signed with British Energy in 2005. Ownership is due to be transferred on March 31, 2010.

1.2.2.1.1.3 United States

Once all the required authorizations had been issued by the US Federal and Maryland State authorities, EDF (through its wholly-owned subsidiary EDF Inc.) and Constellation Energy Group finalized EDF Inc.'s investment in Constellation Energy Nuclear Group LLC (CENG) on November 6, 2009 under the financial terms as initially agreed. CENG owns Constellation Energy Group's nuclear assets in the US.

On completion of this operation, the EDF group acquired 49.99% of Constellation Energy Group's nuclear generation and operation assets (representing a total of 3.9 GW) for $4.6 billion (€3.1 billion), of which €0.7 billion was paid in 2008.

1.2.2.1.1.4 China

In November 2007, EDF and the Chinese electricity producer China Guangdong Nuclear Power Corp. (CGNPC) signed an agreement to enable EDF to become an investor and operator in China, through a 30% holding in a company formed to construct, own and operate two nuclear reactors using EPR technology at Taishan, in the province of Guangdong. After signature in Beijing in August 2008 of the final agreements for the new company's formation, the Taishan Nuclear Power Joint Venture Company (TNPJVC) came into existence on December 21, 2009 after the Chinese authorities had approved the transaction. This company is the tangible expression of EDF's involvement in the project as partner and shareholder.

1. Source: Météo France. Map comparing average rainfall with normal levels over 30 years (1971-2000 for Western Europe and 1961-1990 for Eastern Europe).
2. Significant events related to litigation are described in chapter 15.
3. Developments in the economic environment are described in section 1.2.1.

The first concrete for the plant's unit 1 was successfully poured in late October 2009.
Taishan's two nuclear units are scheduled for commissioning in 2013 and 2015.

1.2.2.1.1.5 Italy

EDF and Enel entered into an industrial partnership on February 24, 2009 to develop nuclear power in Italy.
Under this partnership, EDF and Enel set up a 50/50 joint venture ("Sviluppo Nucleare Italia SRL") to carry out feasibility studies for construction of at least 4 EPRs in Italy, and signed an agreement to extend Enel's involvement in France's new nuclear programme, including participation in the construction and operation of the new EPR at Penly directed by EDF.

1.2.2.1.1.6 AREVA-EDF agreement for spent fuel management [(1)]

On December 19, 2008, EDF and AREVA signed a long-term agreement for industrial cooperation (2040), concerning removal of all EDF's spent fuel, the technical and financial conditions of transportation, processing and recycling of the spent fuel (2008-2012), and the amount of the payment for decommissioning of AREVA's plant at La Hague.

The amounts and timing of the installments of this payment were agreed in July 2009, and the agreement is being finalized.

Negotiations on the principles for application of other points of the main agreement have been completed on February 5, 2010. These principles should be implemented in the operating contract for 2008-2010 shortly.

1.2.2.1.2 STRENGTHENING EDF'S EUROPEAN POSITIONS

1.2.2.1.2.1 United Kingdom

Acquisition of the British Energy group

In addition to enabling EDF to play a significant role in renewal of nuclear power in the UK (see section 1.2.2.1.1.2 above), this acquisition will reinforce the balance between EDF Energy's front-end and back-end activities.

Electricity distribution networks

As part of its drive to reduce financial indebtedness by at least €5 billion by the end of 2010, EDF announced on October 2, 2009 that it had begun to examine the options for changes in ownership of its British electricity distribution networks.

1.2.2.1.2.2 Germany

EnBW acquires 26% of EWE

On July 21, 2009 EnBW purchased 26% of EWE (one of Germany's largest energy operators, based in the north of the country) for the sum of approximately €2 billion (EDF's share: around €1 billion).

Reinforcement of the Group's generation capacities in Germany

EnBW significantly reinforced its generation capacities in Germany in 2009:

- in May 2009 EnBW purchased E.ON's 50% share in the Lippendorf coal-fired power plant and its 8.3% share in the Bexbach coal-fired power plant;
- on September 30, 2009, EDF, EnBW and E.ON signed agreements for exchanges of drawing rights and electricity generation assets representing more than 1,200 MW between France and Germany. Under the terms of these agreements, EnBW acquired drawing rights for 800 MW of nuclear energy in Germany from E.ON's nuclear portfolio, a majority shareholding in the Rostock power plant, *i.e.* a capacity of 256 MW, and a drawing right for 159 MW from E.ON's Buschhaus coal-fired plant. In return, E.ON acquired drawing rights to 800 MW of nuclear power in France based on EnBW's historic drawing rights from EDF's nuclear power output, and EDF (together with longstanding 16.25% shareholder Charbonnages de France) transferred its 18.75% investment in SNET to E.On;
- on October 1, 2009, EnBW acquired the residual 16.7% (159 MW) of the Bexbach plant from STAWAG, and now owns 100% of the plant's capacity (714 MW).

As a result of these transactions, as well as the acquisition of three onshore windfarms in Germany, EnBW increased its generation capacity by almost 1,100 MW in 2009.

1.2.2.1.2.3 Switzerland

Changes in EDF's investment in Alpiq Holding SA (formerly Atel Holding SA), new leader in Switzerland's energy industry

In application of the agreements signed in December 2008, by the end of January 2009 EDF held a direct 25% share in the new Swiss energy operator Alpiq Holding SA, formed by the merger between Swiss energy groups Atel and EOS.
The total cost of the operation for EDF was CHF 1,058 million (close to €705 million), partly financed by a contribution of energy drawing rights deriving from EDF's 50% share in the Emosson dam, valued at CHF 722 million. The balance was paid in cash.

1.2.2.1.2.4 Benelux

SPE

On November 12, 2009, the European Commission approved the acquisition by EDF of Centrica's 100% investment in Segebel, which owns 51% of SPE, the second-largest Belgian electricity producer.

This approval was issued at the end of a "Phase 1" procedure, subject to commitments by EDF to sell one of its two combined cycle gas (CCG) projects under development in Belgium. The EDF group also undertook to sell its other Belgian combined cycle gas plant project after June 2012, but only if construction has not begun on the first project by then. SPE is fully consolidated in the EDF group's financial statements from the date of acquisition of Segebel by EDF Belgium, *i.e.* November 26, 2009.

1. Drawn up on February 3, 2010.

Industrial commissioning of a CCG plant in the Netherlands

EDF and Delta N.V., 50/50 joint owners of a 870 MW CCG plant in the Netherlands, commissioned the plant's two units on October 20 and December 13, 2009. Each partner firm is entitled to 50% of electricity output.

1.2.2.1.2.5 Austria

In June 2009 EDF raised its interest in Austrian energy supplier ESTAG from 20% to 25%. ESTAG is now proportionally consolidated in the group's financial statements.

1.2.2.1.2.6 Developments in the natural gas business

The Group continued its strategy to secure gas supplies throughout 2009.

Edison

On January 15, 2009, Edison signed an agreement with the Egyptian government and EGPC for the exploration, production and development rights for the **Abu Qir gas fields**, thereby increasing its hydrocarbon reserves by 27 billion m^3. The annual natural gas output at Abu Qir is 1.5 billion m^3.
On March 31, 2009 Edison announced that new hydrocarbon resources had been discovered at Abu Qir, with the potential to increase production levels by approximately 30% compared to the date of the announcement.

Edison also put the **Rovigo** regasification terminal (Italy) into operation in late August 2009. This offshore terminal belongs to Adriatic LNG, in which Edison holds a 10% investment (the other shareholders are Qatar Petroleum 45% and ExxonMobil 45%). Edison holds the rights to 80% of the terminal's regasification capacity and expects to receive 6.4 Gm^3/year of LNG from RasGas II (Qatar).

Partnership with Gazprom

On November 27, 2009, **EDF and Gazprom** signed a memorandum of understanding giving EDF the opportunity to participate in construction of the offshore section of the **South Stream gas pipeline**. The Memorandum states that EDF's involvement in South Stream will entail conclusion of new long-term natural gas supply contracts, and specifies cooperation opportunities in the electricity sector both in and outside France.
On October 20, 2009, the trading subsidiaries of EDF and Gazprom announced that they had signed an agreement for deliveries of natural gas between the US and Europe, covering volumes of 0.5 Gm^3 over the next 5 years.

1.2.2.1.3 REINFORCING RENEWABLE ENERGIES AND ENVIRONMENTALLY-FRIENDLY TECHNOLOGIES

1.2.2.1.3.1 EDF Énergies Nouvelles

The Group is continuing its development in renewable energies, particularly windpower and photovoltaic solar power, through its subsidiary EDF Énergies Nouvelles (EDF EN), which aims to have net installed capacity of 4,200 MW by the end of 2012, including 500 MW of photovoltaic power.
In the field of **wind power**, EDF EN increased its wind generation capacity by 619 MW during 2009, bringing the total gross windpower capacity to 2,650 MW. Newly commissioned facilities were mainly located in the US (253 MW), France (105 MW), Italy (57 MW), Turkey (45 MW), Greece (38 MW), Mexico (38 MW), the UK (34 MW) and Belgium (30 MW).

EDF EN also continued to step up **development in photovoltaic solar power**, commissioning 60 MWp during the year, primarily in France, Italy and Canada. By the end of 2009, EDF EN's total gross installed capacity was 81 MWp, with a further 139 MWp under construction.
To support its solar power development, EDF EN signed a strategic agreement on July 23, 2009 with the world's leading photovoltaic solar panel manufacturer First Solar, for construction of a solar panel factory in France (to produce more than 100 MWp a year).
EDF EN will provide half of the financing for building the facility, and will benefit from its entire output for the first ten years of operation, for its own requirements.

1.2.2.1.3.2 Renault-Nissan and EDF consolidate their cooperation on zero-emission electric vehicles

The two partners entered a new stage in development of the electric vehicle due to be put on the road by 2011.

On June 22, 2009 EDF and Renault signed an agreement on a charging system providing secure communication of data between recharge terminals and vehicles.

1.2.2.1.3.3 EDF invests in supercritical coal-fired electricity generation technology in China

In October 2009 the EDF group acquired a 35% holding in the Datang Sanmenxia Power Generation Company (DSPC) project, a supercritical coal-fired power plant with two 600 MW units (Sanmenxia Phase II) at Sanmenxia in Henan province, China, for approximately €35 million.

1.2.2.1.3.4 EDF and the Russian electricity company INTER RAO sign a framework agreement for energy efficiency

In late 2009, EDF and the electricity operator Inter Rao signed a framework agreement under which the two groups will examine the feasibility of asset swaps and cross-investments in energy efficiency projects in Russia.

1.2.2.2 BUSINESS IN FRANCE

1.2.2.2.1 NUCLEAR GENERATION

Nuclear generation produced 390 TWh in 2009, 28 TWh or 6.7% less than in 2008 (418 TWh). The 28 TWh variance is explained by:

- industrial action, which caused longer outages of certain units, particularly in the second half of the year, and output loss due to reduced power levels at units in operation; this accounted for some 17 TWh of the decrease (net of modulation avoided) in nuclear generation over the year as a whole;
- several unscheduled or extended shutdowns, mostly occurring in the second half of the year and relating to defects in equipment (steam generators, alternators, transformers) already due for replacement, scheduled in some cases for 2010. This factor accounted for some 6 TWh of the fall in nuclear power output;
- shutdown of units at the Blayais plant in France during the first quarter of 2009 after the Klaus cyclone blew vegetation and mud into the Gironde river, and reduced power at the Cruas plant when the cooling system became clogged up in November 2009. These events accounted for some 3 TWh of the fall in nuclear power output;

- the 2008 leap year effect, meaning that 2009 output was automatically one day or approximately 1 TWh lower; and,
- more frequent use of modulation, which reduced nuclear output by some 1 TWh.

Nuclear generation expressed in terms of the Kp coefficient or "load factor"[1] thus stood at 70.7% in 2009, lower than 2008 (75.3%). This factor is obtained by multiplying the 2009 Kd (availability coefficient) of 78%, down by 1.2 point from 2008, by the 2009 Ku (utilization factor) of 90.6%, down by 4.6 points from 2008.

1.2.2.2.2 STORMS IN SOUTH-WEST FRANCE

Several areas of south-west France were hit by exceptionally fierce storms early in 2009, particularly the Klaus cyclone.
These storms caused damage estimated at approximately €160 million, essentially affecting the distribution subsidiary ERDF.

1.2.2.3 REGULATORY ENVIRONMENT (FRANCE)

1.2.2.3.1 MARKET DEVELOPMENTS

– Hydropower concessions

Article 7 of the French Law n° 2006-1772 of December 30, 2006 on water and aquatic environments removed the outgoing operator's preferential right instituted by the law of October 16, 1919 on the use of hydropower.

Article 33 of the French Law n° 2006-1771 of December 30, 2006, amending the 2006 finance law, sets out the principle of an indemnity for the outgoing operator in respect of the unamortized portion of investments made during the second half of the agreement (the final 10 years at least), with the exception of investments required to return the assets in good condition at the end of the concession.

The implementation decree n° 2008-2009 of September 26, 2008 clarified the terms of indemnification for work carried out prior to its publication during the second half of the concession. As required by this decree, EDF submitted a statement of the relevant expenses for approval early in 2009, and its claim is currently being processed by the Ministry of Ecology, Energy, Sustainable Development and the Sea.

In view of these changes in regulations, the depreciation schedule has been modified from January 1, 2009 for facilities that are to be returned for nil consideration at the end of the concession and do not qualify for an indemnity. Depreciation for these items has been accelerated over the residual term of the concession when it is shorter than their technical useful life.

This has led to an additional €13 million expense for 2009.

1.2.2.3.2 THE CHAMPSAUR COMMISSION; PROPOSED LAW ON THE NEW ORGANIZATION OF THE FRENCH ELECTRICITY MARKET

In preparation for changes in the competitive environment on the French energy markets, the French government charged on October 24, 2008 a commission presided by Paul Champsaur to *"reflect on the tariff framework and desirable legislative and regulatory changes to provide France with a clear, stable framework for the French electricity market that will protect consumer interests and contribute to the opening up of the European electricity market*[2]*."*

On April 27, 2009, the Champsaur Commission released a report containing a number of proposals to make the electricity market more competitive both upstream and downstream. One of its recommendations was "*assigning every supplier the right of access to baseload electricity at a regulated price that reflects the economic conditions of the established fleet of nuclear plants, for a volume proportional to its customer portfolio on national territory*".

A draft law concerning the new organization of the French electricity market is expected to be submitted to the French parliament during 2010.

1.2.2.3.3 FRENCH LAWS ON URBAN SOLIDARITY AND RENEWAL – TOWN PLANNING AND HABITAT

The implementation provisions for the sections of the French solidarity and urban renewal law (SRU – *Solidarité Renouvellement Urbains*) and town planning and habitat law (UH – *Urbanisme et Habitat*) concerning connection to the public electricity distribution network introduced a new system on January 1, 2009 with the following main features:

- definition of connection operations, separating network extension from network connection, with clear identification of the beneficiaries (local authorities in charge of town planning and connected customers);
- establishment of a single price scale for all connection operations (approved by the regulator CRE (*Commission de Régulation de l'Énergie*) on March 27, 2008);
- direct inclusion of part of the connection price in the delivery tariff, applying a reduction rate (set forth in the decision of July 17, 2008) to the basic price scale;
- the portion invoiced to beneficiaries is now named "contribution" and replaces the previous systems of connection fees, participations and assets contributed for no consideration by fitters. Contributions are treated as sales for the period concerned.

1.2.2.4 GOVERNANCE

APPOINTMENT OF HENRI PROGLIO AS CHAIRMAN AND CEO

The directors' new terms of office began on November 23, 2009, when the first meeting of the new Board[3] took place. Six directors representing employees were elected on May 19, 2009, six directors were chosen by the shareholders at the General Meeting of November 5, 2009, and the appointment of six directors representing the French government by decision of November 18, 2009 was published in France's Official Gazette (*Journal Officiel*) on November 19, 2009.

Upon the nomination proposed by the Board of Directors to the French President on November 23, 2009, Henri Proglio was appointed EDF Chairman and CEO by decree of November 25, 2009 published in the Official Gazette of November 27, 2009. He succeeds Pierre Gadonneix.

1. "Kp" or "load factor". This factor is obtained by multiplying two coefficients (Kp = Kd*Ku): the availability factor, Kd (available energy, i.e. the theoretical maximum energy less output losses caused by technical reasons inherent to the plant (scheduled outages, unplanned outages due to damage or for safety reasons and regulatory testing), as a percentage of the theoretical maximum energy; a utilization factor, Ku (the energy generated as a percentage of the energy available). Ku reflects environmental and social constraints, supply of system services, and optimization implemented by EDF (fuel and modulation). For more détails, see section § 6.2.1.1.3.3 of the *2008 Document de Référence*.
2. Mission Letter, October 24, 2008.
3. See section 1.18.7.1.

1.2.2.5 HUMAN RESOURCES

SUPPORT MEASURES FOR THE REFORM OF THE SPECIAL ELECTRICITY AND GAS SECTOR (IEG) PENSION SYSTEM IN FRANCE

As part of the IEG pension reform that came into force on July 1, 2008, in accordance with the principles set forth in the French Pension Guideline Document, an agreement was signed on January 29, 2008 defining the main support measures for the changes. Some of these measures were applied as of January 1, 2009 or during the year 2009; they concern:

- mandatory sector-specific complementary welfare provision, which came into effect on January 1, 2009;
- the additional pension scheme introduced by the EDF group in application of the sector-specific agreement of February 21, 2008, which also came into effect on January 1, 2009;
- the group's collective pension fund plan (*Plan d'Épargne Retraite Collectif* – PERCO), introduced at EDF on September 21, 2009.

Negotiations concerning the way the system will take into consideration the specificities of different businesses were completed in late 2009. The resulting agreement can be signed until February 28, 2010.
Negotiations are also under way in the IEG sector for additional healthcare coverage, which should be implemented in 2010.
In accordance with the "Social Agenda" for 2008-2010 signed with all the unions on July 10, 2008, negotiations during 2009 concerned:

– Total remuneration:

- housing support for new employees: the agreement applicable at EDF SA was signed on June 19, 2009, and increases the amount and period of the moving bonus for newly-hired employees;
- the service pay-cheque (CESU) system set up on February 24, 2009 by EDF and the CMCAS Coordination Committee to help employees with childcare expenses for children aged between 3 months and 3 years. This is exempt from employer social contributions and taxes, up to a limit of €1,830 per employee per year;
- the additional savings plan contribution: the rules for the additional contribution made by EDF to the Group's savings and pension fund plans are specific to each Group company and defined in the Savings Plan rules or membership agreements. They are amended by collective negotiation in each firm. The agreement signed on July 17, 2009 sets the relevant rules for EDF's payments in connection with and the PERCO pension fund plan;
- in 2009, an amendment also was made to the Time Savings Account (*Compte Épargne Temps* – CET) agreement of April 2, 2008 to allow rights earned to be converted into monetary form and paid into the PERCO pension fund plan.

– Flexible working time and quality of life in the workplace:

- in accordance with the law, negotiations took place in 2009 on the question of employment of older people, leading to implementation of an action plan;
- negotiations are currently under way at EDF concerning management/executive working hours.

These measures are determined in a company agreement and will be put into action in 2010.

2008-2010 PROFIT SHARE

EDF's 2008-2010 voluntary profit share agreement was signed on June 13, 2008. A supplementary collective profit share bonus was paid in 2009 under the terms of the agreement and in application of article L. 3314-10 of the French Labor Code.

1.2.2.6 GROUP FINANCING

The EDF group raised €18.9 billion on the bond markets during 2009.

In the course of the year, EDF undertook several bond issues in amounts of €9.9 billion in Euros (EUR), €1.7 billion in pounds sterling (GBP - £1.5 billion), €3.6 billion in US dollars (USD - $5.0 billion), €0.9 billion in yen (JPY - ¥ 120.4 billion) and €0.4 billion in Swiss francs (CHF 0.6 billion).

In January 2010, the company also issued $2.25 billion of bonds on the US market pursuant by Rule 144A of the US Securities and Exchange Commission (SEC): a $1.4 billion tranche at the fixed rate of 4.6% maturing in 10 years, and a $0.85 billion tranche at the fixed rate of 5.6% maturing in 30 years.

These issues contribute to the financing of the Group's investment strategy, and repayment of the £11 billion bank loan subscribed in September 2008 for the acquisition of British Energy. This loan was used in January 2009 and fully repaid in September 2009.

EnBW also undertook a €1.35 billion bond issue, mainly to finance the acquisition of EWE. Edison raised €700 million on the bond market to fund its development. Finally, on November 12, 2009, EDF Energy Networks (LPN) plc issued a £300 million bond maturing in November 2016, EDF Energy Networks (EPN) plc issued a £350 million bond maturing in November 2036, and EDF Energy Networks (SPN) plc issued a £300 million bond maturing in November 2031.

Details of these bond issues can be found in note 39 to the consolidated financial statements at December 31, 2009.

1.2.2.7 MAIN CHANGES IN THE SCOPE OF CONSOLIDATION

The main changes in the scope of consolidation during 2009 are described in note 7 to the consolidated financial statements at December 31, 2009, "Changes in the scope of consolidation".

1.3 Introduction to analysis of 2009 results

Pursuant to European regulation 1606/2002 of July 19, 2002 on the adoption of international accounting standards, the EDF group's consolidated financial statements for the year ended December 31, 2009 are prepared under the international accounting standards published by the IASB and approved by the European Union for application at December 31, 2009. These international standards are IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and interpretations issued by the SIC and IFRIC.

The consolidated financial statements for 2009 contain comparative information for the financial year 2008, which has been restated to reflect the effect of application of revised IAS 23, "Borrowing costs", and changes in the presentation of revenues from Edison's trading operations.

The accounting and valuation methods applied by the Group (including changes from 2008) are presented in notes 1 and 3 to the consolidated financial statements for the year ended December 31, 2009.

1.4 Principal accounting methods sensitive to the use of estimates and judgments

The preparation of the financial statements requires the use of judgments, best estimates and assumptions in determining the value of assets and liabilities, income and expenses recorded for the period, and positive and negative contingencies at year-end. The figures in future financial statements may differ from current estimates due to changes in these assumptions or economic conditions.

The principal sensitive accounting methods involving use of estimates and judgments are described in note 3.2 to the consolidated financial statements at December 31, 2009. Given their importance in the EDF group's financial statements, the impact of any change in assumption in these areas could be significant.

1.5 Segment reporting of financial information

Segment reporting presentation complies with IFRS 8, "Operating segments", which replaced IAS 14 from January 1, 2009.

In accordance with IFRS 8, the breakdown used by the EDF group corresponds to the operating segments as regularly reviewed by the Management Committee.

The breakdown used by the EDF group for geographical areas is as follows:

- "**France**", which refers to EDF and its subsidiaries RTE EDF Transport and ERDF, comprising the deregulated activities (mainly Generation and Supply), network activities (Distribution and Transmission) and island activities;
- "**United Kingdom**", which comprises the entities of the EDF Energy subgroup including British Energy and EDF Development UK Ltd;
- "**Germany**", which refers to the entities of the EnBW subgroup;
- "**Italy**", which covers all the entities located in Italy (the Edison subgroup, TDE and Fenice);
- "**Other International**", which covers other gas and electricity entities located principally in continental Europe (including Benelux) but also in the USA, Latin America and Asia, and EDF International;
- "**Other activities**", which groups together all the Group's other investments, including EDF Énergies Nouvelles, EDF Trading, Électricité de Strasbourg, Dalkia, Tiru, and EDF Investissements Groupe.

The effects of introducing this new segmentation from January 1, 2009 are limited, and mainly concern reassignment of entities from the former "Rest of Europe" and "Rest of the World" segments between the new segments "Other International" and "Other activities".
Segment information for 2008 has been restated according to the new segments.

Segment information for the EDF group is reported in note 8 to the consolidated financial statements at December 31, 2009.

1.6 Analysis of the consolidated income statements for 2009 and 2008

Years ended December 31 *(in millions of Euros)*	2009 (2)	2008 (1)
Sales	66,336	63,847
Fuel and energy purchases	(26,558)	(26,590)
Other external expenses	(11,231)	(10,258)
Personnel expenses	(11,452)	(10,476)
Taxes other than income taxes	(2,917)	(3,171)
Other operating income and expenses	3,288	2,083
Prolongation of the TaRTAM – Law of August 4, 2008	-	(1,195)
Operating profit before depreciation and amortization (EBITDA)	**17,466**	**14,240**
Net depreciation and amortization	(6,976)	(5,714)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(490)	(526)
Impairments/Reversals	(66)	(115)
Other income and expenses	173	25
Operating profit (EBIT)	**10,107**	**7,910**
Financial result	**(4,525)**	**(3,050)**
Income before taxes of consolidated companies	**5,582**	**4,860**
Income taxes	(1,614)	(1,599)
Share in income of companies accounted for under the equity method	120	367
GROUP NET INCOME	**4,088**	**3,628**
Minority interests	183	144
EDF NET INCOME	**3,905**	**3,484**
Earnings per share *(in Euros)*	**2.14**	**1.91**
Diluted earnings per share *(in Euros)*	**2.14**	**1.91**

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs" and changes in presentation for Edison trading revenues (see notes 1 and 2 to the consolidated financial statements).

(2) Figures for 2009 include the effects of consolidation of:
- *British Energy from January 5, 2009;*
- *Constellation Energy Nuclear Group from November 6, 2009;*
- *SPE from November 26, 2009.*

The Group's net income excluding non-recurring income and taxes amounted to €3,923 million in 2009 (€4,392 million in 2008).

1.6.1 Sales

3.9% rise in consolidated sales; organic degrowth of 0.2%

(in millions of Euros)	2009	2008 (1)	Variation	Variation *(%)*	Organic growth *(%)*
France	**34,004**	**34,264**	**(260)**	**-0.8**	**-0.8**
United Kingdom	11,036	8,244	2,792	33.9	3.6
Germany	7,195	7,467	(272)	-3.6	-4.3
Italy	4,877	5,610	(733)	-13.1	-12.5
Other International	3,437	3,044	393	12.9	10.6
Other activities	5,787	5,218	569	10.9	9.9
Total excluding France	**32,332**	**29,583**	**2,749**	**9.3**	**0.4**
GROUP SALES	**66,336**	**63,847**	**2,489**	**3.9**	**-0.2**

(1) Adjusted for changes in the presentation of Edison's trading revenues.

The **EDF group's consolidated sales** totaled €66,336 million for 2009, a rise of 3.9% compared to 2008 including negative foreign exchange effects of - €1,170 million or -1.8%. These were essentially attributable to the fall of the pound sterling, and to a lesser extent the Polish and Hungarian currencies, against the Euro.
The effects of changes in the scope of consolidation totaled €3,788 million (+5.9%), and were mainly associated with the acquisition of British Energy. Excluding these effects, the organic change in sales [1] stood at -0.2%.

In **France**, sales showed organic decline of 0.8% in 2009.
The fall in electricity sales volumes (-3.7 percentage points) attributable to the economic slowdown and the relatively low output was partly offset by the positive impact (+2.1 percentage points) of tariff rises in August 2008 and 2009 and expanding natural gas and services activities (+0.8 percentage points).
The Group made 51.3% of its sales in France in 2009 compared to 53.7% in 2008.

Sales **outside France** (the United Kingdom, Germany, Italy, and the Other international and Other activities segments) registered a 9.3% increase, including the activities of British Energy.

Excluding the effects of changes in the scope of consolidation and exchange rates, sales outside France were stable despite the impact of the recession on volumes.
Boosted by positive price and tariff effects, sales rose in the UK in 2009 (3.6% organic growth), but the effects of the economic slowdown were particularly visible in Germany (organic degrowth of 4.3%) and above all in Italy (organic decline of 12.5%).

The high increase in sales by the Other International segment (organic growth of +10.6%) is principally attributable to Poland, and to a lesser extent Belgium and Brazil.
The rise in sales by the Other activities segment (organic growth of 9.9%) mainly results from business growth at EDF Énergies Nouvelles and Dalkia. It also includes adjustments related to hedging instruments.

The Group made 48.7% of its sales outside France in 2009 compared to 46.3% in 2008.

1. The change in Group business that does not incorporate the positive or negative effects of changes in the scope of consolidation (acquisitions or disposals of subsidiaries), or in exchange rates or accounting methods.

1.6.2 EBITDA

Consolidated EBITDA up by 22.7%, with organic growth of 1.2%

(in millions of Euros)	2009	2008	Variation	Variation *(%)*	Organic growth *(%)*
Sales	66,336	63,847	2,489	3.9	-0.2
EBITDA	17,466	14,240	3,226	22.7	1.2 (1)

(1) Excluding the impact of the TaRTAM provision recorded in 2008 (€1,195 million).

Consolidated EBITDA for 2009 amounted to €17,466 million, up by 22.7% from 2008 corresponding to organic growth of 1.2%.
This increase was driven by business outside France, particularly in the UK.

The effect of changes in the scope of consolidation reflects the first consolidation of British Energy (€1,728 million), and the acquisitions of Constellation Energy Nuclear Group in the US and SPE in Belgium. Foreign exchange effects totaled - €145 million (-1.0%) and result from unfavorable developments in the pound sterling and the Hungarian and Polish currencies against the Euro. Also, in 2008 a €1,195 million provision was booked following prolongation of the TaRTAM transition tariff system, with no equivalent in 2009.

Excluding the impact in 2008 of prolongation of the TaRTAM transition tariff system, EBITDA for 2009 stands at €17,466 million, 13.2% up from 2008 (€15,435 million).

(in millions of Euros)	2009	2008	Variation	Variation *(%)*	Organic growth *(%)*
France	**9,434**	**9,009**	**425**	**4.7**	**-9.0**
United Kingdom	3,062	943	2,119	224.7	51.3
Germany	1,193	1,114	79	7.1	5.9
Italy	801	911	(110)	-12.1	-13.5
Other International	686	505	181	35.8	22.6
Other activities	2,290	1,758	532	30.3	25.1
Total excluding France	**8,032**	**5,231**	**2,801**	**53.5**	**18.8**
GROUP EBITDA	**17,466**	**14,240**	**3,226**	**22.7**	**1.2**

In France, EBITDA rose by 4.7%. Excluding the effect of prolongation of the TaRTAM, it was down by 9.0%, mainly as a result of lower nuclear power output, and to a lesser extent the storms of January.

France contributed 54.0% of consolidated EBITDA in 2009 (63.3% in 2008).

Outside France, EBITDA progressed by 53.5% including the effect of consolidation of British Energy in 2009. Excluding changes in the scope of consolidation and foreign exchange effects, organic growth of 18.8% was driven by performances in the United Kingdom and central European countries, as well as EnBW's resilient performance in a regional environment affected by a serious economic slowdown.

The Group's EBITDA/sales ratio for 2009 stood at 26.3% compared to 22.3% in 2008. The rise was most noticeable in the United Kingdom (27.7% in 2009 against 11.4% in 2008) with the impact of the consolidation of British Energy, and to a lesser extent in the Other activities segment (39.6% in 2009 against 33.7% in 2008), largely due to significant expansion by EDF Énergies Nouvelles.

1.6.2.1 FUEL AND ENERGY PURCHASES

Fuel and energy purchases amounted to €26,558 million in 2009, stable compared to 2008 and showing organic degrowth of 1.5%.

In **France**, fuel and energy purchases increased by 6.5%, mostly due to the higher cost (after hedging) of energy purchases to compensate for electricity losses from the networks, and the increase in purchases associated with expanding natural gas sales.

In the **United Kingdom**, the rise was €219 million or 3.9% (organic degrowth of 3.2%). This was largely attributable to the impact of fair value measurement of hedging derivatives under IAS 39, which was positive in 2009.

In **Germany**, there was a 8.8% organic decline in energy purchases, which decreased more than sales due to the favourable effect of the hedging policy.

In **Italy**, the organic change in fuel and energy purchases was -13.9%, in line with the lower sales levels.

In the **Other International** segment, these purchases increased by 6.2% including the effects of changes in the scope of consolidation (acquisition of SPE and change in consolidation method for ESTAG). The organic growth of 8.0% is comparable to the rise in sales.

In the **Other activities** segment, the increase in fuel and energy purchases stood at 3.3%, with organic growth of 1.2%.

1.6.2.2 OTHER EXTERNAL EXPENSES

Other external expenses amounted to €11,231 million, €973 million (+9.5%) higher than in 2008 reflecting organic growth of 4.1%.

This increase is principally attributable to the **United Kingdom** (+€494 million) with the first consolidation of British Energy, and **France** (+€513 million) due to the cost of network repairs after the storms of January 2009, acceleration of generation plant maintenance, and development of new activities.

In **Germany** and **Italy**, other external expenses were down by 6.3% and 11.3% respectively.
The increase registered by the **Other international** segment (+42.5%) results chiefly from proportional consolidation of ESTAG since July 1, 2009 (this company was accounted for under the equity method in 2008).

1.6.2.3 PERSONNEL EXPENSES

Personnel expenses totaled €11,452 million, €976 million (+9.3%) more than in 2008, corresponding to organic growth of 5.0%.

In **France**, the 4.8% rise reflects changing pay levels for practically stable employee numbers, and greater employee protection associated with the pension reform. It also includes the additional expenses caused by the storms.

Outside France, personnel expenses increased by 22.4% including the effect of consolidation of British Energy. Organic growth outside France was 5.7%.
Organic growth in personnel expenses was 7.3% in the **United Kingdom** due to the larger workforce and, to a smaller degree, pay rises. In **Germany**, the 8.5% organic rise mainly reflects pay rises and an increase in the workforce.

1.6.2.4 TAXES OTHER THAN INCOME TAXES

Taxes other than income taxes stood at €2,917 million for 2009, down by €254 million (-8.0%) from 2008. Most of the decline is concentrated in France (-€196 million) and essentially relates to the reversal of €324 million from the FACE [(1)] provision for the contribution to electrification work in rural areas after introduction of the TURPE 3 new network access tariffs. In the Other International segment, this decrease also includes the €61 million effect of excise duty reform in Poland since March 1, 2009 (transfer of the tax from generators to distributors).

1.6.2.5 OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses generated income of €3,288 million in 2009, €1,205 million higher than in 2008 (€2,083 million excluding the provision for the prolongation of the TaRTAM transition tariff). Most of this rise is attributable to France, where it essentially results from the increase in the Contribution to the Public Electricity Service (CSPE – *Contribution au service public de l'électricité*) following the decline in spot electricity prices (+€799 million). In the United Kingdom, other operating income and expenses rose by +€493 million, chiefly due to fair value measurement of British Energy's electricity sale contracts.

1.6.3 EBIT

27.8% INCREASE IN EBIT

(in millions of Euros)	2009	2008	Variation	Variation *(%)*	Organic growth *(%)*
EBITDA	**17,466**	**14,240**	**3,226**	**22.7**	**1.2**
Net depreciation and amortization	(6,976)	(5,714)	(1,262)	22.1	4.9
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(490)	(526)	36	-6.8	-7.0
Impairment/reversals	(66)	(115)	49	-42.6	-59.1
Other income and expenses	173	25	148	n.s.	n.s.
OPERATING PROFIT (EBIT)	**10,107**	**7,910**	**2,197**	**27.8**	**3.2**

EBIT totaled €10,107 million for 2009, up by 27.8% from 2008, with organic growth standing at 3.2%.

This mainly reflects the increases in EBITDA, "Net depreciation and amortization" (largely resulting from the first consolidation of British Energy) and "Other income and expenses" (mainly related to the gain on the transfer to Alpiq of Emosson dam drawing rights).

1. *Fond d'amortissement des charges d'électrification.*

1.6.3.1 IMPAIRMENT

The €49 million improvement in impairment is explained by the fact that there was no equivalent in 2009 to impairment booked in 2008.

1.6.3.2 OTHER INCOME AND EXPENSES

Other income and expenses resulted in net income of €173 million in 2009, against €25 million in 2008.

1.6.4 Financial result

(in millions of Euros)	2009	2008 (1)	Variation	Variation (%)
Cost of gross financial indebtedness	(2,709)	(1,657)	(1,052)	63.5
Discount expense	(3,229)	(2,797)	(432)	15.4
Other financial income and expenses	1,413	1,404	9	0.6
GROUP TOTAL	**(4,525)**	**(3,050)**	**(1,475)**	**48.4**

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs".

The financial result for 2009 was -€4,525 million, -€1,475 million (+48.4%) lower than in 2008, principally due to the following factors:
- the €1,052 million rise in the cost of gross indebtedness resulting from the higher average gross indebtedness;
- the €432 million increase in discount expenses, essentially in the United Kingdom as a result of consolidation of British Energy, and to a lesser degree in France (pensions).

1.6.5 Income taxes

Income taxes amounted to €1,614 million in 2009 compared to €1,599 million in 2008.

The effective tax rate is 28.9% for 2009, compared to 32.9% for 2008.

1.6.6 Share in income of companies accounted for under the equity method

The Group's share in income of companies accounted for under the equity method was €120 million in 2009, €247 million lower than in 2008. This decrease essentially results from non-recurring items in 2008 in the United Kingdom (€77 million) and at Dalkia (€63 million) and the changes in the scope of consolidation concerning Germany and Austria.

1.6.7 Minority interests

Minority interests amounted to €183 million in 2009, €39 million more than in 2008. This increase mainly results from the expansion of EDF Énergies Nouvelles and the consolidation of SPE.

1.6.8 Group share of net income

The Group share of net income was €3,905 million for 2009, 12.1% higher than in 2008 (€3,484 million), when it included the effect of prolongation of the TaRTAM transition tariff system.

1.6.9 Net income excluding non-recurring items

The Group's **net income excluding non-recurring items** [1] stood at €3,923 million in 2009, €469 million (-10.7%) lower than in 2008. Based on a constant scope of consolidation and exchange rates, it declined by 9.6%.

1.6.10 Net indebtedness [2]

The Group's net indebtedness rose by €18,020 million, from €24,476 million at December 31, 2008 to €42,496 million at December 31, 2009.

1. Group net income excluding non-recurring items.
   Non-recurring items, net of taxes, in 2009: -€18 million: +€220 million of reimbursement by the State following cancellation of the European Commission decision of December 16, 2003, and -€238 million of gains and losses on asset disposals, impairment of investments and operating assets, and provisions.
   Non-recurring items, net of taxes, in 2008: -€908 million: -€783 million relating to prolongation of the TaRTAM transition tariff system, €23 million relating to pensions in France, and -€148 million of gains and losses on asset disposals, impairment of investments and operating assets, and provisions.
2. Net indebtedness comprises total loans and financial liabilities, less cash and cash equivalents and liquid assets. Liquid assets are financial assets comprising funds and interest rate instruments with initial maturity of over three months, that are readily convertible into cash regardless of their maturity and are managed according to a liquidity-oriented policy.

1.7 Breakdown of EBIT by geographical area

The EDF group's segment reporting principles are presented in note 8 to the consolidated financial statements at December 31, 2009.

The breakdown of EBIT by geographical segment is as follows:

2009 *(in millions of Euros)*	France	United Kingdom	Germany	Italy	Other International	Other activities	Total
SALES	**34,004**	**11,036**	**7,195**	**4,877**	**3,437**	**5,787**	**66,336**
Fuel and energy purchases	(9,971)	(5,786)	(4,306)	(3,536)	(1,971)	(988)	**(26,558)**
Other external expenses	(6,483)	(1,379)	(1,018)	(401)	(419)	(1,531)	**(11,231)**
Personnel expenses	(8,174)	(1,121)	(744)	(203)	(273)	(937)	**(11,452)**
Taxes other than income taxes	(2,649)	(81)	(15)	(8)	(74)	(90)	**(2,917)**
Other operating income and expenses	2,707	393	81	72	(14)	49	**3,288**
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)	**9,434**	**3,062**	**1,193**	**801**	**686**	**2,290**	**17,466**
Net depreciation and amortization	(4,123)	(1,331)	(380)	(458)	(275)	(409)	**(6,976)**
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(488)	-	-	-	-	(2)	**(490)**
Impairment/Reversals	-	-	(17)	(43)	(5)	(1)	**(66)**
Other income and expenses	320	(27)	-	-	(119)	(1)	**173**
OPERATING PROFIT (EBIT)	**5,143**	**1,704**	**796**	**300**	**287**	**1,877**	**10,107**

2008 *(in millions of Euros)*	France	United Kingdom	Germany	Italy	Other International	Other activities	Total
SALES	**34,264**	**8,244**	**7,467**	**5,610**	**3,044**	**5,218**	**63,847**
Fuel and energy purchases	(9,362)	(5,567)	(4,682)	(4,167)	(1,856)	(956)	(26,590)
Other external expenses	(5,970)	(885)	(1,087)	(451)	(294)	(1,571)	(10,258)
Personnel expenses	(7,798)	(657)	(685)	(197)	(254)	(885)	(10,476)
Taxes other than income taxes	(2,845)	(92)	(9)	(6)	(134)	(85)	(3,171)
Other operating income and expenses	1,915	(100)	110	122	(1)	37	2,083
Prolongation of the TaRTAM system (Law of August 4, 2008)	(1,195)	-	-	-	-	-	(1,195)
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)	**9,009**	**943**	**1,114**	**911**	**505**	**1,758**	**14,240**
Net depreciation and amortization	(3,923)	(444)	(382)	(453)	(208)	(304)	(5,714)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(519)	-	-	-	-	(7)	(526)
Impairment/Reversals	(14)	-	(174)	(42)	113	2	(115)
Other income and expenses	35	-	-	-	(11)	1	25
OPERATING PROFIT (EBIT)	**4,588**	**499**	**558**	**416**	**399**	**1,450**	**7,910**

1.7.1 France

(in millions of Euros)	2009	2008	Variation	Variation (%)	Organic growth (%)
Sales	34,004	34,264	(260)	-0.8	-0.8
EBITDA	9,434	9,009	425	4.7	-9.0(1)
EBIT	5,143	4,588	555	12.1	-

(1) Excluding the effect of the Law of August 4, 2008 (prolongation of the TaRTAM transition tariff system).

1.7.1.1 BREAKDOWN OF FINANCIAL INFORMATION FOR THE "FRANCE" SEGMENT

The following breakdown is used in presenting France's contribution to Group sales and EBITDA:

- **"Deregulated activities"** covering Generation, Supply and Optimization in mainland France, and sales of engineering and consulting services.
- **"Regulated activities in mainland France"** (Transmission and Distribution). Transmission and Distribution are regulated *via* the network access tariff TURPE (*Tarifs d'Utilisation des Réseaux Publics d'Électricité*). Sales for the regulated activities include the delivery cost included in integrated tariffs.
- **"Island activities"**, which covers EDF's Generation and Distribution activities in the island energy systems (IES).

1.7.1.2 MARKET OPENING

At December 31, 2009, EDF's share of the electricity market for all final customers was 85.2% (85.5% in 2008). Its market share for natural gas was 3.8% in 2009 (3.8% in 2008).

1.7.1.3 THE SUPPLY-DEMAND BALANCE

The volume of power produced by nuclear generation in 2009 was 390 TWh, 28 TWh (6.7%) lower than in 2008 (418 TWh). This 28 TWh difference results from:

- industrial action, which caused longer outages of certain units, particularly in the second half-year, and output loss due to reduced power levels; this accounted for some 17 TWh of the decrease over the year as a whole.
- several unscheduled or extended shutdowns, mostly occurring in the second half-year and relating to defects in equipment (steam generators, alternators, transformers) already due for replacement, scheduled in some cases for 2010. These events caused a 6 TWh decrease in nuclear power output;
- shutdown of units at the Blayais plant in France during the first quarter of 2009 after the Klaus cyclone blew vegetation and mud into the Gironde river, and lower power at the Cruas plant when the cooling system became clogged up in November 2009. These environmental events reduced nuclear power output by some 3 TWh;
- the 2008 leap year effect, meaning that 2009 output was automatically one day or approximately 1 TWh lower; and,
- more frequent use of modulation, which reduced nuclear output by some 1 TWh.

Hydropower generation reached 35.1 TWh, 8.0% lower than in 2008 due to the lower hydropower capability, particularly in the second half-year.

Fossil-fired generation produced 16 TWh, +1.2% more than in 2008.

Sales volumes to final customers were down by 7.9 TWh. The fall in demand from large business and industrial customers caused by the economic crisis (-8.3 TWh or -5%) was only partly offset by the rise in volumes due to colder weather in early 2009 (+1.6 TWh) and continued steady growth in demand from residential and service customers.

Due to the lower generation levels, the Group was a net purchaser on wholesale markets, especially in the fourth quarter of 2009. The balance of net sales on the markets (including through VPP[1] auctions) registered a decrease of 23.5 TWh from 2008. With the downward price trends, less use was made of capacity auctions.

1.7.1.4 SALES

France contributed €34,004 million to Group sales, 0.8% less than for 2008, comprising a positive 0.8 point contribution by natural gas and services, and a negative contribution of 1.6 points by electricity sales.

The variation in electricity sales reflects both price effects (+2.1 points) and volume effects (-3.7 points), caused particularly by the lower net sales on the markets following lower nuclear power output as specified above. The positive price effect principally results from the tariff increases of August 16, 2008 and August 15, 2009, counterbalanced by a negative price effect on capacity auctions.

1.7.1.5 EBITDA

France's contribution to Group EBITDA was €9,434 million, an increase of 4.7% compared to 2008 (€9,009 million). Excluding the effect of prolongation of the TaRTAM transition tariff system under the Law of August 4, 2008, EBITDA registered organic drop of 9.0% mostly explained by exceptional events: the decline in nuclear power output (-28 TWh or -€1,000 million) and, to a lesser extent, the storms of January (-€160 million).

FUEL AND ENERGY PURCHASES

Fuel and energy purchases in France amounted to €9,971 million in 2009, up by €609 million (+6.5%) from 2008.
Most of this increase results from the higher cost of energy purchases to compensate for electricity losses from the networks, and the increase in purchases associated with growth in natural gas sales.

1. Virtual Power Plant.

OTHER EXTERNAL EXPENSES AND PERSONNEL EXPENSES

Other external expenses amounted to €6,483 million, 8.6% higher than in 2008. This increase is principally explained by the cost of network repairs after the storms of January 2009, particularly affecting ERDF. Excluding the impact of storm damage, other external expenses increased by 6.3%, as generation plant and network maintenance was stepped up (€200 million) and new operations were developed, particularly in services.

Personnel expenses totaled €8,174 million, up by 4.8% from 2008. As workforce numbers remained practically stable, this reflects changing pay levels and greater employee protection as part of the pension reform. Personnel expenses also include additional expenses caused by the storms.

TAXES OTHER THAN INCOME TAXES

These taxes were down by 6.9% (€196 million), principally as a result of reversal of the FACE provision (+€324 million), corresponding to the contribution due for electrification of rural zones after introduction of the new TURPE 3 network access tariffs.

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses improved by €792 million. The principal factor is the increase in the Contribution to the Public Electricity Service (*Contribution au service public de l'électricité* – CSPE), mostly resulting from changes in the compensation receivable for the additional costs generated by electricity purchase obligations. These additional costs, which are based on the differential between market prices and the effective cost of EDF's purchases from producers covered by the CSPE system, increased with the fall in spot prices in 2009. Another contributing factor was the €1,195 million provision established in 2008 for compensation payable to competitors as a result of prolongation of the TaRTAM transition tariff system from July 1, 2009 to June 30, 2010, an item that had no equivalent in 2009.

1.7.1.6 BREAKDOWN OF FINANCIAL INFORMATION FOR THE "FRANCE" SEGMENT BETWEEN DEREGULATED ACTIVITIES, NETWORK ACTIVITIES AND ISLAND ACTIVITIES

The following table shows the variations in sales and EBITDA in France for the deregulated activities, network activities and island activities respectively between 2008 and 2009:

(in millions of Euros)	2009	2008	Variation	Variation *(%)*	Organic growth *(%)*
SALES	**34,004**	**34,264**	**(260)**	**-0.8**	**-0.8**
Deregulated activities	21,811	22,081	(270)	-1.2	-1.2
Network activities	12,382	12,515	(133)	-1.1	-1.1
Island activities	763	701	62	8.8	8.8
Eliminations	(952)	(1,033)	n.s.	n.s.	n.s.
EBITDA	**9,434**	**9,009**	**425**	**4.7**	**-9.0**
Deregulated activities	5,825	4,967	858	17.3	-7.5
Network activities	3,378	3,832	(454)	-11.8	-12.0
Island activities	231	210	21	10.0	10.0

Sales by the network activities registered a slight decrease. The rise in the network tariff and the additional income resulting from weather conditions could not make up for falling sales volumes to industrial customers, and the lower income from interconnections.

Sales by the deregulated activities also decreased slightly. The lower level of sales to final customers and net sales on the wholesale markets absorbed the impact of the tariff increases of 2008 and 2009.

EBITDA for network activities was down by 12%, much more than sales. This decline reflects the rising cost of network losses after compensating purchases and the effect of storm-related costs, particularly for ERDF.

Excluding the effect in 2008 of prolongation of the TaRTAM transition tariff under the Law of August 4, 2008, **EBITDA for the deregulated activities** was down by 7.5%. This reflects the lower nuclear generation levels in particular related to the industrial action since April 2009, the structurally higher generation fleet maintenance costs (partly offset by tariff increases), and positive price effects on the cost of purchase obligations net of the CSPE.

EBITDA for the island activities was up by 10% due to the negative effects of adjustment of the CSPE in 2008.

1.7.2 United Kingdom

(in millions of Euros)	2009	2008	Variation	Variation (%)	Organic growth (%)
Sales	11,036	8,244	2,792	33.9	3.6
EBITDA	3,062	943	2,119	224.7	51.3
EBIT	1,704	499	1,205	241.5	85.6

In 2009 the United Kingdom segment includes British Energy's contribution to the consolidated financial statements. EDF Energy now comprises four main divisions, respectively handling network activities, generation and supply activities, British Energy's Existing Nuclear division and development of the Nuclear New Build project in the United Kingdom. The new Energy Sourcing and Customer Supply division is in charge of optimizing EDF Energy's overall exposure to the wholesale markets, and managing sales and marketing. The Existing Nuclear division ensures that the nuclear plants are operated in optimum performance and safety conditions. A Nuclear New Build division has been set up to develop and construct the new EPRs in the UK. The Networks division is unchanged. Finally, the corporate, shared services and support functions of the two original companies have been merged into a single Corporate entity.

British Energy's operational results for 2009 were marked by a significant increase in its nuclear power output (54.5 TWh in 2009 compared to 40 TWh in 2008).

1.7.2.1 SALES

EDF Energy contributed €11,036 million to consolidated sales in 2009, an increase of 33.9% reflecting organic growth of 3.6% from 2008.

The effect of the change in scope of consolidation resulting from the acquisition of British Energy was 40.1% (€3,308 million), and the fall [1] in the pound sterling against the Euro between 2008 and 2009 generated a negative foreign exchange effect of -9.8% (-€810 million).

Organic growth in sales for the United Kingdom segment was driven by fossil-fired generation and supply, which benefited from favorable movements in wholesale market prices (particularly a fall in gas prices) and the July 2008 tariff increases for residential customers. The increases of July 2008 (+17% for electricity and +22% for gas) applied throughout the year 2009. The electricity tariff cut of -8,8% on March 31, 2009 had only a partial influence on organic growth.

Sales in the network activities declined by 2.0% as volumes carried and income from engineering work decreased with the economic slowdown.

1.7.2.2 EBITDA

EDF Energy's contribution to Group EBITDA stood at €3,062 million for 2009, considerably higher than in 2008. Excluding the negative 9.9% foreign exchange effect and the €1,728 million (+183.2%) impact of the first consolidation of British Energy, organic growth in EBITDA for the United Kingdom segment was €484 million or 51.3%. The Unaudited "pro forma" organic growth in British Energy's business between 2008 and 2009 would be €949 million.

The impact on organic growth of fair value measurement on forward sale and purchase contracts, which are derivatives not qualifying as hedges under IAS 39, was strongly positive in 2009 (+€148 million) although it was markedly negative in 2008 (-€287 million). This mainly results from termination in 2009 of hedges initiated in previous years (+€142 million). Another more minor factor was the rise in the value of energy contracts at the end of 2009 (unrealised positions: +€6 million).

Excluding the impact of IAS 39, organic growth in EBITDA was attributable to the fossil-fired generation and sales, through restored margins on gas supply activities and business with large customers, and optimization of fossil-fired plant output.

EBITDA for the regulated activities was stable, reflecting the achievements in productivity.

1.7.2.3 EBIT

EDF Energy's contribution to Group EBIT was €1,704 million, 3.4 times as much as in 2008, as a result of consolidation of British Energy and the organic growth in EBITDA.

1. Average exchange rate in 2009: €1.124/£1, average exchange rate in 2008: €1.246/£1.

1.7.3 Germany

(in millions of Euros)	2009	2008	Variation	Variation *(%)*	Organic growth *(%)*
Sales	7,195	7,467	(272)	-3.6	-4.3
EBITDA	1,193	1,114	79	7.1	5.9
EBIT	796	558	238	42.7	-

1.7.3.1 SALES

EnBW's contribution to 2009 Group sales showed a decrease of 3.6% or organic degrowth of 4.3%. It declined in both the electricity and gas businesses.

This downturn in sales includes the positive €51 million effect of changes in the scope of consolidation, essentially the increased stakes in the Lippendorf and Bexbach plants.

Electricity sales, which were down by 2.7%, were affected by a fall in sales volumes to industrial customers due to the crisis. This was only partly offset by positive price effects, particularly on sales to industrial customers and redistributors. Business on the wholesale markets also registered a decline.

Sales by the natural gas activities were down due to lower sales volumes to all customers segments, particularly redistributors, and unfavorable price effects.

1.7.3.2 EBITDA

EnBW's contribution to Group EBITDA was up by 7.1% from 2008, corresponding to organic growth of +5.9%.

The improvement in EBITDA for electricity activities reflected better generation margins achieved through the hedging policy begun in previous years in a more favorable price environment. The change in EBITDA was nonetheless affected by the decline in volumes sold to industrial customers.

In the natural gas activities, EBITDA was below its 2008 level as sales dropped due to the economic slowdown.

1.7.3.3 EBIT

EnBW's contribution to Group EBIT was €796 million, €238 million (42.7%) higher than in 2008.

This increase mainly reflects the higher EBITDA and the effect of impairment recognized in 2008 which had no equivalent in 2009 (€174 million).

1.7.4 Italy

(in millions of Euros)	2009	2008	Variation	Variation *(%)*	Organic growth *(%)*
Sales	4,877	5,610	(733)	-13.1	-12.5
EBITDA	801	911	(110)	-12.1	-13.5
EBIT	300	416	(116)	-27.9	-

1.7.4.1 SALES

Italy [1] contributed €4,877 million to consolidated sales, down by 13.1% corresponding to organic degrowth of 12.5%.

Edison registered a €614 million (-12.3%) downturn in sales, particularly in the electricity business.

Sales for the hydrocarbon activity increased due to changes in the scope of consolidation (Abu Qir).
Electricity activities suffered the negative effect of a significant drop in market prices and reduced sales on the exchanges, principally as a result of the economic crisis. These effects were partly offset by development of sales to final customers and wholesalers (+24.6%).

The hydrocarbon activities were affected by an unfavourable price effect associated with the fall in Brent and gas prices. This was counterbalanced by the rise in volumes sold to residential customers due to colder weather in the first quarter of 2009, and successful sales campaigns that led to a 12.4% increase in sales to final customers.

Sales by **Fenice** were down by €119 million (-19.6%), due to the lower levels of business for its main customers, particularly in the automobile industry. The organic change was -16.1%.

1. Edison Group and Fenice.

1.7.4.2 EBITDA

The **Italy** segment contributed €801 million to the Group's consolidated EBITDA, down by 12.1% from 2008, or 13.5% based on constant scope and exchange rates.

Edison contributed €713 million in 2009 against €807 million in 2008, a decrease of €94 million or -11.6% (13.6% organic degrowth) despite tight control of operating costs.

EBITDA for the electricity activities suffered the effect of shrinking volumes and production margins in unfavorable market conditions. It also reflects the progressive expiry of "CIP6" plant subsidies.

The hydrocarbon activities' contribution was relatively stable. Sales to final customers benefited from volume effects and lower sourcing prices, while the exploration and generation activity was negatively affected by lower hydrocarbon prices.

Fenice's contribution to consolidated EBITDA amounted to €89 million for 2009, down by €17 million from 2008, in line with the general economic slowdown.

1.7.4.3 EBIT

Italy's contribution to consolidated EBIT stood at €300 million, down by €116 million in keeping with the decline in EBITDA.

1.7.5 Other International

(in millions of Euros)	2009	2008	Variation	Variation *(%)*	Organic growth *(%)*
Sales	3,437	3,044	393	12.9	10.6
EBITDA	686	505	181	35.8	22.6
EBIT	287	399	(112)	(28.1)	-

The Other International segment principally covers other operations in Europe (Benelux including SPE, owned 51% by EDF, and central European countries), Asia (China, Vietnam and Laos), the Norte Fluminense fossil-fired plant in Brazil and nuclear activities in the United States, particularly the business of Constellation Energy Nuclear Group (CENG) (owned 49.99% by EDF).

1.7.5.1 SALES

The Other international segment contributed €3,437 million to Group sales, up by €393 million from 2008, with organic growth of 10.6%.
This organic sales growth is mainly located in Poland, Belgium and Brazil.

In **Central Europe**, sales registered organic growth of €197 million. The foreign exchange effect was strongly negative in Poland and Hungary. The +19.1% organic growth in **Poland** mostly resulted from the higher sale price for electricity sold to distributors under annual contracts, and an increase in sales of green certificates due to greater use of biomass.

Business in other **continental European** countries (Belgium, Austria, the Netherlands) includes the activities of SPE from November 26, 2009. Excluding the effect of the change in the scope of consolidation, organic growth in this zone was +33.3%, essentially driven by an increase in volumes of electricity and gas sales, and higher prices on the wholesale market in Belgium.

The +8.2% organic sales growth in **Asia** benefited from good performances by Figlec (China) and Meco (Vietnam), and the favourable effect of rising coal prices for Figlec's tariffs, with no impact on EBITDA.

In **Brazil**, organic sales growth amounted to +16.9%

1.7.5.2 EBITDA

EBITDA for the Other international segment, excluding the effects of changes in the scope of consolidation and exchange rates, saw organic growth of 22.6%.

In the **central European countries**, EBITDA rose by €48 million (+14.2%) despite the unfavorable impact of foreign exchange rates. Excluding foreign exchange effects, growth stands at +26%.

Poland achieved 81.9% organic growth in EBITDA thanks to the higher electricity prices in the annual contracts signed with distributors, and the lower level of costs caused by a reduction in CO_2 emissions (lower volumes and more extensive use of biomass).

In **Hungary**, EBITDA showed an organic decline of 24.0%, reflecting Demasz's poorer performance in a context marked by the economic slowdown and lower electricity prices, and the unfavorable impact of the Hungarian currency's fall against the Euro.

EBITDA in other **continental European countries** Belgium rose by €82 million. This increase results from consolidation of SPE and commissioning of the SLOE CCG plant in the Netherlands.

In **Asia**, EBITDA was up by 0.7%.

Brazil registered organic growth of +35.0% thanks to positive price effects on both sales and purchase optimisation, exports to Uruguay and savings on maintenance.

1.7.5.3 EBIT

EBIT was down by 28.1% from 2008.
This essentially reflects the change in EBITDA, the higher depreciation and amortization charges following the acquisitions of CENG and SPE, and reversals from impairment in 2008 that had no equivalent in 2009.

1.7.6 Other activities

(in millions of Euros)	2009	2008	Variation	Variation *(%)*	Organic growth *(%)*
Sales	5,787	5,218	569	10.9	9.9
EBITDA	2,290	1,758	532	30.3	25.1
EBIT	1,877	1,450	427	29.4	-

Other activities comprise, among other entities, EDF Énergies Nouvelles, EDF Trading, Électricité de Strasbourg and the investment in Dalkia.

1.7.6.1 SALES

The contribution by the **Other activities** segment to Group sales was €5,787 million, up by €569 million with organic growth of 9.9% since 2008. It includes adjustments related to hedging instruments (impact of +€275 million in 2009).

Sales at **EDF Énergies Nouvelles** amounted to €1,086 million, an increase of €128 million (+13.4%). The rise was driven by newly-commissioned wind and solar energy generation plants in Europe and the United States, and growth in distributed energies business.

EDF Trading's [1] sales were €70 million (-5.8%) lower than in 2008. Excluding the effects of changes in the scope of consolidation following acquisition of EDF Trading North America (formerly Eagle Energy Partners), it decreased by 7.7%. This good performance was achieved against lower volatility in commodity prices in 2009.

Dalkia's contribution to sales decreased by €97 million (-4.2%), mostly as a result of unfavorable foreign exchange effects. Organic growth from 2008 was 2.0%, essentially driven by business in central Europe.

1.7.6.2 EBITDA

Other activities contributed €2,290 million to Group EBITDA, €532 million more than in 2008 with organic growth of 25.1%.

The organic growth in this segment's EBITDA was principally located at **EDF Énergies Nouvelles**, which registered an increase of +€147 million (+75.4%) boosted by development of its generation business.

EDF Trading contributed €907 million to Group EBITDA, a €116 million (-11.3%) decrease from 2008 reflecting the change in margins.

Dalkia's EBITDA saw organic growth of 27.8%, benefiting from the rise in sales, especially in central Europe.

1.7.6.3 EBIT

EBIT for Other activities increased by €427 million from 2008.

This rise reflects the increase in EBITDA, which was partly offset by higher net depreciation and amortization.

1. EDF Trading sales consist of trading margins.

1.8 Net indebtedness, cash flows and investments

Net indebtedness comprises total loans and financial liabilities, less cash and cash equivalents and liquid assets. Liquid assets are financial assets consisting of funds or securities with initial maturity of over three months that are readily convertible into cash regardless of their maturity and are managed according to a liquidity-oriented policy.

Changes in the Group's net indebtedness were as follows:

(in millions of Euros)	2009 (2)	2008 (1)	Variation	Variation *(%)*
Operating profit before depreciation and amortization (EBITDA)	**17,466**	**14,240**	**3,226**	**23**
Cancellation of non-cash items included in EBITDA (3)	(3,105)	(1,399)	(1,706)	
Net financial expenses disbursed	(1,408)	(1,068)	(340)	
Income taxes paid	(963)	(1,720)	757	
Other items (4)	143	30	113	
Operating cash flow	**12,133**	**10,083**	**2,050**	**20**
Change in working capital (3)	(378)	(2,511)	2,133	
Net operating investments (gross CAPEX less disposals)	(12,118)	(9,489)	(2,629)	
Non-recurring items (5)	1,224	0	1,224	
Free cash flow	**861**	**(1,917)**	**2,778**	**n.s.**
Dedicated assets	(1,902)	(1,785)	(117)	
Net financial investments	(14,336)	(4,305)	(10,031)	
Dividends paid (6)	(1,311)	(2,528)	1,217	
Other changes (7)	(699)	479	(1,178)	
(Increase) decrease in net indebtedness, excluding the impact of changes in scope of consolidation and exchange rates	**(17,387)**	**(10,056)**	**(7,331)**	**73**
Effect of change in scope of consolidation	453	138	315	
Effect of change in exchange rates	(760)	1,473	(2,233)	
Effect of other non-monetary changes (8)	(326)	238	(564)	
(Increase)/Decrease in net indebtedness	**(18,020)**	**(8,207)**	**(9,813)**	**120**
NET INDEBTEDNESS AT BEGINNING OF PERIOD	**24,476**	**16,269**	**8,207**	**50**
NET INDEBTEDNESS AT END OF PERIOD	**42,496**	**24,476**	**18,020**	**74**

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs" (see notes 1 and 2 to the consolidated financial statements) and changes in presentation for Edison trading revenues.

(2) Figures for 2009 include the effects of first consolidation of British Energy from January 5, 2009, Constellation Energy Nuclear Group from November 6, 2009 and SPE from November 26, 2009.

(3) 2008: after reclassification of effects of the agreement between AREVA and EDF.

(4) Mainly corresponds to dividends received from companies accounted for under the equity method.

(5) Payment from the French State after cancellation of the European Commission's decision of December 16, 2003.

(6) Dividends paid in cash, not including the interim dividend for 2009 (€938 million) paid in the form of shares.

(7) 2009: mainly corresponds to the payment for decommissioning of La Hague under the 2008 EDF-AREVA agreement (€605 million), 2008: includes minority interests' shares in the capital increase at EDF Énergies Nouvelles.

(8) Mainly corresponds to changes in fair value and accounting reclassifications affecting components of net indebtedness.

1.8.1 Net indebtedness

The Group's net indebtedness stood at €42,496 million at December 31, 2009, compared to €24,476 million at December 31, 2008. The increase over the year thus totaled €18,020 million.

The Group generated free cash flow of €861 million. This includes capital expenditure net of disposals of €12,118 million, financed by the cash flow from operations (€12,133 million) and the - €378 million change in working capital. It also includes the exceptional tax reimbursement by the French State following cancellation of the European Commission's decision of December 16, 2003 (€1,224 million).

Allocations to dedicated assets, amounting to €1,902 million, reflect the resumption of allocations since July 1, 2009 (see section 1.9.1.6, "Management of financial risk on EDF's dedicated asset portfolio").

The change in net financial indebtedness also includes the first installment in 2009 of the full and final payment for decommissioning of La Hague following the 2008 EDF/AREVA agreement (€605 million).

This change also reflects completion of major external growth operations, which made a strong contribution to cash flow from operations (approximately €1.2 billion) and were financed by debt (see section 1.8.5).

Dividends paid in cash (€1,311 million) comprise the balance of the 2008 dividends (€1,164 million), the portion of the interim dividend distributed in late 2009, paid in cash (€64 million) and dividends paid by Group subsidiaries to their minority shareholders (€83 million). Total dividends paid out in 2008 amounted to €2,528 million.

Foreign exchange effects (particularly the pound sterling's rise against the Euro [1] and changes in the scope of consolidation (primarily consolidation of British Energy's cash and cash equivalents) accounted for €307 million of the increase in the Group's net financial indebtedness.

1.8.2 Operating cash flow and free cash flow

The **Operating cash flow** for 2009 stood at €12,133 million, 20.3% higher than in 2008 (€10,083 million).

The main factors in this increase are the 22.7% increase in EBITDA between 2008 and 2009 (+€3,226 million), the increase in non-cash items, principally related to the increase in the TaRTAM provision in 2008 and its reversal in 2009, and a €757 million decrease in income taxes paid, mostly as a result of reimbursement of excess provisional installments paid for 2008.

Free cash flow stood at €861 million for 2009 compared to €1,917 million in 2008. It includes the non-recurring reimbursement of taxes by the French State following cancellation of the European Commission's decision of December 16, 2003 (€1,224 million).

1.8.3 Change in working capital

Working capital increased by €378 million in 2009. In France and the Other activities it increased by €1,207 million and €985 million respectively, while outside France (United Kingdom, Germany, Italy, Other international) it decreased by €1,814 million.

In **France**, the main explanation for the increase in working capital is the €1,079 million increase in the CSPE receivable and the €462 million rise in inventories, principally nuclear fuels, partly offset by the €538 million decrease in trade receivables net of advances received caused mainly by the growing number of customers paying by monthly direct debit.

Outside France, working capital decreased by €1,814 million, mainly as a result of the decrease in trade receivables caused by the economic slowdown in the United Kingdom, Germany and Italy.

The **Other activities** segment registered a €985 million increase in working capital resulting chiefly from transactions on CO_2 emission permits by EDF Trading, and increases in inventories (€487 million), mainly located at EDF Énergies Nouvelles (€307 million) where stocks of turbines and work in progress grew as business expanded.

1.8.4 Operating investments (Gross Capex)

Growth of 27.5% compared to 2008

Gross operating investments (gross capital expenditure) for 2009 amounted to €12,370 million, up by €2,667 million (+27.5%) from 2008.

Changes over the period in the Group's gross capital expenditure were as follows:

(in millions of Euros)	2009	2008	Variation	Variation (%)
France: Network activities	3,377	2,580	797	30.9
France: Deregulated activities	3,312	2,299	1,013	44.1
France: Island activities	473	293	180	61.4
Total France	**7,162**	**5,172**	**1,990**	**38.5**
United Kingdom	2,193	1,462	731	50.0
Germany	593	572	21	3.7
Italy	483	474	9	1.9
Other International	381	480	(99)	(20.6)
Total International	**3,650**	**2,988**	**662**	**22.2**
Total Other activities	**1,558**	**1,543**	**15**	**1.0**
OPERATING INVESTMENTS (GROSS CAPEX)	**12,370**	**9,703**	**2,667**	**27.5**

1. The pound sterling rose by 7.3% against the Euro: December 31, 2008: €1.0498/£1; December 31,2009: €1.1260/£1.

Capital expenditure increased across all geographic areas except in the "Other International" segment, but was mostly located in France and the United Kingdom.

The increase in capital expenditure in **France** was €1,990 million (38.5%). It concerned the deregulated activities (+€1,013 million), the network activities (+€797 million) and the island activities (+€180 million).

In the deregulated activities, most of the increase concerned investments in generation, up from €2,150 million in 2008 to €3,082 million in 2009. This comprises expenditure on construction of the Flamanville EPR, development of fossil-fired generation capacities (repowering at Martigues, the CCG project at Blénod and combustion turbines at Vaires and Montereau), and maintenance programs for fossil-fired, hydropower and nuclear facilities, which have seen significant increases since 2008.

Investments in the network activities rose by €797 million (+30.9%) from 2008. They principally concerned the distribution networks and focused on connection quality and work for safety and the environment, partly in connection with preventive measures against climate risks.

Capital expenditure for the Island Energy Systems also rose with the ongoing expansion of new generation facilities (essentially on La Réunion, Guadeloupe and Martinique).

In the **United Kingdom**, gross capital expenditure amounted to €2,193 million for 2009, up by 50.0% from 2008. This increase mainly reflects the consolidation of British Energy (€338 million), but also the initial outlays for the UK's Nuclear New Build program and other investments for construction of the new West Burton fossil-fired plant.

In **Germany**, capital expenditure for 2009 totaled €593 million (EDF's share), up by 4.0% from 2008. It chiefly concerned the ongoing construction of the supercritical coal-fired plant at Karlsruhe and investments in offshore windfarms and hydropower.

In **Italy**, capital expenditure for 2009 totaled €483 million (EDF's share), up by 2% from 2008. The increase mostly concerns Edison and resulted from development in renewable energies and electricity generation in Greece.

In the **Other International** segment, capital expenditure stood at €381 million, lower than in 2008. The decline was mostly concentrated in the central European countries, after the foreign exchange effects and specific investments of 2008.

Capital expenditure in the **Other activities** rose slightly (+1%). The higher level of investment at EDF Énergies Nouvelles, which invested €1,267 million in 2009, primarily relates to ongoing development of windfarms and solar and photovoltaic facilities. This rise was countered by a decline in investments for the gas activities (following purchases of North Sea gas fields in 2008).

1.8.5 Dedicated assets and net financial investments

CONTINUING INCREASE IN DEDICATED ASSETS AND DEVELOPMENT OF INTERNATIONAL NUCLEAR ACTIVITIES

In compliance with the French Law of June 28, 2006 on the sustainable management of radioactive materials and waste, EDF is continuing to build up a portfolio of dedicated assets to cover long-term nuclear commitments. Cash allocations to dedicated assets were suspended from September 2008 and resumed in July 2009. The cash allocation for 2009 amounted to €1,902 million, paid during the second half-year only.

Other net financial investments amounted to €14,336 million, and essentially comprise €14,752 million of acquisitions net of disposals as follows:

- €17,417 million for external growth, essentially for development of international nuclear operations, mainly with acquisition of the residual capital of British Energy in the UK (€10,827 million, before the sale to Centrica of 20% of British Energy for €2,470 million), and with completion of the acquisition of 49.99% of Constellation Energy Nuclear Group in the US (€2,508 million). They also include acquisition of 51% of SPE in Belgium (€1,328 million), 26% of EWE by EnBW and Edison's investment in the Abu Qir gas fields;
- €2,665 million of sales of assets, chiefly the 20% share in British Energy transferred to Centrica for €2,470 million.

1.8.6 Financial ratios

	2009	2008
Net financial debt /EBITDA	2.4	1.7
FFO/Adjusted economic debt (1)	17.1%	18.9%
Net financial debt / financial debt + equity (2)	56.5%	49.5%

(1) Operating cash flow less working capital (or FFO) / Adjusted economic debt (including long-term commitments).

(2) Net financial debt / (Net financial debt + Equity including minority interests).

1.9 Management and control of market risks

1.9.1 Management and control of financial risks

This chapter sets forth the Group's policies and principles for management of financial risks (liquidity, interest rate, foreign exchange rate, equity and counterparty risks), defined in the Financial Management Framework and the group counterparty risk management policy introduced by the EDF group. These principles apply only to EDF and operationally controlled subsidiaries (*i.e.* entities other than Edison, EnBW, Dalkia and CENG) or subsidiaries that do not benefit by law from specific guarantees of independent management (RTE-EDF Transport and EDF Réseau Distribution France-ERDF). In compliance with IFRS 7, the following paragraphs include information on the nature of risks resulting from financial instruments, based on analyses of sensitivities and credit (counterparty) risks.

In view of the Group's international development, a dedicated body was set up in 2002 – the Financial Risks Control Division (*Département Contrôle des Risques Financiers* – DCRF) – to control financial risks at Group level by ensuring correct application of the principles of the Financial Management Framework. This body also has the task of carrying out a second-level check (methodology and organization) of EDF and operationally controlled group subsidiaries, and an operational verification of financing activities at parent company level.

The DCRF issues daily monitoring reports of risk indicators relevant to activities in EDF's trading room.

Regular internal audits are carried out to ensure controls are effectively applied.

1.9.1.1 LIQUIDITY POSITION AND MANAGEMENT OF LIQUIDITY RISKS

LIQUIDITY POSITION

At December 31, 2009, the Group's liquidities totaled €11,717 million and available credit lines amounted to €10,039 million. The Group also has access to financial resources through short-term issues and bond issue programs.

In 2010, the Group's scheduled debt repayments (principal and interest) are forecast at €11,479 million, including €3,954 million for bonds.

At December 31, 2009, no Group company was in default on any borrowing.

MANAGEMENT OF LIQUIDITY RISKS

As part of its policy to manage liquidity, finance its operating investment and external growth program and reinforce long-term debt, the Group undertook bond issues during 2009 (for details see note 6 to the consolidated financial statements at December 31, 2009 "Other major events and transactions"). These bonds were issued by EDF SA in respective amounts of €9,950 million (including €3,269 million subscribed by retail investors), $5,000 million, £1,500 million, CHF 650 million and JPY 120,400 million. EDF Energy, EnBW and Edison also issued bonds in 2009 in the amounts of £950 million, €1,350 million and €700 million respectively.

The average maturity of consolidated debt was thus increased 7.4 years at December 31, 2009, compared to 5.3 years at December 31, 2008, and EDF SA debt now has average maturity of 8.5 years compared to 5.5 years at December 31, 2008.

At December 31, 2009, the residual maturities of financial liabilities (including interest payments), are as follows under IAS 39 (values based on exchange and interest rates at December 31, 2009):

	Long-term	Short-term	Hedging instruments (1)		Guarantees given
(in millions of Euros)	debt	debt	Interest rate swaps	Currency swaps	on borrowings
2010	7,052	4,427	(29)	160	23
2011-2013	15,794	-	(72)	(87)	36
2014 and later	47,743	-	(119)	151	264
TOTAL	**70,589**	**4,427**	**(220)**	**224**	**323**

* *Data on hedging instruments include both assets and liabilities.*

In an environment marked by major liquidity tensions on the financial markets, the EDF group was able to meet its financing needs by conservative liquidity management, and obtained financing on satisfactory terms.

Four specific levers are used to manage the Group's liquidity risk:

- the Group's cash pooling system, which centralizes cash management for controlled subsidiaries with the exception of RTE-EDF Transport. The subsidiaries' cash balances are made available to EDF SA in return for interest, so as to optimize the Group's cash management and provide subsidiaries with a system that guarantees them market-equivalent financial terms;
- centralization of financing for controlled subsidiaries at the level of the Group's cash management department. EDF Energy and EDF Trading now have credit lines with EDF. The investment subsidiary EDF Investissements Groupe set up in partnership with the bank Natixis Belgique Investissements provides medium and long-term financing for EDF group subsidiaries;
- active management and diversification of financing sources used by the Group: the Group has access to short-term resources on various markets through programs for French commercial paper (*billets de trésorerie*), US commercial paper and Euro market commercial paper. For EDF, the ceilings for these programs are €6 billion for its French commercial paper, $10 billion for its US commercial paper and €1,5 billion for its Euro market commercial paper. EnBW, RTE-EDF Transport and EDF Energy also have short-term programs for maximum amounts of €2 billion, €1 billion and £1 billion respectively;
- EDF also has regular access to the bond market through an annually updated EMTN (Euro Medium Term Note) program, registered with the market authorities in France and "passported" to other EU countries. The current ceiling for this program is €16 billion. EnBW, EDF Energy, RTE-EDF Transport and Edison also have their own EMTN programs, with ceilings of €7 billion, £4 billion, €6 and €2 billion respectively.

The table below sets forth the Group's borrowings of more than €750 million or the equivalent value in other currencies by maturity at December 31, 2009:

Type of borrowing	Entity	Issue date	Maturity	Nominal amount *(millions of currency units)*	Currency	Rate *(%)*
Euro MTN	EDF	07/2000	10/2010	1,000	EUR	5.8
Bond	Edison	02/2007	12/2011	900	EUR	Euribor 1M
Euro MTN	EnBW	02/2002	02/2012	1,000	EUR	5.9
Bond	TDE	09/2005	09/2012	1,200	EUR	Euribor 3M
Euro MTN	EDF	11/2008	01/2013	2,000	EUR	5.6
Euro MTN	EnBW	11/2008	11/2013	750	EUR	6.0
Bond	EDF	01/2009	01/2014	1,250	USD	5.5
Euro MTN	EDF	07/2009	07/2014	3,269	EUR	4.5
Euro MTN	EDF	01/2009	01/2015	2,000	EUR	5.1
Bond	RTE	06/2008	05/2015	1,250	EUR	4.9
Euro MTN	EnBW	07/2009	07/2015	750	EUR	4.1
Bond	RTE	09/2006	09/2016	1,000	EUR	4.1
Euro MTN	EDF	10/2001	10/2016	1,100	EUR	5.5
Euro MTN	EDF	02/2008	02/2018	1,500	EUR	5.0
Bond	RTE	08/2008	08/2018	1,000	EUR	5.1
Euro MTN	EnBW	11/2008	11/2018	750	EUR	6.9
Bond	EDF	01/2009	01/2019	2,000	USD	6.5
Euro MTN	EDF	05/2008	05/2020	1,200	EUR	5.4
Euro MTN	EDF	01/2009	01/2021	2,000	EUR	6.3
Euro MTN	EDF	09/2009	09/2024	2,500	EUR	4.6
Euro MTN	EDF	02/2003	02/2033	850	EUR	5.6
Euro MTN	EDF	05/2009	06/2034	1,500	GBP	6.1
Bond	EDF	01/2009	01/2039	1,750	USD	7.0

The entities with syndicated loan facilities at December 31, 2009 are EDF, EnBW, Edison and RTE-EDF Transport:

- EDF has a syndicated loan facility for €6 billion, valid until March 2012. This amount comprises a €2 billion swingline available for same-day drawing. This facility is not conditional on ratios or a given credit rating, and no drawings had been made on this facility at December 31, 2009;
- EnBW's syndicated loan facility, valid until May 2012, comprises two tranches: one (*tranche A*) of €1 billion with a one-year term, with an option for renewal and drawing facility upon expiry at the lender's initiative, and another (*tranche B*) of €58 million valid until October 2010 and €1,442 million valid until May 2012. No drawings had been made on this credit facility at December 31, 2009;
- Edison's syndicated loan for €1.5 billion is valid until April 2013. One €150 million drawing was made on it in December 2008 for a one-month period;
- RTE-EDF Transport's syndicated loan consists of one tranche of €1 billion valid until May 2013, comprising a €300 million swingline. No drawings had been made on this credit facility at December 31, 2009.

EDF's syndicated loan of £11 billion contracted on October 2, 2008 with a view to financing the acquisition of British Energy was fully repaid during 2009, primarily using the proceeds of EDF's various bond issues in 2009. This loan was terminated in September 2009.

As part of its overall liquidity management, EDF undertook a $2,250 million bond issue on January 26, 2010 comprising one 10-year tranche and one 30-year tranche. EDF also reinforced its bank credit lines in January 2010.

1.9.1.2 CREDIT RATINGS

The financial ratings agencies Standard & Poor's, Moody's and Fitch Ratings attributed the following long-term and short-term ratings to EDF group entities at December 31, 2009:

Company	Agency	Long-term rating	Short-term rating
EDF	Standard & Poor's	A+, stable outlook (1)	A-1
	Moody's	Aa3, stable outlook	P-1
	Fitch Ratings	A+, stable outlook	F1
RTE-EDF Transport	Standard & Poor's	A+, stable outlook (2)	A-1
EDF Trading	Moody's	A3, stable outlook	n.a.
EDF Energy	Standard & Poor's	A, on creditwatch (3)	A-1
	Moody's	A3, on the watchlist (3)	P-2
	Fitch Ratings	A-, stable outlook	F2
Edison SpA	Standard & Poor's	BBB+, negative outlook (4)	A-2
	Moody's	Baa2, negative outlook (4)	n.a.
	Fitch Ratings	BBB+, negative outlook (4)	F2
EnBW	Standard & Poor's	A-, negative outlook (5)	A-2
	Moody's	A2, stable outlook	P-1
	Fitch Ratings (6)	A, stable outlook	F1

n.a.: not applicable.

(1) Upgraded from negative to stable outlook on June 30, 2009 following methodological revision of rating for companies linked to the State.

(2) Downgraded from AA, stable outlook /A-1+ to A+, stable outlook /A-1 on November 10, 2009 following the impact of the new delivery tariff on RTE-EDF Transport's financial position.

(3) On S&P creditwatch since October 2, 2009 and on Moody's watchlist since October 6, 2009 after the announcement that EDF Energy's distribution networks might be sold in the United Kingdom.

(4) Downgraded from stable to negative outlook on July 7, 2009 by Moody's, September 29, 2009 by S&P and December 18, 2009 by Fitch Ratings, following the announcement of acquisition of the Abu Qir gasfields and installation of the new Rovigo gas terminal.

(5) Downgraded from stable to negative outlook on December 18, 2009 due to uncertainty over EnBW's external growth program.

(6) Rated by Fitch Ratings since May 2009.

1.9.1.3 MANAGEMENT OF FOREIGN EXCHANGE RATE RISK

Due to the diversification of its activities and geographical locations, the Group is exposed to the risk of exchange rate fluctuations, which may have an impact on the translation differences affecting balance sheet items, Group financial expenses, equity and net income.

To limit exposure to foreign exchange risks, the Group has introduced the following management principles.

- Local currency financing: to the extent possible given the local financial markets' capacities, each entity finances its activities in its own accounting currency. When financing is contracted in other currencies, derivatives may be used to limit foreign exchange risks.
- Association of assets and liabilities: The net assets of subsidiaries located outside the Euro zone expose the Group to a foreign exchange risk. The foreign exchange risk in the consolidated balance sheet is managed either by matching with liabilities for acquisitions in the same currency, or by market hedging involving use of financial derivatives. Hedging of net assets in foreign currencies complies with risk/return ratio varying from 45% to 95% depending on the currency. If no hedging instruments are available, or if hedging costs are prohibitive, the risk on open foreign exchange positions is monitored by sensitivity calculations.
- Hedging of operating cash flows in foreign currencies: In general, the operating cash flows of EDF and its subsidiaries are in the relevant local currencies, with the exception of flows related to fuel purchases which are primarily in US dollars, and certain flows related to purchases of equipment, which concern lower amounts. EDF and the main subsidiaries concerned by foreign exchange risks (EDF Energy, EDF Trading, Edison, EnBW, EDF Énergies Nouvelles) hedge firm or highly probable commitments related with these future operating cash flows.

After taking into account the financing and foreign exchange risk hedging policy, the Group's gross debt at December 31, 2009 breaks down as follows by currency after hedging as defined by IFRS: 50% in Euros, 35% in pounds sterling and 9% in US dollars. The balance of 6% includes the Swiss franc, the Hungarian forint, the Polish zloty, the Brazilian real and the Japanese yen.

Gross debt structure at December 31, 2009, by currency, before and after hedging

December 31, 2009 *(in millions of Euros)*	Initial debt structure	Impact of hedging instruments (1)	Debt structure after hedges	% of debt
EUR	37,232	(10,356)	26,876	50
USD	5,081	(32)	5,049	9
GBP	7,386	11,463	18,849	35
Other currencies	4,169	(1,075)	3,094	6
TOTAL DEBT	**53,868**		**53,868**	**100**

(1) Hedges of liabilities and net assets of foreign subsidiaries, and USD/GBP swaps designated as economic hedges.

The table below presents the impact on equity of an unfavorable variation in exchange rates on the group's gross debt at December 31, 2009. Sensitivity to foreign exchange risks remains stable overall compared to 2008.

Sensitivity of the Group's gross debt to foreign exchange rate risks

December 31, 2009 *(in millions of Euros)*	Debt after hedging instruments converted into Euro	Impact of a 10% unfavorable variation in exchange rates	Debt after a 10% unfavorable variation in exchange rates	Impact on equity
EUR	26,876	-	26,876	-
USD	5,049	505	5,554	135
GBP	18,849	1,885	20,734	381
Other currencies	3,094	309	3,403	161
TOTAL	**53,868**	**2,699**	**56,567**	**677**

Due to the Group's foreign exchange risk hedging policy for liabilities, the income statement for companies controlled by the Group is marginally exposed to foreign exchange rate risks.

The table below sets forth the foreign exchange position relating to net non-operating investments in foreign currency of the Group's principal subsidiaries at December 31, 2009.

Net assets position

December 31, 2009 *(in millions of currency units)*	Assets	Bonds	Derivatives	Net position after management (Assets)
USD	6,369	1,750	4,305	314
CHF (Switzerland)	2,275	2,150	-	125
HUF (Hungary)	90,258	-	65,374	24,884
PLN (Poland)	2,373	-	1,079	1,295
GBP (United Kingdom)	13,876	3,049	7,144	3,683
BRL (Brazil)	654	-	-	654
SKK (Slovakia)	-	-	-	-
CNY (China)	700	-	-	700

The assets in the above table are the net assets of the Group's foreign subsidiaries in foreign currencies, adjusted for changes in the fair value of cash flow hedges and available-for-sale financial assets recorded in equity, and changes in the fair value of financial instruments recorded in income.

The following table sets forth the risk of foreign exchange loss in equity on the overall net position relating to the net non-operating investments in foreign currencies of the Group's principal subsidiaries at December 31, 2009, assuming unfavorable, uniform exchange rate variations of 10% against the Euro. Net positions are converted at the closing rate and impacts are reported in absolute value.

At December 31, 2009, net positions in USD and GBP were higher than in 2008 due to acquisitions of British Energy and 49.99% of Constellation Energy Nuclear Group.

Sensitivity of net assets to exchange rate risks

	12.31.2009			12.31.2008		
(in millions of Euros)	Net position after management in currency	Net position after management, converted into Euros	Impact on equity of a 10% variation in exchange rates	Net position after management in currency	Net position after management, converted into Euros	Impact on equity of a 10% variation in exchange rates
USD	314	219	22	503	361	36
CHF (Switzerland)	125	84	8	57	38	4
HUF (Hungary)	24,884	92	9	25,304	95	10
PLN (Poland)	1,295	315	32	353	85	9
GBP (United Kingdom)	3,683	4,147	415	870	913	91
BRL (Brazil)	654	260	26	518	160	16
SKK (Slovakia)	-	-	-	8,191	272	27
CNY (China)	700	71	7	627	66	7

The foreign exchange risk on available-for-sale securities is mostly concentrated in EDF SA's dedicated asset portfolio, which is discussed in section 1.9.1.6, "Management of financial risk on EDF's dedicated asset portfolio".

The foreign exchange risk associated with short-term investments and operating liabilities in foreign currencies was not significant for the Group at December 31, 2009.

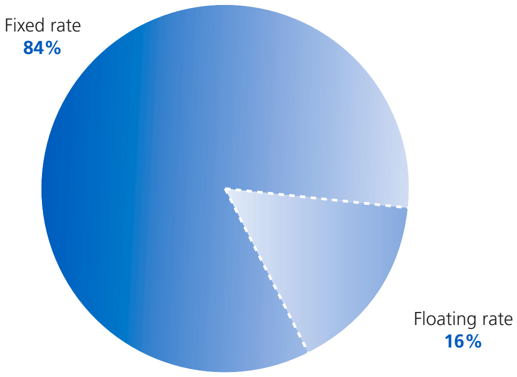
1.9.1.4 MANAGEMENT OF INTEREST RATE RISK

The Group's exposure to interest rate fluctuations covers two types of risk: a risk of change in the value of fixed-rate financial assets and liabilities, and a risk of change in the cash flows related to floating-rate financial assets and liabilities.

To limit exposure to interest rate risk, the Group (apart from entities it does not control operationally, notably Edison, EnBW and CENG) fixes principles as part of its general risk management policy, designed to limit the risk of change in the value of assets invested or possible increases in financial expenses.

EDF therefore uses dynamic allocation to spread exposure between fixed and floating rates according to expected market fluctuations in interest rates. This allocation may involve the use of interest rate derivatives for hedging purposes.

The Group's debt after hedging instruments at December 31, 2009 was structured as follows: 84% of debt bore interest at fixed rates and 16% at floating rates.



A 1% uniform annual rise in interest rates would generate an approximate €87 million increase in financial expenses at December 31, 2009, based on gross floating-rate debt after hedging under IFRS.

The average coupon on Group debt (weighted interest rate on outstanding amounts) was 4.4% in 2009.

The table below sets forth the structure of Group debt and the impact of a 1% variation in interest rates at December 31, 2009. The impact of interest rate fluctuations remains stable compared to 2008.

Group debt structure and sensitivity to interest rates

December 31, 2009 *(in millions of Euros)*	Initial debt structure	Impact of hedging instruments	Debt structure after hedges	Impact of a 1% variation in interest rates
Fixed rate	44,569	613	45,182	-
Floating rate	9,299	(613)	8,686	87
TOTAL BORROWINGS	**53,868**		**53,868**	

Interest rate variations on fixed-rate debt have no accounting impact.

Concerning financial assets, the table below presents the interest rate risk on floating-rate bonds and negotiable debt securities at EDF SA, and their sensitivity to interest rate risks (impact on net income). As fixed-rate negotiable debt securities and bonds are mainly held as part of the dedicated asset portfolio, a detailed sensitivity analysis is provided in section 1.9.1.6.

Sensitivity of floating-rate securities to interest rate risks

December 31, 2009 *(in millions of Euros)*	Value	Impact on net income of a 1% variation in interest rates	Value after a 1% variation in interest rates
FLOATING-RATE SECURITIES	**212**	**2**	**210**

1.9.1.5 MANAGEMENT OF EQUITY RISKS

The equity risk is concentrated in the following areas:

- **coverage of EDF's nuclear obligations**
  Analysis of the equity risk is presented in section 1.9.1.6, "Management of financial risk on EDF's dedicated asset portfolio";
- **coverage of employee benefit commitments for EDF, EDF Energy and British Energy**
  Assets covering EDF's employee benefit liabilities are partly invested on the international and European equities markets. Market trends therefore affect the value of these assets, and a downturn in equity prices could lead EDF to recognize actuarial losses above the "corridor" in income. 35.8% of the assets covering EDF's employee benefit liabilities were invested in equities amounting to €2,207 million at December 31, 2009.
  At December 31, 2009, the two pension funds set up by EDF Energy (EDF Energy Pension Scheme and EDF Energy Group Electricity Supply Pension Scheme) were invested to the extent of 42% in equities, representing an amount of £1,055 million of equities.
  At December 31, 2009, the British Energy pension funds were invested to the extent of 42% in equities, representing an amount of £1,187 million of equities.

- **CENG fund**
  CENG is exposed to equity risks in the management of its funds established to cover nuclear plant decommissioning and employee benefit obligations;
- **EnBW's reserved funds**
  EnBW is exposed to equity risks in the management of its reserved funds intended to cover its nuclear commitments and employee benefit obligations;
- **EDF's long-term cash management**
  At December 31, 2009, equity-linked investments included in long-term cash management investments by EDF SA totaled €219 million (1.9% of total liquidities), with estimated volatility of 10.0% (annualized volatility of monthly returns observed over three years or over the longest period available). Applying this volatility to the value of equity-correlated long-term cash management assets at the same date, EDF estimates the annual volatility of the equity-correlated portion of cash investments at €22 million;
- **direct investment securities**
  At December 31, 2009, EDF's investment in Veolia Environnement amounted to €423 million, with estimated volatility of 78.8% (annualized volatility of monthly returns observed over three years),

  At December 31, 2009, EDF's investment in AREVA amounted to €299 million, with estimated volatility of 59.0% (annualized volatility of monthly returns observed over three years).

1.9.1.6 MANAGEMENT OF FINANCIAL RISK ON EDF'S DEDICATED ASSET PORTFOLIO

The dedicated assets have been built up progressively by EDF SA since 1999 to cover future decommissioning expenses for the nuclear plants currently in operation, and the long-term storage of radioactive waste.

This dedicated asset portfolio, for which guiding principles were redefined in the law of June 28, 2006 on sustainable management of radioactive materials and waste, is managed under the supervision of the Board of Directors and its Committees (Nuclear Commitments Monitoring Committee, Audit Committee).

The **Nuclear Commitments Monitoring Committee (CSEN)** is a specialized Committee set up by EDF's Board of Directors when it updated its internal rules on January 25, 2007, in anticipation of the provisions of article 9 of the decree of February 23, 2007.
A **Nuclear Commitment Financial Expertise Committee (CEFEN)** exists to assist the company and its governance bodies on questions of association of assets and liabilities and asset management. The members of this Committee are independent of EDF. They are selected for their skills and diversity of experience, particularly in the fields of asset/liability management, economic and financial research, and asset management.

Allocations to dedicated assets in 2009 amounted to €1,902 million (see note 27.3.2.1 to the consolidated financial statements at December 31, 2009). In view of market conditions, these allocations were suspended from September 2008 to June 2009 and were resumed progressively in the second half-year of 2009. They will be adjusted as necessary for compliance with the regulatory requirement that liabilities should be covered by the portfolio by June 2011.

Disbursements for decommissioning expenses incurred in 2009 were financed by the dedicated asset portfolio to the extent of €302 million, compared to €266 million in 2008.

The governance principles set forth the decision-making and control structure for management of dedicated assets. The principles governing the asset portfolio's structure, selection of financial managers, and the legal, accounting and tax structure of the funds are also defined.

Strategic asset allocation is based on an asset/liability review carried out to define the most appropriate portfolio model for financing nuclear expenses. A benchmark index is also set for performance monitoring and control of the overall portfolio risk. Strategic allocation is regularly reviewed, in principle every three years unless circumstances require otherwise. Currently, assets are allocated 50% to international equities and 50% to bonds, although exposure may be different for reasons of tactical allocation. This flexibility was used to absorb the shock of the financial crisis, and the equities portion was reduced from early 2007 to mid-2009, then reinforced from the second half-year, and stood at 43% at December 31, 2009.
The portfolio contains two sub-portfolios, "equities" and "bonds", themselves divided into "secondary asset classes" or "pockets" that correspond to specific markets. A third sub-portfolio, "cash", is used to prepare and supply the disbursements related to amounts reversed from provisions for plants currently being decommissioned.

Tactical asset management is organized around four main themes:
- supervision of exposure between the two classes, "equities" and "bonds";
- choice of exposure by geographical area;
- marginal investment in alternative vehicles to those used in the strategic allocation;
- selection of investment funds, aiming for diversification:
  - by style (growth securities, unlisted securities, high-return securities),
  - by capitalization (major stocks, medium and small stocks),
  - by investment process (macroeconomic and sector-based approach, selection of securities on a "quantitative" basis, etc.),
  - by investment vehicle (for compliance with maximum investment ratios).

The allocation policy established by the Operational Management Committee [1] was developed on the basis of macro-economic prospects for each market and geographical area, and a review of market appreciation in different markets and market segments.

1. A permanent internal Committee for evaluation, consultation and operational decision-making for management of dedicated assets.

EDF'S DEDICATED ASSET PORTFOLIO: CONTENT AND PERFORMANCE

At December 31, 2009, the stock market value of the dedicated asset portfolio was €11,441 million (€8,655 million at December 31, 2008).

Portfolio content under the classification from Article 4, decree 2007-243 of February 23, 2007

Categories *(in millions of Euros)*	12.31.2009 Book value in EDF SA's corporate financial statements	12.31.2009 Stock market value	12.31.2008 Book value in EDF SA's corporate financial statements	12.31.2008 Stock market value
1° Bonds, receivables and other securities issued or guaranteed by an EU member state or OECD country, etc.	3,038	3,375	3,018	3,261
2° Bonds, negotiable bills, etc. issued by private sector entities	604	642	1,011	1,025
3° Equities, shares and other securities traded on a recognized market, giving access to the capital of companies whose head office is located in the territory of a EU member state or OECD country	117	142	75	75
4° Shares or units in funds investing in assets referred to in 1 to 3	6,599	6,708	4,044	4,072
5° Shares or units in funds investing principally in assets other than those referred to in 1 to 3	447	569	160	222
6° Real estate shares (shares in unlisted real estate companies)	None	None	None	None
7° Deposits with BNP Paribas Securities Services	0.025	0.029	0.039	0.039
Other payables and receivables (dividends receivable, management fees, currency hedges, etc.)	5	5	-	-
TOTAL DEDICATED ASSETS	**10,810 (1)**	**11,441 (1)**	**8,308**	**8,655**

(1) In addition to the realizable value reported in note 27.2.3 to the December 31, 2009 consolidated financial statements, the portfolio's stock market value also includes foreign exchange hedges.

BREAKDOWN BY SUB-PORTFOLIO AND PERFORMANCE IN 2009

The breakdown of EDF's dedicated asset portfolio at December 31, 2009 and 2008 is as follows:

	12.31.2009	12.31.2008
Investments in equities	43.2%	33.5%
Investments in bonds	56.8%	66.5%

The table below shows the performance by sub-portfolio at December 31, 2009 and at December 31, 2008.

(in millions of Euros)	12.31.2009 Stock market value	Performance for 2009 Portfolio	Performance for 2009 Benchmark index (1)	12.31.2008 Stock market value	Performance for 2008 Portfolio	Performance for 2008 Benchmark index
Equities sub-portfolio	4,939	+28.06%	+25.94%	2,896	-38.90%	-37.64%
Bonds sub-portfolio	6,501	+5.40%	+4.35%	5,759	+5.88%	+9.35%
Cash sub-portfolio	1	+0.83%	+0.73%	-	+4.18%	+4.00%
TOTAL DEDICATED ASSET PORTFOLIO	**11,441**	**+13.07%**	**+15.10%**	**8,655**	**-14.91%**	**-16.70%**

(1) Benchmark index: MSCI World for the equities sub-portfolio, Citigroup EGBI for the bonds sub-portfolio, 50% MSCI World + 50% Citigroup EGBI for the total portfolio.

EDF's dedicated asset portfolio benefited from the recovery on the international equity markets and the relative resilience on the various eurobond and credit markets. Thanks to careful allocation decisions and selection of securities and funds, the two sub-portfolios outperformed their benchmark indexes. In view of the financial crisis, which continued into 2009, a conservative approach was taken and the portfolio remained underexposed to equity risks: this led a slight overall underperformance compared to the composite benchmark index. The dedicated equities portfolio thus registered a gross change of €1,111 million (€728 million after taxes) in consolidated equity.

The distribution of the portfolio between reserved funds and other financial instruments is also presented in note 27.3.2 to the consolidated financial statements at December 31, 2009.

EDF is exposed to equity risks and interest rate risks through its dedicated asset portfolio.

The market value of the "equities" sub-portfolio in EDF's dedicated asset portfolio was €4,939 million at December 31, 2009. The volatility of the equities sub-portfolio can be estimated on the basis of the volatility of the benchmark index, the MSCI World index, which at December 31, 2009 was 20.2% based on 52 weekly performances, compared to 31.8% at December 31, 2008. Applying this volatility to the value of equity assets at the same date, the Group estimates the annual volatility of the equities portion of dedicated assets at €998 million. This volatility is likely to affect the Group's equity.

At the end of december 2009, the sensitivity of the bond sub-portfolio (€6,501 million) was 4.29%, i.e. a uniform 100 base point rise in interest rates would result in a €279 million decline in market value which would be recorded in consolidated equity. This bond sub-portfolio sensitivity was also 4.29% in 2008.

1.9.1.7 MANAGEMENT OF COUNTERPARTY/CREDIT RISK

Counterparty risk is defined as the total loss that the EDF group would sustain on its business and market transactions if a counterparty defaulted and failed to perform its contractual obligations.

The EDF group has a counterparty risk management policy which applies to the parent company and all operationally controlled subsidiaries. This policy defines the organization of counterparty risk management and monitoring, and reporting procedures and circuits. It involves monthly consolidation of the exposures on financial and energy markets and half-yearly consolidation for all activities. The policy also close supervision of Group counterparties (daily review of alerts, special cautionary measures for certain counterparties).

These supervision procedures proved their robustness during the financial crisis, when the Group moved to a more frequent (quarterly) consolidation of all counterparty risks.

The table below gives details, by rating, of the EDF group's consolidated exposure at the end of September 2009. 88% of the main counterparties for the Group's business qualify as "investment grade", a stable proportion compared to the consolidated risk for December 2008.

September 30, 2009	AAA	AA	A	BBB	BB	B	CCC/C	Not rated	Total
Percentage of counterparties	7%	27%	50%	4%	1%	0%	0%	11%	100%

The exposure to counterparty risk by nature of activity is distributed as follows:

September 30, 2009	Purchases	Insurance	Sales and distribution	Cash and asset management	IPP	Energy purchases and trading	Total
Percentage of counterparties	5%	43%	7%	37%	2%	6%	100%

Exposure in the energy trading activities is concentrated at EDF Trading. Counterparty risk management for this subsidiary has explicit limits for each counterparty according to its financial robustness. A range of means are used to reduce counterparty risk at EDF Trading, primarily position netting agreements, cash-collateral agreements and introduction of guarantees from banks or affiliates.

Particularly for counterparties dealing with EDF's trading room, the Financial Risk Control team has drawn up a framework specifying authorization procedures and the methodology for calculation of allocated limits (which must correspond to requirements). The level of exposure can be consulted in real time and is systematically monitored on a daily basis. The suitability of limits is reviewed without delay in the event of an alert or unfavorable development concerning a counterparty.

The credit risk related to trade receivables is presented in note 29 to the 2009 consolidated financial statements ("Trade receivables").

1.9.2 Management and control of energy market risks

1.9.2.1 FRAMEWORK FOR MANAGEMENT AND CONTROL OF ENERGY MARKET RISKS

In conjunction with the opening of the final customer market, development of the wholesale markets and on the international scene, the EDF group is exposed to price variations on the energy market which can have a significant impact on its financial statements.

Consequently, the Group has an "energy markets" risk policy (for electricity, gas, coal, oil products and CO_2 emission quotas) applicable to EDF and operationally controlled subsidiaries.

This policy aims to:
- define the general framework in which the various Group entities carry out their operational activities (energy generation, optimization and distribution), and their interaction with EDF Trading;
- consolidate the exposure of the various entities and subsidiaries controlled by the Group on the structured energy-related markets;
- implement a coordinated hedging policy at Group level.

At Edison, EnBW and CENG, which are not operationally controlled by EDF, the energy market risk policy and associated control process are reviewed by the companies' governance bodies.

1.9.2.2 ORGANIZATION OF RISK CONTROL

The process for controlling energy market risks for entities operationally controlled by the Group is based on:
- a governance and market risk exposure measurement system, clearly separating management and risk control responsibilities;
- an express delegation to each entity, formalized by risk management mandates, establishing risk limits and other information. These mandates enable the TOP4 to set an annual Group risk profile consistent with the financial objectives, and thus direct operational management of energy market risks within the Group, generally over 3-year market horizons; and,
- a specific control process, given its close interaction with the decisions made within the generation and supply businesses. This process involves Group management and is based on a risk indicator and measurement system incorporating escalation procedures in the event risk limits are exceeded.

The Group's exposure to energy market risks through operationally controlled subsidiaries is reported to the COMEX on a monthly basis. The control processes are regularly reappraised and audited.

1.9.2.3 OPERATIONAL PRINCIPLES FOR ENERGY MARKET RISK MANAGEMENT AND CONTROL

The principles for operational management of energy market risks for operationally controlled entities are based on clearly-defined responsibilities for managing those risks, distinguishing between management of assets (generation and supply) and trading.

Managers of generation and supply assets are responsible for implementing a risk management strategy that minimizes the impact of energy market risks on their financial statements (the accounting classifications of these hedges are described in note 38 to the consolidated financial statements). However, a residual risk remains that cannot be hedged on the market due to factors such as insufficient liquidity or market depth, uncertainty over volumes, etc.

For operationally controlled entities in the Group, positions on the energy markets are taken predominantly by EDF Trading, the Group's trading entity, which operates on the markets on behalf of other group entities and for the purposes of its own trading activity. As such, EDF Trading is subject to a strict governance and control framework in line with current practices in trading companies. The principles for management of energy market risks presented above are unaffected by the acquisition of British Energy, whose portfolio has been absorbed into EDF Energy. This guarantees that all risks are measured, while the operational principles for the Group's energy market risk management continue to be rolled out to the new EDF Energy subgroup.

EDF Trading trades on organized or OTC markets in derivatives such as futures, forwards, swaps and options (regardless of the accounting classification applied at Group level). Its exposure on the energy markets is strictly controlled through daily limit monitoring overseen by the subsidiary's management and by the entity in charge of energy market risk control at Group level. Automatic escalation procedures also exist to inform members of EDF Trading's Board of Directors if risk limits (value at risk limit) or loss limits (stop-loss limits) are breached. Value At Risk (VaR) is a statistical measure of the company's potential maximum loss in market value on a portfolio in the event of unfavorable market movements, over a given time horizon and with a given confidence interval. EDF Trading assesses this VaR using the Monte Carlo method, which refers to historical volatilities and correlations estimated on the basis of market prices observed over the 40 previous trading days. The stop-loss limit stipulates the acceptable risk for the trading business by setting a maximum level of loss over a rolling three-month period. If the limit is exceeded, EDF Trading's Board of Directors takes appropriate action, which may include closing certain positions.

In the second half of 2009, EDF Trading's commitment on the markets was subject to a daily VaR limit of €48 million (with a daily confidence interval of 97.5%), and a stop-loss limit of €70 million. These limits were raised from their first-half 2009 level after EDF-Trading North America was included in EDF Trading's control framework. Over the same period VaR fluctuated between €8.6 million and €22.1 million, with an average of €14 million.

The table below shows the VaR and stop-loss limits for 2009 and 2008:

(in millions of Euros)	2nd half 2009	1st half 2009	2008
VaR limit (97.5% 1-day)	48	38	32
Stop-loss limit	70	55	45
Minimum VaR	8.6	7.6	6.5
Average VaR	14.0	13.4	14.8
Maximum VaR	22.1	25.1	30.5

Despite the very high volatility on the markets, the VaR and stop-loss limits were not exceeded in 2009 and EDF Trading's risks remained within the limits of the mandate from EDF at all times. The stop-loss has never been triggered since its introduction.

At EnBW [1], risk exposure is measured based on analyses of sensitivity to changes in market prices for each commodity. The table below shows the income statement and equity sensitivity for derivatives reported in the balance sheet at December 31, 2009:

(in millions of Euros)	2009		2008	
Electricity				
Price variation	+25%	-25%	+25%	-25%
Impact on income	-130.4	+130.4	-73.3	73.3
Impact on equity	+192.2	-192.2	-10.8	10.8
Coal				
Price variation	+30%	-30%	+45%	-45%
Impact on income	+16	-16	36.8	-36.8
Impact on equity	+295.4	-295.4	252.9	-252.9
Oil				
Price variation	+40%	-40%	+40%	-40%
Impact on income	+9.2	-9.2	16.6	-16.6
Natural gas				
Price variation	+30%	-30%	+30%	-30%
Impact on income	+16.9	-16.9	6	-6
Emission certificates				
Price variation	+50%	-50%	+40%	-40%
Impact on income	+44.8	-44.8	37.3	-37.3

At Edison [2], the governance model separates risk management and control from operational trading activities. For operational purposes, Edison calculates its net exposure [3] based on its entire portfolio of assets and contracts (industrial portfolio), apart from those related to trading for the company's own purposes (trading portfolio).

The level of economic capital engaged in the markets, expressed in terms of Profit at Risk (PaR) [4], is then determined using this net exposure.

To meet obligations under IFRS 7, Edison measures the maximum potential decrease in the fair value of financial contracts hedging the risks on its industrial portfolio using a PaR (with a confidence interval of 97.5%). This risk is estimated at €87.4 million at December 31, 2009 in respect of 2010 (compared to €197.4 million at December 31, 2008 in respect of 2009). The difference is related to a decrease in the number of financial hedges, and to a lesser extent, a change in the profile of the risk to be hedged (concentration on shorter maturities that were less volatile in 2008).

For trading activities, which concern a different portfolio distinct from the industrial portfolio, Edison set a limit of 95% VaR of €2.6 million for 2009, and a stop-loss limit of €26.6 million. At December 31, 2009, VaR stood at 20% of the limit, with an average 29% for the year. Like the industrial portfolio, Edison's trading portfolio was allocated an amount of economic capital[5]. This allocation takes account of the risk capital related to the portfolio's VaR and the risk capital estimated through stress tests on any non-liquid structured positions. In 2009, the economic capital limit for trading activities was set at €40.9 million, and it was utilized to the extent of 20% at December 31, 2009, with an average of 36% over the year.

For SPE and CENG, convergence of risk management will be examined during 2010.

For an analysis of the fair value of the Group's commodity hedging derivatives, see note 41.5 to the consolidated financial statements for the year ended December 31, 2009. For details of commodity contracts not classified as hedges by the Group, see note 42.3 to the same consolidated financial statements.

1.9.3 Management of insurable risks

The EDF group has an extensive insurance program that is gradually being rolled out to controlled subsidiaries, including the regulated network operator subsidiaries with independent management (RTE EDF Transport and ERDF – Électricité Réseau Distribution France). The coverage, exclusions, excesses and limits are specific to each contract.

The main insurance programs are:

- conventional damage policy (Group): EDF is a member of OIL [6]. Additional insurance coverage is provided by Wagram Insurance Company [7] (a 100%-owned EDF subsidiary), other insurers and reinsurers;
- damage insurance for the aerial distribution networks of ERDF and the Island Energy Systems: the arrangements for setting up new aerial distribution network damage insurance for ERDF and EDF's Island Energy Systems are currently under examination;

1. Source: EnBW annual report.
2. Source: Edison annual report.
3. Net exposure is the residual exposure after using all natural hedging options provided by vertical and horizontal integration of the various techniques.
4. Profit at Risk or PaR is a statistical measure of the maximum potential decline, related to unfavourable market movements, in the margin compared to budget for a given time horizon and confidence interval.
5. Economic capital is the capital allocated to deal with market risks.
6. OIL Insurance Limited Mutual Insurance Company.
7. An Irish insurance company wholly-owned by EDF.

- damage insurance for the EDF group's nuclear facilities: in addition to coverage through membership of OIL, property damage related to EDF's nuclear installations in France (including following a nuclear accident) and nuclear decontamination costs have been covered since April 1, 2006 by an insurance policy involving the French nuclear pool and the European Mutual Association for Nuclear Insurance (EMANI), and EnBW benefits from similar coverage. Nuclear damage to British Energy installations is insured by the British pool NRI [(1)] and EMANI;
- civil liability insurance specific to nuclear facility operators: EDF's insurance policies meet French legal requirements;
- EnBW and British Energy also have similar civil liability insurance in compliance with German and British law respectively;
- general civil liability insurance: this program covers the Group against the possible financial consequences that could arise due to damage or injury (other than nuclear) caused to third parties;
- civil liability insurance for directors and senior executives: EDF's insurance program covers the Group's directors and chief executive officers.

The total value of premiums for all these insurance programs was €96.3 million in 2009, of which €61.1 million was paid by EDF (see chapter 4.1.3 of the *Document de Référence*).

1.10 Provisions

The following table sets forth provisions (current and non-current) at December 31, 2009 and December 31, 2008, and assets set aside to secure financing of long-term obligations related to the EDF group's nuclear facilities:

(in millions of Euros)	**12.31.2009**	12.31.2008
Provisions for spent fuel management	11,147	8,806
Provisions for long-term radioactive waste management	7,426	6,732
Provisions for back-end nuclear cycle	**18,573**	**15,538**
Provisions for decommissioning	17,320	12,445
Provisions for last cores	3,033	1,697
Provisions for decommissioning and last cores	**20,353**	**14,142**
Provisions for post-employment benefits	13,118	12,703
Provisions for other long-term employee benefits	1,131	1,016
Provisions for employee benefits	**14,249**	**13,719**
Other provisions	**4,817**	**4,738**
TOTAL PROVISIONS	**57,992**	**48,137**

Coverage of long-term obligations for the EDF group's nuclear facilities:

(in millions of Euros)	**12.31.2009**	12.31.2008
EDF: Dedicated assets	11,436	8,658
British Energy: Assets receivable from the NLF and the British government	6,399	-
Other companies	432	-
TOTAL ASSETS PROVIDING SECURE FINANCING FOR LONG-TERM OBLIGATIONS RELATED TO THE EDF GROUP'S NUCLEAR FACILITIES	**18,267**	**8,658**

(See notes 27.3.2.1.2 and 35.3.1 to the consolidated financial statements at December 31, 2009).

1. Nuclear Risk Insurers Limited.

1.11 Off balance sheet commitments (commitments given)

1.11.1 Contractual obligations

The following table presents the contractual obligations identified by the Group at December 31, 2009:

(in millions of Euros)	2009 Total	Maturity within one year	Maturity between one and five years	Maturity after five years
Long-term debt [1]	53,868	9,927	15,667	28,274
Finance lease commitments as lessee [2]	219	37	112	70
On balance sheet contractual obligations	**54,087**	**9,964**	**15,779**	**28,344**
Satisfactory performance, completion and bid guarantees	1,297	620	638	39
Commitments related to orders for operating items [3]	4,562	2,360	1,655	547
Commitments related to orders for fixed assets	10,406	5,223	4,868	315
Other operating commitments	3,859	1,204	2,160	495
Contractual obligations related to performance of operating contracts [4]	**20,124**	**9,407**	**9,321**	**1,396**
Firm irrevocable purchase commitments [5]	**51,578**	**9,071**	**17,502**	**25,005**
Operating lease commitments as lessee [6]	**2,461**	**534**	**1,382**	**545**
Security interest in real property	2,767	207	1,101	1,459
Guarantees related to borrowings	323	23	48	252
Other financing commitments	241	182	10	49
Contractual obligations related to financing [7]	**3,331**	**412**	**1,159**	**1,760**
Share and other asset purchase commitments	4,405	1,976	2,490	39
Other investment commitments given	233	170	47	16
Contractual obligations related to investments [8]	**4,738**	**2,146**	**2,537**	**55**
Off balance sheet contractual obligations	**82,232**	**21,570**	**31,901**	**28,761**
TOTAL CONTRACTUAL OBLIGATIONS	**136,319**	**31,534**	**47,680**	**57,105**

(1) See note 39.2.1 to the condensed consolidated financial statements at December 31, 2009.
(2) See note 25.3 to the condensed consolidated financial statements at December 31, 2009.
(3) Excluding commodities and energy.
(4) See note 12.3.1 to the condensed consolidated financial statements at December 31, 2009.
(5) See note 12.1 to the condensed consolidated financial statements at December 31, 2009.
(6) See note 12.4 to the condensed consolidated financial statements at December 31, 2009.
(7) See note 39.5 to the condensed consolidated financial statements at December 31, 2009.
(8) See note 27.5 to the condensed consolidated financial statements at December 31, 2009.

The Company is not aware of any significant off-balance sheet commitments at December 31, 2009 other than those reported above.

Contractual obligations related to performance of operating contracts amounted to €20,124 million. In the course of its business, the Group provides contract performance guarantees, generally through the intermediary of banks. The Group has also given and received commitments jointly with third parties.

Contractual obligations related to performance of operating contracts are presented in note 12.3.1 to the 2009 consolidated financial statements.

Firm irrevocable purchase commitments (for electricity, natural gas, other energies and commodities and nuclear fuels) amounted to €51,578 million at December 31, 2009. In the course of its generation and supply activities, the Group has entered into long-term contracts for purchases of electricity, natural gas, other energies and commodities, and nuclear fuels, involving purchase commitments for periods of up to 20 years.

In almost all cases, these are reciprocal commitments, and the third parties concerned are under an obligation to supply or purchase the quantities specified in the contracts.

EDF has also entered into long-term purchase contracts with a certain number of electricity producers, by contributing to the financing of power plants. For more details of these commitments, see note 12.1 to the 2009 consolidated financial statements.

Operating lease commitments as lessee amounted to €2,461 million (see note 12.4 to the 2009 consolidated financial statements).

Financing commitments given, totaling €3,331 million, comprise security interests in real property, guarantees related to borrowings and other financing commitments.

For details, see note 39.5 of the notes to the 2009 consolidated financial statements.

Contractual obligations related to investments include commitments for acquisition of equity investments and other investment commitments amounting to €4,738 million. For details, see note 27.5 of the notes to the 2009 consolidated financial statements.

1.12 Transactions with related parties

Transactions with related parties are described in note 46 to the 2009 consolidated financial statements.

They consist of transactions with companies included in the scope of consolidation as well as relations with the French State and the companies in which the French State holds investments (GDF SUEZ, AREVA and companies in the public sector). Remuneration of the group's management and key executives is presented in chapter 1.18 below, "General information on EDF's capital and governance bodies".

Related parties include the French State, companies in which the State holds majority ownership and certain of their subsidiaries, and companies in which EDF exercises joint control or significant influence. They also include members of the Group's management and governance bodies.

1.13 Subsequent events

1.13.1 Bond issue on the US market

On January 26, 2010, EDF issued a $2,250 million bond for institutional investors on the US market. This bond is governed by Rule 144A of the US Securities and Exchange Commission (SEC), and comprises two tranches:

- One 10-year tranche of $1,400 million, coupon 4.60%;
- One 30-year tranche of $850 million, coupon 5.60%.

1.13.2 EnBW

After obtaining authorization from the German anti-cartel authorities to sell GESO, EnBW announced its decision to select Technischen Werke Dresden (TWD) as the buyer. The rest of the negotiations will now take place exclusively with TWD, with the objective of concluding a sale agreement.

EnBW and TWD have agreed not to disclose detailed information on these negotiations.

1.14 Principal risks and uncertainties

The EDF group policies for risk management and control are described in section 4.1 of the *Document de Référence*.

The principal risks and uncertainties to which the Group considers itself exposed are also described in section 4.2 of the *Document de Référence*.

This presentation describes the major risks and uncertainties affecting the Group. The Group remains subject to the usual risks specific to its business.

1.15 Significant events related to litigation in process

This chapter reports on new litigations and those which have seen significant developments since they were described in section 20.5 of the 2008 *Document de Référence*, its update of May 15, 2009 and section 14 of the Half-year Financial Report at June 30, 2009. Readers should refer to those documents for full details of these litigations.

1.15.1 Labor litigation

EDF is party to a number of labor lawsuits, primarily regarding the calculation and implementation of rest periods. EDF estimates that none of these lawsuits, individually, is likely to have a significant impact on its profits and financial position. However, because they concern situations likely to involve a large number of EDF's employees in France, these litigations could present a systemic risk which could have a material, negative impact on the Group's financial results.

1.15.2 Initiation of proceedings against the EDF group by the European Commission concerning long-term electricity supply contracts

On December 23, 2008, EDF and Électricité de Strasbourg received a statement of objections from the European Commission's Directorate General for competition, relating to the long-term electricity supply contracts concluded in France with large industrial electricity consumers. The Commission is concerned that *"these contracts may prevent customers from switching to other providers, thereby reducing competition on the market, in particular when considering the exclusive nature and duration of the contracts and the share of the market that is tied by them. Under the same contracts, the resale of electricity appears to be restricted. These practices may constitute infringements of the EC Treaty rules on abuse of dominant market positions (Article 82). In particular, these practices may have made it difficult for suppliers to enter and expand in the French electricity markets and may have rendered the wholesale market for electricity less liquid"*.

EDF submitted proposed commitments to address the European Commission's concerns over competition. Among other undertakings, it promised that an average 65% of the volumes of electricity supplied to large industrial customers in France would be put on the market every year.

On November 4, 2009, the European Commission began a "market test" procedure for these proposals, inviting comments from market players. Only after this market test and further discussions with EDF will the Commission decide whether to end the procedure by a decision making these commitments legally binding.

1.15.3 Cancellation of the European Commission's decision of December 16, 2003

Through a letter dated October 16, 2002, the European Commission initiated proceedings against France, claiming that state aid had been granted to EDF when its balance sheet was restructured on January 1, 1997. By a decision of December 16, 2003 the Commission set the amount of aid to be repaid at €889 million (principal). On February 11, 2004, the French State issued a collection note for €1,224 million comprising the principal amount of the aid to be repaid plus interest. EDF paid this amount. On April 27, 2004, EDF filed an appeal with the European Court of First Instance to have the European Commission's decision overturned, and on November 14, 2004, the French State filed a brief in support of EDF's appeal. After a hearing held on November 25, 2008, the court issued a ruling on December 15, 2009 canceling the Commission's decision of December 16, 2003. This decision is not suspensive and the State repaid €1,224 million to EDF on December 30, 2009. The European Commission has two months to lodge an appeal.

1.15.4 REE

In the early 1990s, EDF and Red Electrica de Espana (REE) concluded contracts for the supply of energy on the French-Spanish interconnection. From their inception, these contracts benefited from priority access to the interconnection, which was subsequently declared contrary to the EU law by the European Court of Justice in a ruling dated June 7, 2005.

The European Commission ordered the national regulators to cancel the priority rights of access to the interconnection and introduce an auction system for acquisition of those rights. The French regulator CRE complied with this injunction through a decision of December 1, 2005.

EDF and REE then had to agree terms for drawing energy and acquiring the rights of access to the interconnection so that REE could import electricity into Spain, and reached an agreement starting from June 2006, but were unable to reach an agreement for the early months of 2006.

REE initiated international arbitration proceedings against EDF and EDF Trading, notified by the International Chamber of Commerce (ICC) on June 13, 2007, claiming compensation for the alleged prejudice. EDF also reported the prejudice caused to EDF by REE during the period. The litigation is restricted to deliveries of the period January-May 2006.

The Arbitration Court's mission statement was signed on January 19, 2008. This Court issued a partial ruling on May 29, 2008 that EDF Trading would not be concerned by subsequent stages of the procedure.

On October 12, 2009, the Arbitration Court issued a ruling which was the subject of a request for correction filed with the ICC on November 24, 2009. The final conclusion of the arbitration proceedings is expected in 2010.

1.15.5 Alcan Saint-Jean-de-Maurienne

On December 31, 1985, EDF, Péchiney (now named Alcan France) and Aluminium Pechiney signed an energy supply contract (2 TWh) principally for the supply of Péchiney's primary aluminium plant at Saint-Jean-de-Maurienne. Under the terms of the contract EDF undertook to supply volumes of electricity at a fixed price. The duration of the contract was modified by amendments, and it is due to expire on December 31, 2012 for the Saint Jean de Maurienne site.

Following various written requests received from Alcan France to prolong the contract, Alcan France and Aluminium Pechiney served a summons on EDF on August 2, 2007 to appear before the Paris Commercial Court on September 21, 2007 for an initial procedural hearing. After several reports, the court hearing was scheduled for October 26, 2009. In its ruling issued on January 18, 2010, the Commercial Court rejected all of Alcan's claims.

1.15.6 Arcelor

EDF and Usinor (now Arcelor) entered into a master agreement for electricity sale on November 30, 1999. This master agreement provided that Usinor's sites, when they became eligible, could replace their "Existing Agreements" by new "Sale Agreements" concluded under terms set forth in the master agreement. This provision was applied several times when the contractual conditions were fulfilled.

Following the group's restructuring, in September 2006 Arcelor requested inclusion of Mittal Steel Gandrange and the Société Métallurgique de Révigny in the arrangement.

EDF refused the automatic extension of the master agreement, informing Arcelor that it would only be possible on price conditions to be defined between the parties. Despite several meetings, the parties were unable to reach an agreement and Arcelor, Mittal Steel Gandrange and the Société Métallurgique de Révigny initiated proceedings against EDF on January 29, 2007 on the substance of the case without delay before the Paris Commercial Court of Paris.

In its judgment issued on July 4, 2007, the Commercial Court:
- ordered EDF to sign a supply agreement under the master agreement terms with Mittal Steel Gandrange and the Société Métallurgique de Révigny, from the effective termination date of the agreements with their supplier;
- ordered EDF to pay damages to the three companies;
- ordered an expert's report to assess the prejudice suffered by the three companies;
- fixed the provisional amount payable by Arcelor France at €2,500; and,
- ordered EDF to pay each of the three companies €25,000 pursuant to article 700 of the French Civil Procedure Code, and ordered immediate enforcement of the decision.

EDF appealed against this decision. The Appeal Court rejected its appeal on November 5, 2008 and upheld Arcelor's demands, *i.e.*:
- inclusion of Mittal Steel Gandrange and the Société Métallurgique de Révigny in the scope of the master agreement, regardless of the fact that they had previously chosen a different supplier;
- compensation for the prejudice caused by EDF's refusal to extend the master agreement to cover the sites concerned (based on the expert's report requested by the judges in the first instance).

EDF decided not to file an appeal against this ruling by the Paris Appeal Court.

On June 23, 2009, the Paris Commercial Court issued its decision on the value of prejudice defined by the expert. The Court followed the expert's conclusions (except for the rate applied for cash financing) and set the prejudice for the two companies at €9,847,913. EDF paid this amount to ArcelorMittal.

On December 21, 2007 after ArcelorMittal France took over ArcelorMittal Wire France (AMWF), which itself controls ArcelorMittal Manois (AMM), ArcelorMittal France requested extension of its master agreement with EDF to include six new sites belonging to AMWF and AMM. Mediation procedures failed to settle the dispute, and ArcelorMittal France, AMWF and AMM served a summons dated March 5, 2008 on EDF to appear within a short time before the Paris Commercial Court, where they were suing for inclusion of the sites concerned in the master agreement of November 30, 1999.

The Paris Commercial Court ruled against EDF on June 29, 2009, and ordered it to:
- pay damages (in an amount to be determined by an expert);
- pay the sum of €25,000 to each company bringing the action, in application of article 700 of the Code of Civil Procedure.

The parties ultimately chose to end the dispute through a settlement dated December 18, 2009 on which they agreed on the amount of prejudice caused to ArcelorMittal.

1.15.7 Greenpeace

An investigation is in process at Nanterre Court into *"concealment of invasion of an automated data processing system"* after the statement made by a computer expert from a non-Group agency, who said he had hacked into the computer used by former Greenpeace spokesman Mr Yannick Jadot, at the request of an EDF employee. EDF's application to be associated with the action was refused by the examining magistrate and is currently awaiting a decision by the Court of Appeal. The employee concerned and his superior were formally placed under investigation on March 24 and June 10, 2009 and have been subject to a disciplinary transfer. EDF was placed under investigation on August 26, 2009.

1.15.8 Legal proceedings concerning EDF's subsidiaries

1.15.8.1 RTE – EDF TRANSPORT

TRANSFER OF HIGH VOLTAGE LINES TO THE SNCF

The French Law n°2004-803 of August 9, 2004 stipulated that the high-voltage lines transferred to the SNCF on January 1, 1983 under the Law of December 30, 1982 on inland transport, as facilities belonging to the public electricity transmission network, were to be transferred for consideration to RTE-EDF Transport within one year of the company's formation.

The SNCF and RTE (at the time a department of EDF) had considered a sale of the lines as early as 2002, and worked together on determining the value of this equipment based on objective criteria. However, the valuation process was disrupted due to a difference of opinion which persists to this day.

Consequently, in July 2007 RTE-EDF Transport applied to the French Ministry of Economy and the Ministry for Ecology and Sustainable Development and Planning to set up an ad hoc commission under article 10 of the Law n°2004-803 of August 9, 2004, to settle the dispute between the parties.

Members of this commission were appointed by decision of the Minister of State made on December 26, 2008 and published on January 18, 2009.

The Commission issued its decision on July 9, 2009, defining the assets to be transferred and fixing their value at €140 million. The SNCF is contesting the decision, and filed an appeal with the French Council of State on August 20, 2009.

CONTRIBUTION TO SYSTEM SERVICES

Poweo, a company contesting the mandatory contribution to system services set forth in article 15 of the law n°2000-108 of February 10, 2000, is asking for remuneration to follow "market rules", and brought the matter before the CORDIS[1] on July 3, 2009. The CORDIS ruled in favor of RTE-EDF Transport in a decision notified on October 15, 2009. Poweo has lodged an appeal against this decision before the Paris Appeal Court, and a hearing has been scheduled for May 18, 2010.

1.15.8.2 EDISON

ARBITRATION PROCEEDINGS CONCERNING THE SALE OF AUSIMONT - ENVIRONMENTAL DAMAGE

The Public Prosecutor of Pescara, Italy opened a preliminary investigation into a suspected case of water pollution and ecological disaster affecting the river Aterno basin at Bussi sul Turino, which for more than a century has been the site of an industrial complex belonging to Ausimont SpA that was sold to Solvay Solexis SpA in 2002.

A large quantity of industrial waste was found on a plot of land belonging to Edison adjacent to the complex, and an attachment order was placed on that land. By order of October 4, 2007, the President of the Italian Council of Ministers appointed a special commissioner empowered to undertake urgent identification, safety and rehabilitation measures for the land.

The Public Prosecutor of Pescara closed the preliminary investigation and notified certain former directors and managers of Solvay Solexis and Edison that the case would go to court on charges of water poisoning, ecological disaster and fraud to the prejudice of the site's purchaser, Solvay Solexis.

In an order of December 15, 2009, the judge heading preliminary investigations decided Montedison would not be prosecuted for fraud against Solvay, but the proceedings on the matters of environmental disaster and poisoning are continuing.

The commissioner ordered Edison to prepare a characterization plan of the zone, take urgent measures to make it safe and present proposals for decontamination of the ground and ground water. Edison, which has never used this site for its business, has filed an appeal with the Regional administrative court.

ACTION BY THE PUBLIC PROSECUTOR OF ALESSANDRIA

In 2009 the Public Prosecutor of the Republic of Alessandria, Italy sent certain managers and former directors of Ausimont Spa (now named Solvay Solexis SpA, a company sold by Montedison to the Solvay group in 2002) notification of the conclusion of investigations (under article 415bis of the Italian Code of Criminal Procedure) into alleged poisoning of water from the spring on the industrial site of Spinetta Marengo and surrounding sites, and the lack of any action for site rehabilitation.

PROCEEDINGS INITIATED BY THE HOLDERS OF SAVINGS SHARES AND UBS FOR PREJUDICE CAUSED BY THE MERGER OF EDISON AND ITALENERGIA

On August 9, 2002, the representative of holders of savings shares challenged the resolution of Edison's extraordinary meeting of June 27, 2002, which decided on the merger of Edison into Italenergia. He requested that implementation of the resolution be suspended, the resolution be cancelled and that Edison should be held liable for all the prejudice caused by the merger to holders of the savings shares.

On October 9, 2002, the Court of Milan rejected the request to suspend the merger.

On April 29, 2003, UBS voluntarily joined the action and asked the courts to order Edison to pay damages for the loss in value of Edison shares, and the share exchange ratio that had penalized the shareholders of Edison and therefore those of UBS.

The Court-appointed expert filed a report in which he observed that while the valuation criteria used were adequate, there were some flaws in the valuation process (lack of control methods) and instances of incorrect application of the criteria that may have caused prejudice to the savings shareholders.

1. Community Research and Development Information Service.

In a ruling dated July 16, 2008, the Court of Milan ordered Edison to pay €22.5 million, plus interest and costs. On June 25, 2009 Edison and UBS reached an out-of-court settlement: Edison would pay UBS €29 million and neither party would appeal against the court's decision.

1.15.8.3 EnBW

THERMOSELECT

EnBW has plants in Karlsruhe and Ansbach owned respectively through its subsidiaries Grundstücksverwaltung Rheinhafen GmbH, and Thermische Abfallentsorgung Ansbach GmbH (TAE).

The Karlsruhe plant is now closed and the Ansbach plant was never finished.

In 2004 TAE declared that it was terminating the service and construction contract for the Ansbach plant signed with Thermoselect SA. As a result, Thermoselect SA sued TAE for damages amounting to some €9 million, subsequently amending its claim in December 2006 to sue TAE for €48 million. The Ansbach regional court ordered Thermoselect to pay €29 million of damages to TAE, and Thermoselect appealed this decision in May 2007. Following rejection of its claims by the Nuremberg Regional court of appeal, Thermoselect initiated action before the Germany's Supreme Federal Court in July 2009.

Also in 2004, EnBW AG terminated its service and construction contract for the Karlsruhe plant signed with Thermoselect SA, which consequently initiated action against EnBW AG before the Karlsruhe regional court.

In 2006, Thermoselect SA amended its action and claimed some €580 million in damages against EnBW. The Karlsruhe regional court dismissed its claim in June 2006. Following rejection of its claims by the court of appeal, Thermoselect initiated action before Germany's Supreme Federal Court in December 2007.

1.15.8.4 SSE

In 2002, the Slovakian regulator adopted a resolution setting electricity tariffs applicable for 2003, without waiting for publication of a specific decree. Seven companies challenged this procedure and took the matter before the constitutional court in 2004. They won the case in 2006 when the court declared the regulator's resolution invalid.

The same companies, considering that the prices for 2003 had therefore not been validly set and that the lower tariffs from 2002 should apply, sued the State for reimbursement. Their case was dismissed, as the court ruled that the only consequence of the regulator's error was unwarranted additional income for electricity suppliers.

Following this decision, one corporate customer of SSE began legal action against SSE on September 4, 2009, claiming reimbursement of the sum of €780,905. This amount corresponds to the difference between the amount received by SSE in application of the 2003 tariffs wrongly set by the regulator and the amount it would have received if the 2002 tariffs had applied.

Two other customers of SSE also filed similar actions in December 2009, claiming amounts of €2,643,648 and €476,996 respectively.

1.16 Financial outlook for 2010

The beginning of 2010 was characterised by a slight economic recovery in Europe, moderate inflation and strenghtening of the dollar and sterling against the Euro. Additionally, economic policies were marked by increased emphasis on controlling public spending and expectations of gradual monetary policy tightening.

Against this backdrop, EDF is expecting electricity demand to stabilise in the Group's principal markets, with prices rising somewhat in France and Germany in particular.

Following an exceptionally difficult year in France in 2009, operating performance is expected to demonstrate a rebound in nuclear generation and a reversal of the nuclear availability trend. Business should be more stable in international markets.

Consequently, the Group is setting itself the following financial objectives for 2010:

- generate a substantial rise in EBITDA [1]. This growth will mainly come from an organic growth target (at constant scope and exchange rates, excluding the impact of IAS 39 and an end to TaRTAM on 30 June 2010) of between 3% and 5%, and also includes the full-year contribution of CENG and SPE;
- continue implement the Operational Excellence Program with a confirmed target of €1 billion at the end of 2010;
- dividend stability compared to 2009;
- generate substantial operating cash flow in order to finance operating investments, which should remain at a high level [2]. They include mainly the continued maintenance investments in France, which are closely linked to the performance of generation facilities and networks in the long term as well as development investments:
  - in France: continued investment in the Flamanville EPR, and new mid-merit and peak generation capacities,
  - internationally and in other businesses: combined-cycle installation in the United Kingdom, super critical coal plant in Germany, new nuclear power in the United Kingdom, United States and China, new wind and solar capacities at EDF Énergies Nouvelles, etc.;
- maintain the Group's financial stability with a net debt/EBITDA ratio between 2.5 and 3.

1. Group scope as at 31 December 2009.
2. Including investment programs of newly acquired companies.

1.17 Research and development

1.17.1 Research and development, patents and licences

The primary objective of the EDF group's Research and Development (R&D) Division is to contribute to performance improvement in the operational units, and identify and prepare medium and long-term growth engines. In 2009, the Group's total R&D expenses amounted to €438 million, more than a 20% of which were directed into environmental protection: energy efficiency and renewable energies, local impacts of climate change, and other studies concerning environmental issues (biodiversity, water quality, reduction of noise pollution, etc.) EDF's R&D Division employed more than 2,000 members at December 31, 2009.

1.17.2 R&D, an asset for the Group

1.17.2.1 CONTRIBUTING TO PERFORMANCE IMPROVEMENT IN THE OPERATIONAL UNITS

Every year, approximately three quarters of EDF's R&D activities are devoted to projects sponsored by the operational divisions and Group subsidiaries, and therefore respond directly to short-medium term issues relevant to EDF. In the field of nuclear, hydropower and fossil-fired generation, EDF R&D develops instruments and methods to improve operating performance and safely optimize the long term operation of the Group's generation facilities, while also preparing for new environmental demands. In renewable energies, R&D seeks to identify technological breakthroughs with significant competitive value, and helps to bring the most promising technologies into industrial existence to benefit the Group, particularly in fields such as solar and marine energy. For the Group's sales activities, the R&D teams develop techniques for monitoring energy demand and energy efficiency in usage for the various market segments, and participate in preparation of new offers. They also propose tools and methods to develop and improve customers knowledge and relationship managements. In transmission and distribution, EDF R&D provides support with integration of new technologies to enhance performance in the various businesses, and develop technical solutions designed to extend machinery and equipment lifetime, and maximize plant transit capacities. For the Group's upstream/downstream optimization activities, R&D develop and fine-tune tools and models to enhance the Group's generation assets, advance knowledge of how they operate and prepare for changes on the markets.

R&D is also being expanded in the United Kingdom, where a new R&D centre was set up in January 2010 with EDF Energy.

1.17.2.2 LIGHTING UP THE FUTURE AND PREPARING GROWTH ENGINES

With the growing importance of energy issues such as climate change or the increasing rarity of fossil resources, the commitment by EDF R&D to preparing for the future and developing growth engines continued in 2009 along the path the Group has been carving out for several years. These medium and long-term activities for the period 2007-2009 take the form of twelve "EDF R&D Challenges" focusing on five themes expressing the most important research areas in terms of the stakes for the EDF group ("customers", "generation", "networks", our planet", "our optimization"), encompassing all the businesses exercised by the company. More than 500 researchers, a large number of staff in the operational divisions, and French and foreign partners of EDF R&D all contributed to work on these twelve challenges in 2009. These priority areas for R&D will be updated in 2010 and the new challenges will be validated by Group management.

1.17.3 EDF R&D: involved in French, European and worldwide research

To carry out its Research and Development programs, EDF R&D concludes partnerships in France, Europe (particularly countries where the Group has establishments) and across the whole world. Thanks to development and organization of EDF R&D partnerships, a total 12 joint research laboratories have been set up with academic research partners, and technical or industrial centers. For each joint research laboratory, a team is formed to tackle a technical scientific question with a view to creating value, expertise and knowledge for all partners.

In nuclear activities, EDF has particularly close links with the CEA and AREVA through a tripartite agreement. EDF R&D is also the first non-US partner in the American research institute EPRI (Electric Power Research Institute) which runs joint research programs concentrating particularly on the materials ageing, and intelligent networks. Through this partnership, the Group can cooperate with most of the world's nuclear operators. In 2009, the partnership strategy pursued by EDF R&D led to new partners joining the Materials Ageing Institute (MAI) and the European Centre and Laboratories for Energy Efficiency Research (ECLEER), and EDF became a participant in ERPI's Smartgrid Demonstration Initiative. Cooperation agreements were also signed with Imperial College, London, Hydro Québec and the Massachusetts Institute of Technology, and a Modeling and Simulation Center was set up for high-performance computation with the Manchester University in the United Kingdom.

1.17.4 Intellectual property policy

At December 31, 2009, EDF had a portfolio of 410 patented inventions protected by over 1,200 intellectual property titles in France and other countries.

1.18 General information on EDF's capital and governance bodies

1.18.1 Changes in the capital

At the date of this document, EDF's share capital totals €924,433,331 divided into 1,848,866,662 fully subscribed and paid-up shares with nominal value of €0.5 each. This number includes the 26,695,572 new shares issued in December 2009 to pay the interim dividend in the form of shares.

The following table summarizes the authorizations in force at December 31, 2009 granted to the Board of Directors by EDF's shareholders at their meeting of May 20, 2009, principally to increase the capital:

Delegations granted to the Board of Directors by the Extraordinary Shareholders' Meeting	Maximum nominal amount of capital increase *(in millions of Euros)*	Duration of the delegation (1)
1 Delegation of authority to the Board to increase the capital, maintaining the shareholders' preferential subscription right	45	26 months
2 Delegation of authority to the Board to increase the capital, with no preferential subscription rights for shareholders	45 (2)	26 months
3 Delegation of authority to the Board to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights	15% of the initial issue (2)	26 months
4 Delegation of authority to the Board to increase the capital by capitalization of reserves, profits, premiums or other amounts eligible for capitalization	1,000	26 months
5 Delegation of authority to the Board to increase the capital as a result of an exchange offer instigated by EDF	45 (2)	26 months
6 Delegation of authority to the Board to increase the capital in return for contributions in kind (art. L. 225-147 of the commercial code)	10% of the company's share capital (2) (3)	26 months
7 Delegation of authority to the Board to increase the capital to the benefit of members of an EDF group savings plan	10	26 months

(1) From the date of the Shareholders' Meeting of May 20, 2009.

(2) Up to the nominal overall limit defined in point 1, i.e. €45 million.

(3) At the date of the Shareholders' Meeting of May 20, 2009.

The shareholders also authorized the Board of Directors to reduce the share capital in one or several operations, by canceling some or all of the shares previously repurchased under a Company share repurchase program, up to a maximum of 10% of the capital per 24-month period. This authorization is valid for a period of 18 months after the Shareholders' Meeting of May 20, 2009.

At December 31, 2009, the shareholding structure was as follows:

• French State:	84.48%
• Institutional and private investors:	13.08%
• Employees:	2.43%
- *incl: employee investment fund [1]:*	*2.10%*
• Treasury shares:	0.01%
• Total number of shares:	1,848,866,662

1.18.2 Other capital transactions

No EDF share is to be attributed to employees under the employee profit-share plan.

Information on transactions by the company on its own shares under a liquidity contract:

- number of shares purchased and sold during the year: during 2009, EDF purchased 2,208,559 shares and sold 2,480,559 shares in EDF;
- average price of share purchases and sales: during 2009, the average purchase price for shares was €35.11 and the average sale price was €36.02;
- brokers' fees: the standard commission defined in the liquidity contract was €150,000.00 for 2009.

Number of shares registered in the company's name at the year-end, and their value based on purchase price and nominal value:

- 244,412 shares were registered in the name of the company at December 31, 2009;
- the value of these shares was €10,018,197.77 based on the purchase price and €122,206 based on nominal value;
- these shares were acquired for the following reasons: repurchase plan under a liquidity contract, acquisition of shares in the MULTI fund and acquisition of shares with no liquidity contract for the purposes of the "ACT 2007" employee shareholding plan;
- these shares represented 0.0135% of the total share capital at December 31, 2009, distributed by purpose as shown below.

Purpose	Number of shares held	Price of shares purchased *(in Euros)*	Volume of shares *(% of share capital)*
Liquidity contract	185,000	7,035,891	0.0102
Share purchases for the "ACT 2007" plan after distribution of free shares	50,669	2,959,925	0.0028
Acquisition of shares in the MULTI fund	8,743	22,382	0.0005

No shares were reallocated to other purposes.

1.18.3 Allocation of net income

The dividend distribution policy is defined by the Board of Directors, with reference to the company's results and financial position and the dividend policies of major French and international companies in the same business sector.

The following dividends were paid for the previous three years:

Year	Number of shares	Dividend per share *(in Euros)*	Total dividends paid (after deduction of treasury shares) *(in Euros)*
2006	1,822,171,090	1.16	2,113,624,504.40
2007	1,822,171,090	1.28	2,330,266,755.20 (1)
2008	1,822,171,090	1.28	2,328,200,485.12 (2)

(1) Interim dividend paid in 2007: €1,056,809,460.08.

(2) Interim dividend paid in 2008: €1,164,067,897.60.

1. "Actions EDF" employee investment fund ("*fonds commun de placement d'entreprise*" – FCPE)

100% of the dividend is eligible for the special 40% tax allowance under paragraph 3-2 of article 158 of the French tax code.

The Board of Directors decided that interim dividends of €0.55 per share would be paid from 2009 net income on December 17, 2009.

After amending article 25 of EDF's bylaws for the purpose, the shareholders decided at the general meeting of November 5, 2009 to offer shareholders a choice between receiving this dividend in the form of cash or shares.

93.6% of beneficiaries opted for payment of the interim dividend in the form of shares. As a result 26,695,572 new shares were issued at €35.13 each, representing 1.47% of the capital. This operation increased Group equity by €937,815,444.

The new shares are effective immediately and carry the same rights as ordinary shares already in circulation. They were admitted to trading on Euronext Paris on December 17, 2009.

1.18.4 Share price

Movements in the EDF share price, which is part of the CAC 40 index, were as follows from its initial listing on November 21, 2005 up to January 29, 2010:

EDF SHARE PRICE FROM THE IPO TO JANUARY 29, 2010

Over the period January 1, 2009 to January 29, 2010, the EDF share price decreased by 6.0% and the Euro Stoxx Utility index declined by 7.0%, while the CAC 40 rose by 16.2%.

At January 29, 2010, the EDF share price at close of business was €39.03 (€41.50 at January 1, 2008). Its lowest closing price during the period was €27.31 on March 13, 2009, and the highest closing price was €43.76 on January 9, 2009.

EDF's market capitalization at January 29, 2009 was €72.2 billion.

1.18.5 Scope of consolidation and shareholding thresholds

A list of all consolidated companies is included in the notes to the 2009 financial statements.

1.18.6 Capital structure and voting rights

At the date of this document, EDF's share capital consisted of registered or bearer shares which must at all times be held at least 70% by the French State, pursuant to article 24 of the Law of August 9, 2004. These shares are freely negotiable subject to the laws and regulations in force and the statements below, and their sale or transfer is not restricted by any statutory provision.

To the best of the company's knowledge, there is no restriction approved by a member of the Board of Directors concerning transfer of his shares within a certain time period, except for restrictions resulting from the Company's code of trading ethics.

Shares held through investment funds under the EDF group's corporate savings plan invested in EDF shares, or shares acquired from the State in application of privatization laws, are subject to the unavailability or non-transfer rules resulting from the provisions applicable to such operations.

Each share entitles the holder to one vote, and at the date of this document, there is no statutory restriction on the exercise of voting rights by shareholders.

At the date of this document, to the company's knowledge no shareholder agreement concerning EDF shares had been concluded.

1.18.7 Corporate governance and organization

1.18.7.1 BOARD OF DIRECTORS

The Board of Directors determines the orientation of the company's activities and oversees their implementation. It defines all the major strategic, economic, financial and technological orientations concerning the company, and also examines any other matters related to the company's operation, governing such affairs through its deliberations.

In compliance with article 6 of the Law of July 26, 1983 on the democratization of the public sector and the provisions of the decree-law of October 30, 1935, as the French State holds less than 90% of the capital of EDF, the Board of Directors has eighteen members: one third of members are elected by employees and two thirds are appointed by the shareholders after nomination by the Board of Directors, apart from members representing the French government who are appointed by decree.

The Directors' mandate lasts five years. If a seat on the Board becomes vacant for any reason, the replacement Director is only appointed for the residual period until the entire Board is renewed.

The Directors' terms of office expired at midnight on November 22, 2009. In compliance with the applicable laws and regulations, the new Directors' terms of office took effect on November 23, 2009, when the new Board held its first meeting (see section 1.2.2.4).

Board meetings are also attended by the Head of the French State's Economic and Financial Verification Mission for EDF and the Works Council secretary, who have no voting rights.

To carry out its duties, the Board of Directors has set up five Committees of appointed members:

- **the Audit Committee:** the ordinance n°2008-1278 of December 8, 2008 transposing into French law the EU directive of May 17, 2006 on Statutory Auditors sets out the framework in which audit Committees perform their duties. For EDF, new duties are to be introduced from September 1, 2010.
  This Committee examines and issues an opinion on the Company's financial position, the medium-term plan and budget, the draft of financial statements established by the Finance Director (EDF's corporate accounts consolidated financial statements and the Group's management report), risk monitoring, internal audit and control, the insurance policy, the appointment of Statutory Auditors and their fees, and the financial aspects of any particularly significant external growth or disposal plans;
- **the Nuclear Commitments Monitoring Committee:** this Committee monitors changes in nuclear provisions, issues an opinion on questions of governance of dedicated assets, association of assets and liabilities and strategic allocation, and ensures that EDF's dedicated asset management complies with the policy for developing and managing those assets. It can draw on the work of the Nuclear Commitment Financial Expertise Committee, which consists of five independent experts responsible for advising the Company and its governance bodies on the subject;
- **the Strategy Committee:** this Committee issues an opinion on EDF's major strategic orientations, particularly the strategic development plan, the industrial and commercial policy, the public service agreement, strategic agreements, alliances and partnerships, the research and development policy, and external or internal growth or divestment projects;
- **the Ethics Committee:** this Committee ensures that ethical considerations are taken into account in the work of the Board of Directors and the management of EDF.
  It examines the annual report, excluding the financial statements (*i.e.* management report and sustainable development report), the management report by the ethics advisor, the annual report of the mediator, the General Inspector's report on nuclear safety and radiation protection, and the General Inspector's report on hydropower safety.
  The Ethics Committee draws up an annual report on how the Board of Directors operates;
- **the Appointments and Remuneration Committee:** this Committee submits proposals to the Board for appointment of Directors by the shareholders and sends the Minister of Economy and Finance and the Minister of Energy an opinion on the remuneration of the Chairman and CEO for approval; this opinion is also sent to the Board of Directors for deliberation and determination of those remunerations.
  This Committee examines the remuneration of the Chief Executive Officers, and issues an opinion on the proposed remuneration for each one submitted by the Chairman and CEO. This opinion is sent to the Minister of Economy and Finance and the Minister of Energy for approval and is also presented to the Board of Directors, which after deliberation sets the salary, objectives and other remuneration for the Chief Executive Officers.
  The Committee also sends the Board of Directors its opinion on the terms of remuneration of the key management personnel (fixed and variable portions, calculation method, indexation), and the amount and distribution of Directors' fees. It ensures that succession tables exist for posts on the Executive Committee.

The Board of Directors met 12 times in 2009, and the Committees held a total of 26 preparatory meetings.

The attendance rate at meetings of the Board of Directors was 88.9% on average in 2009.

Details of each Director's roles and functions held at December 31, in all companies are given below:

– Directors appointed by the General Shareholders' Meeting

Henri Proglio
Date of birth: June 29, 1949
Chairman and CEO of EDF since November 25, 2009
Chairman of the Board of Directors of Veolia Environnement, Veolia Propreté and Veolia Transport
Director of Veolia Environnement North America Operations
Member of the Supervisory Board of Veolia Eau
Member of the A & B Supervisory Boards of Dalkia
Director of CNP Assurances, Dassault Aviation, Natixis
Member of the Atomic Energy Committee
Director of EDF since September 2004

Philippe Crouzet
Date of birth: October 18, 1956
Chairman of the Supervisory Board of Vallourec
Director of EDF since November 23, 2009

Mireille Faugère
Date of birth: August 12, 1956
Advisor to the Chairman of SNCF
Director of EDF since November 23, 2009

Michael Jay
Date of birth: June 19, 1946
Crossbench member of the House of Lords, Chairman of the House of Lords Appointments Commission and member of its EU Sub-Committee on foreign, defence and development policy
Director of Associated British Foods, Candover Investments, Crédit Agricole SA and Valeo SA
Chairman of Merlin
Honorary Fellow of Magdalen College, Oxford University
Director of EDF since November 23, 2009

Bruno Lafont
Date of birth: June 8, 1956
Chairman and CEO of Lafarge
Co-Chairman of the Cement Sustainability Initiative at the World Business Council for Sustainable Development (WBCSD)
Advisor to the Mayor of Chongping (China)
Director of EDF since May 2008

Pierre Mariani
Date of birth: April 6, 1956
Delegate Director and Chairman of the Management Committee of Dexia
Member of the Boards of Directors of Dexia Banque Belgique, Dexia Crédit Local and Dexia Banque Internationale in Luxembourg
Director of EDF since November 23, 2009

– Directors representing the French government, appointed by decree

Pierre-Marie Abadie
Date of birth: July 13, 1969
Director of Energy at the General Division for Energy and Climate of the French Ministry of Ecology, Energy, Sustainable Development and the Sea
Government representative at the *Agence nationale pour la gestion des déchets radioactifs* and Deputy Government representative at AREVA NC
Director of EDF since August 2007

Bruno Bézard
Date of birth: May 19, 1963
Chief Executive Officer of the Government Shareholding Agency (APE) at the Ministry of the Economy, Industry and Employment
Member of the Supervisory Board of AREVA and *Grand Port Maritime de Marseille*
Director of Air France-KLM, France Télécom, La Poste, SNCF and *Fonds Stratégique d'Investissement*
Director of EDF since August 2002

Yannick d'Escatha
Date of birth: March 18, 1948
Chairman of the *Centre National d'Études Spatiales* (CNES)
Member of the Academy of Technologies
Chairman of the Board of Directors of the University of Technology of Troyes
Permanent Representative of the CNES on the Board of Arianespace SA and Arianespace Participation
Director of Thales
Director of EDF since November 2004

Philippe Josse
Date of birth: September 23, 1960
Director of the National Budget for the Ministry of the Budget, Public Accounts, Civil Service and State Reform
Director of Air France-KLM and SNCF
Director of EDF since April 2006

Pierre Sellal
Date of birth: February 13, 1952
Ambassador of France
General Secretary of the Ministry of Foreign and European Affairs
Member of the Supervisory Board of AREVA
Member of the Atomic Energy Committee
Director of EDF since April 2009

Philippe Van de Maele
Date of birth: December 29, 1961
Chairman and CEO of the *Agence de l'environnement et de la maîtrise de l'énergie* (ADEME)
Director of CEMAGREF and of the *Agence nationale pour la gestion des déchets radioactifs* (ANDRA)
Director of EDF since November 23, 2009

– Directors elected by the employees

Christine Chabauty
Date of birth: July 19, 1971
Commercial in charge for major accounts at EDF's Sales Division
Member of an industrial tribunal
Director of EDF since November 23, 2009, sponsored by the CGT union

Alexandre Grillat
Date of birth: December 8, 1971
Advisor to the Deputy CEO of Groupe Électricité de Strasbourg
Director of EDF since September 2004, sponsored by the CFE-CGC union and re-appointed in May 2009

Philippe Maissa
Date of birth: November 21, 1949
Engineer at EDF's Thermal engineering centre
Director of EDF since November 23, 2009, sponsored by the CGT union

Philippe Pesteil
Date of birth: September 1, 1957
Internal auditor at the General Technical Department of EDF's hydropower generation and engineering division
Director of EDF since September 2004, sponsored by the CFDT union and re-appointed in May 2009

Jean-Paul Rignac
Date of birth: May 13, 1962
Research engineer at EDF's Research and Development division
Director of EDF since November 2007, sponsored by the CGT union and re-appointed in May 2009

Maxime Villota
Date of birth: November 25, 1959
Purchase policy coordinator at the Tricastin nuclear electricity plant
Director of EDF since December 2006, sponsored by the CGT union and re-appointed in May 2009

– Directors whose term of office ended during 2008

Pierre Gadonneix
Chairman and CEO of EDF from November 2004 to November 2009

André Aurengo
Director of EDF from July 1999 to November 2009

Jacky Chorin
Director of EDF from September 2004 to November 2009

Marie-Christine Daguerre
Director of EDF from July 1999 to November 2009

Frank E. Dangeard
Director of EDF from November 2004 to November 2009

Gérard Errera
Director of EDF from December 2007 to March 31, 2009, replaced by Pierre Sellal from April 1, 2009

Daniel Foundoulis
Director of EDF from July 1999 to November 2009

Claude Moreau
Director of EDF from November 2004 to November 2009

1.18.7.2 MANAGEMENT COMPENSATION

The tables below show the compensation and various benefits paid and payable to the Group's directors and chief officers during 2008 and 2009 by EDF and its controlled companies at December 31.

Table 1: summary of compensation, stock options and shares attributed to each director and chief officer

(in Euros)	2009	2008
Pierre Gadonneix, Chairman of the Board of Directors (1)		
Compensation owed for the year (details in table 2)	728,994 (2)	1,127,511
Henri Proglio, Chairman of the Board of Directors (3)		
Compensation owed for the year (details in table 2)	153,677	n.a.
Daniel Camus, Chief Financial Officer		
Compensation owed for the year (details in table 2)	603,779 (2)	1,015,513
Dominique Lagarde, Chief Human Resources and Communications Officer		
Compensation owed for the year (details in table 2)	296,116 (2)	245,236 (4)
Yann Laroche, Chief Human Resources and Communications Officer		
Compensation owed for the year (details in table 2)	n.a.	193,634 (5)
Jean-Louis Mathias, Chief Operating Officer, Integration and Deregulated Operations in France		
Compensation owed for the year (details in table 2)	526,445 (2)	781,837
TOTAL	**2,309,011**	**3,363,731**

n.a.: not applicable.
(1) For the term of office held from January 1, 2009 to November 23, 2009.
(2) Compensation owned for 2009 does not include the variable portion due for 2009, which had not been determined at the date of publication. It comprises salaries and benefits in kind until November 25, 2009.
(3) For the term of office held since November 25, 2009.
(4) For the term of office held from May 20, 2008 to December 31, 2008.
(5) For the term of office held from January 1, 2008 to May 20, 2008.

Table 2: summary of compensation and benefits of each director and chief officer

Pierre Gadonneix, Chairman and CEO (until November 23, 2009) *(in Euros)*	Due for 2009 (1)		Due for 2008	
	due	paid	due	paid
Fixed salary	723,158	723,158	760,000	760,000
Variable salary	not available (2)	361,780	361,780	326,830
Exceptional salary	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind (3)	5,836	5,836	5,731	5,731
TOTAL	**728,994**	**1,090,774**	**1,127,511**	**1,092,561**

(1) January 1, 2009 to November 23, 2009.
(2) Compensation owned for 2009 does not include the variable portion due for 2009, which had not been determined at the date of publication. It comprises salaries and benefits in kind until November 23, 2009.
(3) Company car and benefits in kind in the form of energy.

Following the proposal by the Appointments and Remuneration Committee approved by the Minister of the Economy, Industry and Employment and the Minister for Energy, at its meeting of February 10, 2010 the Board of Directors set the gross annual salary of Henri Proglio, Chairman and Chief Executive Officer, at €1,000,000, plus a variable salary of up to 60% of that amount, 70% for quantitative performance and 30% for qualitative performance, conditional on achievement of objectives to be set for the year 2010 by the Board of Directors for a decision. Furthermore, the Board of Directors also decided to set Henri Proglio's salary for the year ended December 31, 2009 at €101,370 (fixed) and €53,307 (variable).

Daniel Camus, Chief Financial Officer *(in Euros)*	Due for 2009 (2) due	paid	Due for 2008 due	paid
Fixed salary	597,575	597,575	628,000	628,000
Variable salary (1)	not available	620 745 (1)	380,745 (1)	237,734
Exceptional salary	-	-	-	-
Directors' fees	n.a.	n.a.	n.a.	n.a.
Benefits in kind (3)	6,204	6,204	6,768	6,768
TOTAL	**603,779**	**1,224,524**	**1,015,513**	**872,502**

n.a.: not applicable.

(1) Including €345,000 for a three-year bonus paid in 2009 for the period 2006-2008, of which €105,000 related to 2008.

(2) January 1, 2009 to November 25, 2009.

(3) Company car.

Dominique Lagarde, Chief Human Ressources and Communications (from May 20, 2008) *(in Euros)*	Due for 2009 (2) due	paid	Due for 2008 due	paid
Fixed salary	282,213	282,213	171,110 (1)	171,110 (1)
Variable salary	not available	66,583	66,583	4,113
Exceptional salary	-	-	-	-
Directors' fees	n.a.	n.a.	n.a.	n.a.
Benefits in kind (3)	13,903	13,903	7,543	7,543
TOTAL	**296,116**	**362,699**	**245,236**	**182,766**

n.a.: not applicable.

(1) For functions exercised from May 20, 2008 to December 31, 2008.

(2) January 1, 2009 to November 25, 2009.

(3) Principally company car, energy, and other benefits in kind associated with IEG statuts.

Yann Laroche, Chief Human Ressources and Communications Officer (until May 20, 2008) *(in Euros)*	Due for 2009 due	paid	Due for 2008 due	paid
Fixed salary	n.a.	n.a.	177,450 (1)	177,450 (1)
Variable salary	n.a.	n.a.	-	167,215
Exceptional salary	n.a.	n.a.	-	-
Directors' fees	n.a.	n.a.	n.a.	n.a.
Benefits in kind (2)	n.a.	n.a.	16,184	16,184
TOTAL	**n.a.**	**n.a.**	**193,634**	**360,849**

n.a.: not applicable.

(1) For functions exercised from January 1st, 2008 to May 20, 2008.

(2) Principally company car, energy, and other benefits in kind associated with IEG statuts.

Jean-Louis Mathias, Chief Operating Officer, Integration and Deregulated Operations in France *(in Euros)*	Due for 2009 (2) due	paid	Due for 2008 due	paid
Fixed salary	493,163	493,163	519,000	519,000
Variable salary	not available (1)	226,773	226,773	192,029
Exceptional salary	-	-	-	-
Directors' fees	n.a.	n.a.	n.a.	n.a.
Benefits in kind (3)	33,282	33,282	36,064	36,064
TOTAL	**526,445**	**753,218**	**781,837**	**747,093**

n.a.: not applicable.

(1) Due to the procedure applicable, components of variable salary for 2009 had not been determined at the date of publication.

(2) January 1, 2009 to November 25, 2009.

(3) Principally company car, energy, and other benefits in kind associated with IEG statuts.

No stock subscription or purchase options were awarded or exercised, and no performance-related stock options were awarded or exercised during 2009.

Other than the amounts reported above, Pierre Gadonneix, Dominique Lagarde, Jean-Louis Mathias, Daniel Camus and Yann Laroche benefit from no special pension scheme and have received no starting bonus.

Daniel Camus' contract also provides for a contractual severance indemnity equivalent to 2 years' pay subject to performance conditions, as detailed in EDF's *Document de Référence* (chapter 15.1). This indemnity is equal to two years' salary calculated as the sum of fixed annual salary plus the average of the three highest years' annual variable salary (annual bonus and multi-annual bonus).

Table 3: Directors' fees paid

The table below shows the amount of Directors' fees paid to members of the Board of Directors in 2008 and 2009.

The amounts paid at the end of a given year are amounts due in respect of the first half of that year and the second half of the previous year.

(in Euros)	**2009**	2008
Frank E. Dangeard	66,250	39,750
Daniel Foundoulis	44,750	36,750
Pierre Gadonneix	0	0
Bruno Lafont (1)	35,250	2,000
Claude Moreau	42,750	31,750
Henri Proglio (2)	34,000	22,000
Louis Schweitzer (3)	0	16,000
TOTAL	**223,000**	**148,250**

(1) Appointed by the Shareholders' Meeting of May 20, 2008 to replace L. Schweitzer.
(2) Until his appointment as Chairman of the Board of Directors.
(3) Resigned on May 10, 2008.

The increase in Directors' fees between 2008 and 2009 results from the higher number of meetings held by the Board in the second half of 2008 (12 compared to the usual average of 5 or 6) in connection with the acquisitions of British Energy and of nuclear assets of Constellation Energy Group.

In compliance with the law and regulation, the Chairman of the Board of Directors receives no Director's fees, and directors representing the government and employee representative Directors also receive no Directors' fees for their services as Directors. The Board of Directors submits the amount of Directors' fees to the General Shareholders' Meeting for approval. Directors' fees are allocated according to attendance at Board and Committees meetings.

1.18.7.3 EDF SHARE OWNERSHIP BY DIRECTORS AND CHIEF OFFICERS

The following table shows the number of EDF shares held by directors and chief officers at December 31, 2009:

	Number of shares in EDF
PROGLIO Henri (shares held directly)	51
CHABAUTY Christine (shares held through an employee investment fund – FCPE)	131
CROUZET Philippe (shares held directly)	200
FAUGÈRE Mireille (shares held directly)	106
GRILLAT Alexandre (shares held through an employee investment fund – FCPE)	583
LAFONT Bruno (shares held directly)	150
MAISSA Philippe (shares held directly)	39
MARIANI Pierre (shares held directly)	1
PESTEIL Philippe (shares held through an employee investment fund – FCPE)	467
VILLOTA Maxime (shares held through an employee investment fund – FCPE)	24

Messrs Abadie, Bezard, D'Escatha, Jay, Josse, Rignac, Sellal and Van de Maele hold no shares in EDF at December 31, 2009.

1.18.7.4 EXECUTIVE MANAGEMENT

Management of the parent company is the responsibility of the Chairman of the Board of Directors, whose full title is Chairman and Chief Executive Officer. Upon the proposal of the Board of Directors, Henri Proglio was appointed Chairman of EDF's Board of Directors by presidential decree of November 25, 2009.

From February 4, 2010, the members of the EDF group's Executive Committee (COMEX) are:

- **Henri Proglio**, Chairman and Chief Executive Officer;
- **Daniel Camus**, Group Executive Vice-President in charge of International Activities and Strategy;
- **Pierre Lederer**, Group Executive Vice-President in charge of Supply;
- **Hervé Machenaud**, Group Executive Vice-President in charge of Generation and Engineering;
- **Jean-Louis Mathias**, Group Executive Vice-President in charge of the coordination of French activities and Human Resources;
- **Thomas Piquemal**, Group Executive Vice-President in charge of Finance;
- **Bernard Sananès**, Group Vice-President, Communication and Public and European Affairs;
- **Alain Tchernonog**, Corporate Secretary;
- **Denis Lépée**, Secretary of the Executive Committee.

1.18.7.5 RULES APPLICABLE TO CHANGES OF BYLAWS

Under the French commercial code and article 20-4 of the bylaws, only an extraordinary general shareholders' meeting has the power to change the bylaws.

However, it is not entitled to increase shareholder commitments, except for operations resulting from reverse share splits carried out under the proper procedures.

Subject to the laws applicable to capital increases by capitalization of reserves, profits or issue premiums, the meeting can only validly take decisions if the shareholders present, represented or voting by correspondence own at least one quarter on the first call, and at least one fifth on the second call, of shares carrying voting rights. If this quorum is not met, the second meeting may be postponed to a date no later than two months after the date the meeting was initially called for.

Subject to the same requirement, decisions at the extraordinary meeting require a two thirds majority of shareholders present, represented or voting by correspondence.

INTERNAL CONTROL

The Chairman's 2009 report on internal control, and the Statutory Auditors' report, are sent to the Board of Directors at the same time as the management report.

1.18.8 EDF SA

Corporate financial statements at December 31, 2009

(in millions of Euros)	**2009**	2008
Sales excluding taxes	38,895	39,003
Operating profit	3,926	3,432
Profit before exceptional items and tax	3,994	284
Net exceptional profit (loss)	987	237
Net income	4,580	867

1.18.8.1 NET INCOME

The 2009 income statement is marked by a significant improvement in net financial income, due to reversals of impairment on financial assets amounting to €1,662 million (provisions on EDF International's investment securities, dedicated assets, foreign exchange losses on the pound sterling) against a €2,067 million increase in impairment in 2008.

The €750 million increase in exceptional profit in 2009 largely results from the transfer to Alpiq of drawing rights on the Emosson hydropower plant, in exchange for shares in the company for a value of €481 million.

Another factor was the European Court ruling of December 15, 2009 canceling the European Commission's decision of December 16, 2003 which had declared that EDF's non-payment in 1997 of income taxes on the utilized portion of provisions for renewal of French national grid facilities recorded under "grantor's rights" should be classified as state aid, and ordered its recovery by the French State.

This led EDF to record €191 million of financial income (corresponding to reimbursement of the interest paid for the period 1997-2004) and €507 million of tax income (corresponding to the principal) in 2009.

1.18.8.2 FIVE-YEAR SUMMARY OF EDF RESULTS

(EDF SA summary corporate financial statements)

	2009	2008	2007 (1)	2006	2005
Capital at year-end					
Capital *(in millions of Euros)*	924	911	911	911	911
Capital contributions *(in millions of Euros)*	-	-	-	-	-
Number of ordinary shares in existence	1,848,866,662	1,822,171,090	1,822,171,090	1,822,171,090	1,822,171,090
Number of priority dividend shares (with no voting rights) in existence	-	-	-	-	-
Maximum number of future shares to be created	-	-	-	-	-
By conversion of bonds	-	-	-	-	-
By exercise of subscription rights	-	-	-	-	-
Operations and results of the year *(in millions of Euros)*					
Sales excluding taxes	38,895	39,003	33,638	32,891	30,849
Earnings before taxes, employee profit sharing, depreciation and provisions	4,531	3,842	5,838	10,269	5,160
Income taxes	402	(346)	835	1,176	381
Employee profit share for the year	-	-	-	-	-
Earnings after taxes, employee profit sharing, depreciation and provisions	4,580	867	4,934	6,055	3,532
Earnings distributed	-	2,328 (2)	2,330 (2)	2,113	1,439
Interim dividend distributed	1,002	1,164	1,057	-	-
Earnings per share *(in Euro per share)*					
Earnings after taxes and employee profit sharing, but before depreciation and provisions	2.23	2.30	2.75	4.99	2.62
Earnings after taxes, employee profit sharing, depreciation and provisions	2.48	0.48	2.71	3.32	1.94
Dividend per share	-	1.28 (2)	1.28 (2)	1.16	0.79
Interim dividend per share	0.55	0.64	0.58	-	-
Personnel					
Average number of employees over the year	59,837	59,131	58,778	96,856	98,580
Total payroll expense for the year *(in millions of Euros)*	3,265	3,178	2,940	4,278	4,125
Amounts paid for employee benefits and similar (social security, company benefit schemes, etc.) *(in millions of Euros)*	2,025	1,917	1,737	2,420	2,827

(1) In 2007, distribution activities were transferred to a subsidiary.

(2) Including the interim dividend paid out.

1.18.8.3 PAYMENTS TO SUPPLIERS

Since December 1, 2008, the EDF group has applied the French law on modernization of the economy and settles supplier invoices within 60 days of the invoice date. Contracts with suppliers and invoice processing applications have been adapted accordingly.

Note 2 Social and environmental information

2.1 Social and environmental policy

2.1.1 Framework for EDF's sustainable development policy

The EDF group's environmental and social policy draws on the principles stated in its "Agenda 21"[(1)] and the United Nations Global Compact [(2)], which the Group joined in 2001. The Group has formally defined its action in a sustainable development policy which was updated in 2009 and is designed to address the relevant key issues, guided by EDF's ethical approach. This is reflected in an environmental policy focusing on climate change prevention and protection of biodiversity, a social policy promoting access to energy, promotion of energy eco-efficiency, local responsibility and contributions to energy-related education.

The Group's Sustainable Development policy is also being developed through specific commitments:

- in France, the Public Service Agreement signed with the French government;
- internationally, the EDF group Corporate Social Responsibility (CSR) agreement signed with employee representatives worldwide on January 24, 2005 provides the framework for formulation of objectives and action plans by signatory Group companies, which are monitored by the CSR dialogue Committee including members of the social partners;
- in the field of labor relations, EDF introduced a diversity promotion policy in 2006, and signed France's National Diversity Charter in September 2006. In October 2006, an agreement for socially responsible subcontracting was signed in connection with the CSR agreement, incorporating criteria of ethics and social responsibility into purchasing.

2.1.2 Implementation of social and environmental commitments

The Group has a Sustainable Development Department whose task is to stimulate, coordinate support and report on action by the operational divisions of EDF and Group companies for sustainable development commitments. The heads of sustainable development in the principal Group companies form a Sustainable Development Committee formed in late 2008, in charge of supervising implementation of Group policy, seeking coherence in the actions taken and respecting the independence of each member entity.

The arrangements for implementing and monitoring the CSR agreement are organized around an annual review and a Group-level Dialogue Committee.

Before being examined by the Commitments and Shareholdings Committee, major Group projects are reviewed to assess their exposure to the risk that sustainable development commitments may not be fulfilled.

Exchange and genuine dialogue with all stakeholders in its business are a key aspect of the sustainable development policy for the Group as a whole and each individual company. For EDF, this is achieved through consultation bodies local to generation facilities and industrial establishments (such as liaison and information Committees at the nuclear power plants) and partnerships with non-governmental organizations.

Centrally, in 2008 the Group continued dialogue with panels of independent advisors with relevant experience, specialized in a field related to issues of concern to the Group or representative of the expectations and interests of society in general. The Sustainable Development (SD) Panel is chaired by a non-Group member and plays a consultative role for the Group's orientations, providing critical appraisal of the implementation of its sustainable development commitments.

1. A program for action for the 21st century developed at the 1992 Earth Summit and adopted by countries that signed the Rio de Janeiro declaration of June 1992. The EDF group's Agenda 21 is available from its website: **www.edf.com.**
2. An international initiative by the Secretary-General of the United Nations, asking member companies to adopt, promote and implement ten universal principles on human rights, working standards, environmental protection and anti-corruption.

Sustainable development is also a commitment of transparency to stakeholders, and indicators are reported to the Board of Directors *via* the sustainable development report available online at **www.edf.com**. The indicators used are based on the criteria defined in the Global Reporting Initiative [1], the NRE [2] law and the Global Compact commitments. The Group is progressively rolling out a process to have the quality of these non-financial indicators verified and certified by the Statutory Auditors. For 2009, the statutory auditors issued a review report equivalent to a "moderate assurance" [3] opinion for the Group.The Group publishes Sustainable Development reports that are used as a basis for assessment by rating agencies and non-financial analysis departments acting on behalf of investors. Since 2005, EDF has been included in the ASPI index, an "ethical" index comprising 120 firms assessed on the basis of their sustainable development performance by the French CSR rating agency Vigeo.

2.2 Environmental information

2.2.1 Changes in regulations

Following the European Commission's presentation of its "Climate Package" on January 23, 2008 several laws were enacted in 2009 to achieve the three ambitious targets set by the European Union for 2020: a 20% reduction in greenhouse gas emissions, a 20% increase in energy efficiency, and a 20% proportion of renewable energies in energy consumption. These laws, published in the OJEU [4], principally comprise:

- directive 2009/28/EC on promotion of the use of energy from renewable sources;
- decision No 406/2009/EC on the effort of Member States to reduce their greenhouse gas emissions;
- directive 2009/29/EC amending the greenhouse gas emission allowance trading scheme;
- directive 2009/31/EC on the geological storage of carbon dioxide, which sets out the legal framework for this activity.

In France, the Grenelle Environment Round Table process initiated in 2007 made its first entry into legislation with the publication in France's Official Gazette (*Journal Officiel*) of August 5, 2009 of the law on implementation of the Round Table's decisions, known as *Grenelle 1*, covering a range of medium to long-term general environmental commitments and objectives (such as reducing greenhouse gases and improving energy efficiency).

The orientations and objectives fixed by the legislator will be put into action through the proposed law on the national commitments for the environment, known as *Grenelle 2*. The law was adopted by the French Senate on October 8, 2009 and is expected to come before parliament during the first quarter of 2010.

2.2.2 Environmental management system

The Group's entities use an environmental management system (EMS) with ISO 14001 certification, initially awarded in 2002 and renewed in 2008 for a three-year period. The EMS structure and documentation were simplified in 2006 in order to organize the initiatives, their objectives and the corresponding indicators according to the commitments in the Group's environmental policy, led by a Supervisory Board and groups focusing on specific themes. Half of the Group's contribution to profit sharing for EDF employees depends on the degree of achievement of EMS targets. EDF's 2008-2011 profit sharing agreement, signed in July 2008, contains 6 clearly-defined criteria for achievement of ethical, environmental and social objectives.

2.2.3 Environmental research

Through its "twelve challenges" [5], EDF's R&D also helps to address to the major environmental issues, namely:

- **keeping CO_2 emissions as low as possible** and helping to make France independent of fossil fuels for its energy needs, by optimizing the operating life of nuclear and hydropower plants, contributing to industrial emergence of renewable energies (solar power, geothermal energy, etc.) and developing efficient, low-carbon energy uses (such as heat pumps);
- **contributing to the safety of the electricity network,** by developing research for RTE into increasing transmission line transit capacities and optimizing the fleet of distribution assets;
- **integrating new technologies for better customer service** (smart meters, incorporating renewable energy into homes, etc.).

For example, in 2009, EDF's R&D developed, patented and tested on an EDF Énergies Nouvelles fleet an innovative surveillance system for predicting damage to windfarm blades. This system assesses in-motion warping through post-processing of video pictures filmed by a camera installed in the nacelle. Monitoring the flexion in comparable wind conditions makes it possible to alert the operator of possible incipient damage.

1. An association for the development of reporting standards.
2. French law on new economic regulation.
3. An intermediate level of certification expressing a conclusion as to the absence of significant error on a selection of indicators.
4. Official Journal of the European Union.
5. See section 1.17 Research and Development.

2.2.4 Contributing to the fight against climate change

Thanks to the high proportion of nuclear and low-carbon renewable energy (including hydropower) plants in its generation fleet, the EDF group is a low-CO_2/kWh energy producer and firmly intends to remain the leading operator in the combat against climate change and reduction of greenhouse gas emissions. It subscribes to the EU objective of a minimum 20% reduction in emissions between 1990 and 2020, taking into account the diversity of local energy situations. The Group's commitment in its Sustainable Development policy to remain, as a Group, the lowest carbon emitter among European energy utilities is achievable through optimized operation of existing generation facilities and a large-scale renewal of the fleet. The Group's strategy also involves helping customers to reduce their own CO_2 emissions by creating and promoting eco-efficient product offers and advice on rational energy use. Also being rolled out are a plan to reduce emissions from EDF's buildings and vehicle fleets, and an employee motivation program to encourage personal commitment to the fight against climate change. Each Group company will adopt its own specific strategy adapted from the Group strategy, as appropriate to its business and the energy environment in which it operates.

2.2.4.1 REDUCING CO_2 EMISSIONS IN THE GROUP'S INDUSTRIAL FACILITIES, PARTICULARLY GENERATING PLANTS

95% of EDF's electricity generation in France produces no CO_2 emissions, keeping the specific emission rate for 2009 to under 41 g CO_2/kWh, compared to the average of around 330 g [(1)] CO_2/kWh for neighboring European countries. The EDF group's worldwide specific emission rate was 117.1 g CO_2/kWh in 2009 (EDF estimate including emissions related to heat generation).

EDF has several ways to reduce its greenhouse gas emissions:

- in the short term, optimization of the generation fleet by improving operating performance, factoring carbon costs into ranking of generation facilities;
- in the longer term, adapting the generation fleet: renewing plants, protecting hydropower potential, developing renewable energies and downgrading the highest-pollution facilities.

One of the Group's strategic objectives is sustainable, profitable development of its involvement in renewable energies in Europe and throughout the world, by industrial control of mature techniques, technological innovation for newly-emerging techniques such as marine energies, and research programs to facilitate integration of renewable energies into the distribution and transmission network.

These developments concern generation facilities both centralized and decentralized (assisting customers in on-site energy generation). In 2009, EDF Énergies Nouvelles Réparties (EDF ENR), a subsidiary of EDF (50%) and EDF Énergies Nouvelles (50%) contributed to electricity generation using photovoltaic energy, by fitting customers with solar PV generators. EDF ENR's gross generation capacity on the business customer market crossed the 10 MWp mark.

In centralized generation, the Group has continued development through its subsidiary EDF Énergies Nouvelles, which expects to increase installed capacities in renewable energies, either independently or in conjunction with partners, to 4,000 MW by 2012 for all types of power, including 500 MWp of solar PV power.

EDF Énergies Nouvelles' first ground-mounted photovoltaic projects were developed in the south of France, due to the solar potential offered by the region. The solar farms at Sainte Tulle (5.2 MWp) and Manosque (4.1 MWp) came into operation in 2009. In view of the lower purchase costs for solar panels and that fact that purchase tariffs for the electricity produced are set by each individual region, EDF Énergies Nouvelles is seeking customers throughout mainland France. It has submitted a proposal in response to the call for tenders by the French Ministry for Ecology, Energy, Sustainable Development and the Sea to construct one ground-mounted photovoltaic installation in each of the country's 14 northernmost regions. The successful bidder will be announced in early 2010.

EDF EN also signed a strategic agreement in July 2009 with France Solar for construction of the largest thin layer solar panel factory in France. With annual output of more than 100 MWp a year, the factory will ultimately employ more than 350 people. EDF EN will provide half of the financing for the facility, and will benefit from its entire output for the first ten years of operation, for its own requirements. This agreement marks a key stage in the EDF EN's plans to become a leading operator in photovoltaic solar power, both in France and worldwide.

2.2.4.2 PROMOTING ECO-EFFICIENCY AND EFFICIENT USE OF ELECTRICITY TO CUSTOMERS

The solutions developed and marketed by EDF incorporate energy efficiency, use of renewable energies in buildings, and incentives for restraint in energy consumption.
They are organized around:

- demand side management (DSM) services: insulation, building renovation;
- development and intensive integration of new distributed energies into buildings for heat generation (heat pump, solar water-heaters, wood-burning stoves and fireplaces);
- management of the load curve to reduce or defer peakload CO_2–producing consumption;
- use of smart meters to optimize networks and carry out remote measurement services and actions that can reduce greenhouse gas emissions;
- options offered to customers to choose "green" energy producing no CO_2 emissions, or partly carbon-offset offers.

In Germany, EnBW is experimenting with two "smart grid" projects (MeRegio et MeRegioMobil).
The MeRegio project concerns regions with low-emission generation facilities, and comprises two major components:

- an intelligent meter that can inform customers of their electricity consumption;
- a distribution network that integrates information and communication technologies at transformer substations, for better real-time measurement of the state of the network.

1. Europe 15 in 2007 (source: International Energy Agency, October 2009).

This project is under development in a pilot area (Göppingen and Freiamt/Ettenheim in the Baden-Württemberg region), with 1,000 participants. In early November 2009, the first 100 customers could see their tariff and the real cost of the electricity displayed, hour by hour but also one and half days in advance.
These intelligent networks are reinforcing the flexibility of distribution networks, taking into consideration the increasingly variable customer demand and the increasingly complicated integration of power generated by decentralized plants using renewable energies. Another objective of the MeRegioMobil project is to provide a link between intelligent networks and development of electric vehicles.

2.2.4.3 REDUCING CO_2 EMISSIONS FROM OUR BUILDINGS AND BUSINESS TRAVEL

In addition to direct emissions by energy facilities, EDF is committed to reducing its diffuse emissions from office buildings, company vehicles and business-related travel, through the DSM program with Group employees (such as the Action Planète awareness raising campaign). Company Commuter Plans have been introduced in most of France and will be gradually rolled out to all Group companies.

The targets for reduction of diffuse emissions by the service buildings owned and leased by the Group fall into 5 areas:
- DSM actions adjusting the way installations are operated;
- optimization of surface occupation;
- renewal of owned buildings;
- use of the best available technology;
- application of energy performance contracts for all office locations under subcontracted management.

One illustration is the renovation of a 1960 EDF building in the Part-Dieu business zone of Lyon, which will be completed in 2010 after two years of work. This project aims to improve energy performances and obtain HQE [1] certification and the BBC [2] label. The new-look building will be a showcase for the Group's expertise in energy efficiency, with high performances achieved through:
- external insulation;
- heating and air conditioning by means of a ground water heat pump, associated with a system of radiant ceiling heating in the offices;
- a double flow ventilation system, which recovers heat from air extracted from the building and uses it to reheat new filtered air drawn from outside;
- office lighting using standard lamps that detect human presence and automatically adjust light levels;
- enhancement of external facades using light-emitting diodes (LED);
- rooftop solar power production covering approximately 100 m^2;
- a technical building management system for optimum supervision of installations.

2.2.4.4 MOTIVATING EMPLOYEES IN THE FIGHT AGAINST CLIMATE CHANGE

The success of the Group's internal Sustainable Development Awards, which received 538 applications for the third annual prizes in 2009, illustrates employee commitment to these themes.

Motivation is developed through a range of consciousness-raising campaigns with employees both at home and work, with sustainable development concerns incorporated into profit share incentives.

2.2.4.5 ADAPTING TO CLIMATE CHANGE

As climate change also has direct impacts on the physical environment in which generation, distribution and transmission are carried out, and on energy demand, the EDF group has a climate change policy expressed through specific action plans. It concerns current and future industrial plants, customer offers, production/consumption optimization, and R&D themes, organized around four aims:
- evaluating the impact of climate change (currently in operation and predicted) on installations and activities;
- adapting the installations where relevant to reduce their sensibility to extreme weather conditions;
- taking future weather and climate into consideration in the design of new facilities;
- improving resistance to changes and extreme situations that are more difficult to predict.

2.2.5 Controlling the environmental and health impacts of our activities and facilities, particularly with regard to biodiversity

As well as the concern to comply with regulations, EDF's environmental management system contains a commitment for constant improvement of practices and performances in public and environmental protection.

2.2.5.1 MANAGING THE DEVELOPMENT AND OPERATION OF NUCLEAR POWER PLANTS IN FRANCE

Nuclear energy is one response to the key energy issues of supply security, climate change and control of energy costs, because it can simultaneously meet energy needs and sustainable development concerns. However, the acceptability of nuclear energy varies across the countries in which the group operates, and in addition to its duties as operator to deliver top-quality management, EDF must be prepared to stand alongside the relevant authorities and answer questions raised on the nuclear component of the energy mix. It must also be well aware of all aspects and impacts of nuclear energy from extraction of uranium and matters of mineral resources to concerns over decommissioning and waste management.

Plant safety in the course of operation is the top priority for the EDF group. It is taken into consideration from the initial design stage, and is regularly monitored, together with implementation of a personnel motivation policy and large-scale investment programs. Regular nuclear safety inspections are carried out both by external and internal bodies. External inspections of the safety of nuclear facilities in France are carried out by the French nuclear safety authority ASN [3].

1. *Haute Qualité Environnementale* – high environmental quality.
2. *Bâtiment Basse Consommation* – low consumption building
3. *Autorité de Sûreté Nucléaire* – Nuclear Safety Authority (an independent administrative authority).

Events are classified on a scale of 1 to 7, with 7 being the most serious (the INES – International Nuclear Event Scale). Those of no consequence for nuclear safety are classified as "discrepancies" or level 0 events. In 2009, one level 2 event was registered: on December 2, 2009 after heavy rain, the water supply to the cooling system for generation unit 1 at Cruas-Maysse became obstructed with vegetation debris. Plant safety was assured at all times and this event had no effects on the environment.

The average number of level 1 events in 2009 was 1.2 per reactor, and the average number of unclassified events (level 0) was 9.3 per reactor. Safety results over the last five years are stable overall.

RADIOACTIVE EFFLUENTS

Management of gas and liquid radioactive discharges by the nuclear plants is governed by strict regulations and the Company's ambition to limit the environmental and health impacts of its installations, reaffirmed in the Group's environmental policy. In terms of radioactive emissions, plant performance depends not only on the efficiency of effluent processing systems, but also on operating practices.

The action taken in plant design and operation has brought radioactive gas and liquid discharge to a very low "minimum" level. From 1990 to 2002, while already well below the regulatory limits, EDF reduced its liquid emissions (excluding tritium and carbon-14) by a factor of 25. Subsequently, liquid emissions were halved between 2002 and 2008. Environmental measurements taken by the operator are monitored to confirm that running the installations has no impact. These controls are supplemented by sampling and measurements carried out by external laboratories and universities through radioecological and hydrobiological campaigns, which confirm the lack of impact.

Chemical waste campaigns are designed to improve control of effluents, similar to the efforts deployed for radioactive effluents. Special attention is paid to water cooling circuits due to the volumes of discharge involved. Biocides are used to control the spread of micro-organisms in the water contained in these circuits.

NUCLEAR WASTE

Radioactive waste is listed with its location, and these data are published and regularly updated by the French national agency ANDRA[1]. Four industrial principles govern management of this waste: limiting quantities, sorting by nature, stable conditioning, isolation from humans and the environment.

Limited quantities of radioactive waste are produced: 1 MWh of nuclear electricity (equivalent to monthly consumption by 2 households) generates some 11g of radioactive waste, 90% of which is short-life waste. In 2009, 1,101.63 tonnes of spent nuclear fuel were removed from EDF's generation sites.

EDF applies a strategy of gradually increasing the performance of nuclear fuel, with the objective of raising the energy output of fuel by increasing the combustion rate and optimizing operating cycles to improve nuclear plant availability, while allowing for shutdown schedules in line with seasonal variance in demand.

EDF's current strategy for the nuclear fuel cycle is to process and recycle spent fuel. Given the options available, this means that approximately 850 tonnes of spent fuel from the total fuel consumption of approximately 1,200 tonnes are processed each year. Combined with an improvement in fuel output, this strategy ensures that at existing levels of industrial flexibility, the quantities of spent fuel awaiting reprocessing remain in line with the capacities of storage pools.

To ensure that future generations will not have to bear the cost of managing spent fuel and decommissioning nuclear plants, EDF sets aside provisions and is progressively building up dedicated assets to cover these provisions. In 2009, provisions for decommissioning and last cores amounted to €20,352 million, and provisions for the back-end nuclear cycle €18,573 million. The price per kWh thus includes all expenses related to this obligation, *i.e.* the cost of managing long-life waste and the cost of plant decommissioning and current waste conditioning.

2.2.5.2 MANAGING THE IMPACT OF FOSSIL-FIRED POWER STATIONS IN FRANCE

The growing proportion of renewable energies in the mix of energy generated in all countries, and the inclusion of nuclear energy where acceptable, should lead to an overall reduction in use of fossil energies (coal, oil and natural gas), and the use of conventional fossil-fired power plants. These energies nonetheless remain important, including in France where nuclear energy and hydropower are predominant. Fossil-fired plants still have an essential role to play in the real-time balance between electricity generation and electricity consumption, and provide the means to respond rapidly to fluctuations in demand and unforeseen peaks in consumption throughout the year and in cold spells.

The environmental performances of fossil-fired plants have shown constant improvement in response to the stricter requirements introduced in successive revisions of the applicable regulations. Investment programs incorporate the requirements for improvement of air quality and reduction of atmospheric emissions. They also refer to the regulations on greenhouse gases, taking into consideration security of supply and the cost of fossil fuels.

All the measures introduced (installation of flue gas denitrification systems, reinforced dust capture equipment, changes of fuel, optimization of combustion, etc.) have significantly reduced specific emissions and the overall level of sulfur dioxide (SO_2), nitrogen oxide (NO_x), and dust produced for the same electricity output quantity, in line with the two deadlines for application of the LCP directive set at January 1, 2008 and January 1, 2016.

1. *Agence nationale pour la gestion des déchets radioactifs.*

The renovation and adaptation programs for existing fleets are continuing with new investments, implementing best in class technologies for energy efficiency, combustion and decontamination techniques (supercritical coal in Germany, CCG plants in France, Italy and the United Kingdom).

Since the DeNOx [1] plants were commissioned in 2007 and 2008, atmospheric emissions have fallen considerably. Further plant modernization and use of better-quality fuel (oil with very very low sulfur content and solid residues) are contributing to the ongoing reduction in emissions.

In 2009, the operating licenses for all fossil-fired plants were renewed in compliance with the EU's IPPC Directive. Other important events were:

- industrial commissioning of combustion turbines at Vaires-sur-Marne, using the Best Available Techniques for reduction of atmospheric emissions (SOx, NOx, dusts);
- installation of new depollution equipment (principally a denitrification system) in the most powerful coal-fired plants (Cordemais and Le Havre);
- incorporation of staging techniques for boiler combustion to reduce NOx quantities of at Bouchain (one unit) and La Maxe (2 units).

EDF estimates that these measures have cut NOx emissions by its fossil-fired fleet by some 30%-35% since 2007. Under the Group's sustainable development policy, volumes of SOx, NOx, and dusts produced by this fleet will be at least halved between 2005 and 2020.

EDF has also entered into partnerships with industrial entities that reuse its waste, such as the gypsum produced by flue desulfurization, which is used in plaster manufacturing, or the ashes produced by coal combustion, which are used as an additive in concrete and cement for road surface products or filling.

2.2.5.3 MANAGING THE IMPACT OF HYDROELECTRIC FACILITIES

The EDF group has for many years attached great importance to strengthening its role in water management, developing its knowledge of ecosystems and the way they operate, and reducing the impact of its industrial plants on the environment through guaranteed continuity in the ecological and sedimentary environment.

The tenders for renewal of concessions for hydropower development in France have led operators including EDF to define operation methods that can bring further improvements in the balance between energy generation, other uses of water and respect of the environment, particularly through coordinated management using catchment feeding (*i.e.* coordinated management of hydropower plants along the same waterway).

Finally, for plant safety a full check-up of each of the 150 large dams is carried out every ten years, together with a drain-down or a structural inspection using underwater equipment. These operations are carried out under strict control by State departments (DRIRE [2] and STEEG [3]). In 2009, EDF carried out 16 of these ten-year dam inspections.

2.2.5.4 CONTROL OF OTHER IMPACTS

SOIL POLLUTION

The Group's industrial activities can cause soil pollution. EDF addresses these question for all Group real estate assets in four stages: identification of real estate sites completed for EDF, identification of sites potentially affected by pollution, analysis of soil samples from the potentially polluted sites, beginning with the sensitive areas which are placed under supervision to control sources of pollution and develop a management plan, and lastly rehabilitation where relevant in compliance with the future use and regulatory requirements.

ASKAREL TRANSFORMERS

European directive 96/59/EC of September 16, 1996 requires an inventory of equipment containing PCBs and PCTs [4], together with a national plan for decontamination and the gradual elimination of these substances, which are principally contained in certain electricity transformers and condensers. Decontamination of equipment containing these substances must be completed by December 31, 2010.

At ERDF, in line with the year's objectives, 15,135 transformers were eliminated in 2009, and 25,000 are to be replaced in 2010. The 2001-2010 plan estimated the number of askarel transformers at 64,500.

CONVENTIONAL INDUSTRIAL WASTE

EDF prepares an annual review of management of conventional industrial waste produced by generation and research activities in the previous year. For 2008 (report published in 2009), the actual recycling rate for all conventional industrial waste produced by generation and engineering activities in mainland France (excluding fly ash and gypsum, which are fully recycled) was 68.4%.

2.2.5.5 MANAGING EMERGENCIES AND URGENT THREATS TO THE ENVIRONMENT

To control the risks of industrial accidents with consequences for the natural environment and/or public health, each Group company identifies potential events with environmental impact, manages the emergencies that may result and carries out the corresponding crisis drill exercises. Emergencies are handled through a centrally-organized procedure involving Group Management, and the necessary information is supplied to the administrative authorities and the media. Intervention processes are regularly reviewed and improved as relevant.

2.2.5.6 CONSERVING BIODIVERSITY

Ever since its first generation facilities began operation, EDF has been committed to developing knowledge of their impacts and introduction of evasive or compensatory measures such as restoration of major migration channels for fish, with particular investment in research and design for fish ladders.

1. A system to reduce nitrogen oxide.
2. *Direction Régionale de l'Industrie, de la Recherche et de l'Environnement* – the regional industry and environment department.
3. *Service Technique de l'Énergie Électrique et des Grands Barrages, au sein du ministère de l'Économie, des Finances et de l'Industrie* – the technical service for electric power and large dams, attached to the French Economy, Finance and Industry Ministry.
4. Polychlorinated biphenyls (PCBs) and polychlorinated terphenyls (PCTs).

Given the pace of change in regulations, several actions have been taken across all EDF group entities in favor of unspoiled areas and wild species. With the launch by the Group's Sustainable Development Committee in 2009 of a Biodiversity working party led by EnBW, a methodology has been developed for determining the biodiversity profile of each Group company, and a shared biodiversity management approach has been introduced through a ISO 4001 management system.

EDF works in collaboration with NGOs, universities and research laboratories. In 2009, the charity EDF Diversiterre joined the Tara Oceans expedition to advance understanding of marine ecosystems and biodiversity, and discover more about the oceans' key roles in carbon lock-in and climate change mechanisms.

One example of EDF's active involvement relates to the new Dunkirk methane terminal located at Clipon beach, which provides a habitat for several endangered species, including the little tern. The project managers EDF and Dunkirk port authorities have sought from the outset to keep environmental impacts to a minimum: the terminal plans have been adjusted, and nesting islets, wetlands and dune ecosystems have been incorporated.

EDF communicates its commitment to biodiversity to the general public, school groups and local government representatives though projects such as its involvement in the 2009 edition of the French event *Fête de la nature*.

2.3 Company information

2.3.1 Corporate social responsibility

2.3.1.1 BACKGROUND AND OBJECTIVES

The human resource measures initiated by EDF in continued in 2009: staff were hired and skills were renewed while growing investment in France, and the measures negotiated as part of the pension reform (additional Group pension plan, welfare benefits, etc.) were put into practice.

EDF was subject to tensions and industrial action in the spring of 2009 as demands over buying power levels were voiced across France. Social dialogue remained unbroken, and more than 20 agreements were signed in 2009 at different levels (operational divisions in France, subsidiaries and the Group). In particular, the Corporate Social Responsibility Agreement signed in January 2005 was renewed in 2009.

In 2009, EDF also defined its Human Resources ambition at Group level for the first time. This ambition was presented to the Board of Directors on June 24, 2009, and comprises three priority areas:

- to develop skills, a key issue for the coming years;
- to foster long-term employee commitment, with constant concern for health and safety, quality of life in the workplace and recognition of the importance of each individual;
- to introduce greater diversity and strengthen the Group's shared culture.

2.3.1.2 IMPLEMENTATION OF THE CORPORATE SOCIAL RESPONSIBILITY AGREEMENT

Extending EDF's CSR agreement signed in 2005, a new agreement was signed with all social partners in January 2009 for a 4-year period. A review of the first CSR agreement, showed that action had complied with commitments undertaken, particularly in anti-discrimination measures, support with industrial restructuring and employee profit sharing. The new agreement strengthens these commitments, especially regarding subcontracting, the fight against climate change and biodiversity. In 2009, in liaison with the management, the Worldwide dialogue Committee examined six themes in greater depth: career paths, advance planning and social support for industrial restructuring, anti-discrimination, subcontractor relations, vulnerable customers and information sharing and social dialogue.

2.3.1.3 SOCIAL RESPONSIBILITY POLICY TOWARDS SUPPLIERS AND SUBCONTRACTORS

The agreement on "socially responsible subcontracting at EDF" signed with three unions in October 2006 is one expression of the Group's CSR agreement. For subcontractors and their employees this agreement is a guarantee that their work for EDF will take place in optimum employment, qualification, working and health and safety conditions, and in full knowledge of the risks inherent to the activities exercised.

The monitoring Committee for this agreement was set up in 2007 and meets twice yearly, with the participation of signatories and representatives of EDF's various businesses. During the three years of its existence, several types of action have been implemented across all those businesses, for example:

- improvement of reception and working conditions for subcontractors on the nuclear and fossil-fired generation sites;
- concerted action with outsourcers in the nuclear business, to increase the sector's attractiveness and develop appropriate training;
- awarding "socially responsible" labels for service providers in customer relations centers;
- a "Sustainable Development Charter between EDF and its suppliers".

Environmental, social and corporate criteria are also incorporated into purchasing strategies (assessment of supplier skills and feedback), starting from the initial development of specifications developed in close collaboration with the business activities using outsourcers. The charter is integrated into the general terms and conditions and must be signed by all suppliers doing business with EDF. This charter sets forth reciprocal commitments including:

- conduction of "sustainable development" audits at the premises of suppliers and service providers to ensure these commitments are respected;
- integration of social responsibility criteria in forming the panel of suppliers and collecting feedback after completion of services;
- inclusion of modules concerning socially responsible subcontracting in training for purchasers, advisors and actors in the purchasing process.

In 2009, a program of 54 sustainable development audits was executed, based on the standards contained in SA 8000 and ISO 14001 concerning EDF suppliers established outside France.

2.3.1.4 JOBS, SKILLS AND TRAINING

Given the large number of employees retiring and the Group's expansion plans, EDF needs to renew its highly skilled staff in several core areas (generation, engineering and distribution).
Management of skills is a crucial issue for the group as it operates in such highly technical industries. Training, alongside recruitment and mobility, is an essential factor in renewal of skills, ongoing adaptation to changes in the activities, and career patterns.

In nuclear activities for example, the "Nuclear Academies" program trained more than 1,400 people (new recruits, apprentices and staff in retraining) in 2009 across all the Nuclear Energy Generation Centers.

Meanwhile EDF is pursuing its broad redeployment program transferring personnel from degrowth activities (the central functions and tertiary services) to the core activities.

EDF and ERDF intensified their efforts to take on more young trainees, with more than 4,000 young people hired on apprenticeship or training contracts, in line with the target set for 2009. In parallel, campaigns were undertaken for new recruit "mentors" (training, leadership, sharing experiences, recognition of their role, etc.).

In a very competitive job market, EDF reinforced communication to recently-qualified candidates on the "employer brand" and the recruitment methods were modernized, with a dedicated website and job offer "alerts".

EDF also developed closer relations with higher education institutions and universities, attending campus forums and conferences and organizing student tours of generation sites. The "campus energies" network set up in 2008, made up of 250 EDF staff members in contact with universities and engineering, business and management schools, continued in 2009.

In October 2009 the third annual "Energy Day" recruitment fair gave more than 2,000 students and recent graduates from engineering schools and universities the chance to meet and talk to group managers, and find out about jobs and career opportunities in the EDF group.

2.3.1.5 EQUAL OPPORTUNITIES AND DIVERSITY

Article 5 of the Group's CSR agreement addresses the prevention of discrimination, respect of diversity and promotion of equal opportunities, questions covered in commitments signed by the Chairman in 2006. EDF has an anti-discriminatory practice policy which was reviewed with union organizations in 2009: it involves programs to raise awareness in managers, HR directors and employees, action plans for populations likely to be victims of discrimination (*e.g.* women, disabled people), themed studies and testing of recruitment processes, and a procedure for handling complaints made internally or to France's equal opportunities and diversity body, the HALDE.

Since 2008, a "diversity day" is held annually across the Group to promote diversity and fight all kinds of discrimination, with a large number of special events for all the company's activities, at central and local sites.

In France, the age and nationality restrictions on employment with EDF, as set forth in the company's bylaws, were removed by the decree of July 2, 2008.

Under the new three-year agreement signed by EDF on February 25, 2009 for inclusion of disabled employees, the company reaffirmed its commitment to hire at least 4% of disabled people. 144 disabled employees were hired in 2009 by EDF and ERDF. EDF is also running a voluntary campaign to hire several dozen young disabled people on block release training (41 were recruited in 2009 at EDF and 13 at ERDF).

EDF is also continuing its policy of purchasing from the protected sector, with an annual objective of €7 million of purchases for 2009.

EDF signed a second agreement for gender equality in the workplace on December 21, 2007, with commitments on six themes: long-term change in mentalities, promotion of a gender mix in the workplace and in recruitment, equal career opportunities, equal training opportunities, consideration of working hours and conditions, and the work/life balance. The signatories have undertaken to eliminate pay inequality between men and women as soon as possible, with the final deadline set at December 31, 2010. Pay equality between the genders was broadly achieved in 2009 (difference below 1%).

The Group is committed to a new movement for older employees. 8% of EDF's workforce is aged 55 and over, and 32% is 50 or over. In compliance with French legislation, negotiations began in the final quarter of 2009. As no agreements with the unions existed, an action plan was established and presented to the Central Works Committee in December 2009. It will be rolled out in 2010 with the aim of helping employees aged 55 and over to stay in work and improve their working conditions.

2.3.1.6 HEALTH AND SAFETY AND QUALITY OF LIFE IN THE WORKPLACE

In a period of considerable change for the Group, the Health and Safety Delegation (*Délégation Groupe Santé Sécurité* – DG2S), set up in March 2008, supervises the shared values defined by the Group, assesses the results of action taken and organizes dialogue between entities and the rollout of best practices.

EDF's health and safety policy initially drawn up in October 2003 was reviewed and a new version signed in March 2009. Changes in the work environment, new forms of jobs and longer working lives have brought out new concerns requiring reorientation of the policy, which results from cross-disciplinary dialogue between the actors concerned (management, experts, doctors, employee representatives). It is underpinned by respect for the individual, a value it places at the core of organizations.

In France, late 2008 saw the creation of a genuinely interdisciplinary social dialogue group for health and safety at work, the *Conseil national de santé au travail*, which met three times in 2009.

A "National observatory of quality of life in the workplace"[1] was also set up in 2007. It is a forum for dialogue between doctors, managers, social partners and external experts and has held six meetings since it was formed. The Observatory monitors working conditions, commissions studies and issues recommendations. In 2008, it recommended introducing an EVREST (*Évolutions et Relations en Santé au Travail*) system at EDF, to give the company crossed indicators on health and work. The first data should be available in 2010.

On the question of industrial accidents, EDF has undertaken wide-scale prevention and training efforts for more than ten years, achieving a very significant reduction in the rate of industrial accidents causing sick leave. With a frequency rate of under 5 (3.4) for the seventh consecutive year, the 2009 results place EDF among Europe's safest electricity operators.

OCCUPATIONAL DOSIMETRY

The average annual collective dose of all workers, employees of both EDF and outside companies working in the power plants, has been halved in less than 10 years. In 2009, the average collective dose was 0.69 mansieverts (mSv) per reactor per year, comparable to the average levels recorded by German, Japanese and US operators for reactors using the same technology (pressurized water). This is close to the 2008 result (0.66 mSv) despite the greater volume and duration of maintenance work in 2009 during reactor outages. EDF is continuing its efforts to reduce individual doses from exposure to radioactivity to below the regulatory limit. In 2009, the maximum number of EDF employees and external contractors registering a 12-month individual annual cumulative dose of over 16 mSv (but below the legal annual limit of 20 mSv) was 10, in January 2009 (14 in 2008, 20 in 2007). This number varies between 2 and 10 persons over a rolling 12-month period, and none of those concerned registered a dose higher than 18 mSv.

In 2009, the Horus Group company END, which is a service provider to EDF, declared one significant level-2 incident to the Nuclear Safety Authority in compliance with the applicable regulations. The incident occurred at the Flamanville site during an X-ray check. One employee of an external firm hired to check solders was exposed to a dose of 4.8 mSv, which is less than one quarter of the annual legal limit. Thanks to his individual protective equipment and a quick reaction by colleagues, the period of exposure was limited. At EDF's request, the firm employing the person concerned has introduced additional safety and training measures for all persons working at EDF. This action plan was presented to EDF and the French nuclear safety authority, which considered it satisfactory.

To continue improvement in dosimetry results, the quality of the radioprotection culture must be raised to the same level as the safety culture.

2.3.1.7 SOCIAL DIALOGUE

Social dialogue has been developed since 2004 through collective negotiation for social agendas. The 3rd "social agenda" for the period 2008-2010, signed in 2008 by the CEO of EDF and all five unions, provides for consultation and negotiation in three areas:

- new prospects for employees' careers;
- overall remuneration and protection of employees;
- organization of working hours and quality of life in the workplace for employees.

In 2009, more than 20 agreements were signed at group level (the new CSR agreement), at the level of EDF for example (agreement of February 25, 2009 for integration of disabled employees, agreement for a welfare system, additional pension, additional pension savings plan, etc.), and at the level of the different businesses (agreements at the Nuclear Generation Division, the Engineering Division, etc.).

Social dialogue has never broken down, even during the industrial action of spring 2009.

The European Works Committee, set up in 2001, is consulted on the Group's major policies and is particularly informed of the Group's economic, financial and social strategies. The Committee met three times in 2009 to discuss the consolidated financial statements, the consequences of EDF Energy's takeover of British Energy and the impacts of the TREFLE project in Poland.

An agreement to form a Group Committee for France was signed on September 1, 2008 with all union organizations. This new framework for dialogue covers all the EDF group's 14 companies (including RTE and ERDF), providing a place for exchange of opinions on the Group's strategy and prospects in France in economic, financial and social matters. This Group Committee met twice in 2009.

2.3.1.8 SPECIAL PENSION SYSTEM FOR THE ELECTRICITY AND GAS INDUSTRIES (IEG) IN FRANCE

The IEG pension reform came into force on July 1, 2008, and the main support measures for the changes were applied during the year 2009.

They principally concern:

- mandatory sector-specific complementary welfare provision (life insurance, education allowance), which came into effect on January 1, 2009;
- the additional pension scheme introduced by the EDF group in application of the sector-specific agreement of February 21, 2008 (plus an agreement on shift bonuses), which also came into effect on January 1, 2009;
- the group's collective pension fund plan (*Plan d'Épargne Retraite Collectif* – PERCO) for French companies, introduced at EDF on September 21, 2009. The financing arrangements for the additional pension and the additional contribution made on employees' behalf under the PERCO plan are determined separately for each IEG company.

Negotiations concerning the way the system will take into consideration the specificities of different businesses were completed in late 2009.

The resulting agreement can be signed until the end of February 2010.

1. *Observatoire national de la qualité de vie au travail.*

2.3.2 The EDF group's social policy

In 2007 the EDF group defined its social policy, which is an integral part of the Group's sustainable development policy. It is designed to create and enhance ties with all external stakeholders, and optimize and strengthen communication with vulnerable customers and populations. The principles of the policy comply with the UN Global Compact and are taken up in the corporate social responsibility (CSR) agreement.

The three main strategies of the social policy are:
- to facilitate access to energy and eco-efficiency;
- to develop and sustain links with communities where EDF works;
- to support education on the major energy issues.

In late 2007 and late 2009, EDF illustrated its social policy by releasing two booklets presenting more than 80 social measures for responsible contribution. The next three paragraphs describe some examples focused on three main issues.

2.3.2.1 ACCESSIBILITY TO ENERGY AND ENERGY ECO-EFFICIENCY

EDF goes beyond its regulatory obligations in its action for vulnerable customers.

- In France, 8 million people live below the poverty threshold (INSEE 2006), and the charity Fondation Abbé Pierre estimates that 5 million do not have stable access to energy. EDF has a range of measures to help people in this situation:
  - to facilitate access to energy, EDF participates in mediation bodies providing information and assistance for prevention and resolution of difficulties encountered by local residents. This brings EDF closer to a section of its customer base, offers opportunities to advise customers on energy usage, and facilitates recovery of energy debts. At December 31, 2009, EDF was involved in more than 100 mediation points across France (compared to 84 one year earlier);
  - in Guyana, EDF is developing electrification and working on network security, particularly for "interior communities", whose territories are scattered widely across an inaccessible area without roads, communications, industrial facilities or services. Local diagnoses have been carried out with all stakeholders (including government departments, elected officials, the authorities granting concessions, village chiefs, Ademe French Environment and Energy Management Agency, and the Amazonian natural park). More than 10 non-interconnected sites, home to 3,000 to 5,000 people, will have electricity by 2012.
- In the United Kingdom, EDF Energy is continuing its Energy Assist plan to provide vulnerable customers with tariff reductions, advice on saving energy, and help in identifying the benefits and assistance available to them.
- In certain developing countries, the Group has operated an energy access program since 2001. In rural areas remote from electricity networks, this program creates small energy-related service companies that cater to families and small-scale economic activity (in Morocco, Mali, and South Africa). By the end of 2009, these companies were providing energy services to approximately 325,000 people.

  Launched in 2002, the program carried out jointly with KES in South Africa uses photovoltaic kits to provide energy services to 45,000 people in KwaZulu-Natal province. The aim defined by KES in 2007 is to serve 250,000 people by 2012, by extending business to the neighboring province of Eastern Cape (13,000 people were connected by the end of 2009).

  In line with its policy to aid rural electrification, EDF is organizing the transfer of its shares to local partners. EDF has been preparing for this since 2008, by identifying and selecting the South African company Calulo. Calulo meets the requirements of the Black Economic Empowerment initiative and will gradually take over from EDF.

  Under a similar plan to transfer business to local actors, EDF sold its investments in two companies in Mali (one in late 2008, the other in mid 2009) while continuing to provide support for personnel training and business development.

2.3.2.2 DEVELOPING AND SUSTAINING LINKS WITH COMMUNITIES WHERE EDF WORKS

The EDF group wishes to contribute to the economic and social development of the areas where it works, with particular focus on helping the unemployed back to work.

- In France, EDF signed an agreement in November 2008 with the Alsace Regional Council for sustainable development in the region. The "Énergie Alsace" program covers all the Group's regional entities (Électricité de Strasbourg, the Fessenheim nuclear power plant, the hydropower plants along the Rhine, EDF Sales Division) and focuses action on the following themes:
  - economic and social (modernization of the Fessenheim nuclear power plant, investment by EDF in the regional development bank SODIV, support for expansion of the green economy, primarily through a specialist micro-credit fund set up jointly with the ADIE (NGO for the right to economic initiative) to provide financing for "green" companies, raising awareness of sustainable development, introduction of a high school diploma with a special option in nuclear maintenance, and more);
  - environmental (support for thermal renovation in public and private buildings, for instance renovation of 50 homes to equip them with low-energy heating).
- In jobseeking support in France, EDF and ERDF aim to offer 1,000 people an opportunity to gain experience and qualifications by 2012. EDF also has special programs to train young people, particularly those who have difficulty in entering block release schemes. Its "Trait d'Union" campaign set up by the Sales Division is active in helping young people to gain work and qualifications in customer advice positions. By the end of 2009, 160 young people (11 intakes) had benefited from this system since it began in late 2006. 73% of them had achieved qualifications equivalent to the high school diploma, and 60% had found a permanent job.
- In France, in Chambéry, the TIRU Group, an EDF subsidiary specializing in recycling of household waste as renewable energy, and fellow company Trialp set up Valespace, providing all-round support to help the most vulnerable people construct a career plan and find work. About 70 people are hired each year as sorting staff.

- In Poland, in Krakow, EC Krakow has special measures to encourage employment of the disabled (hiring disabled people, adapting premises, purchasing to companies employing people with disabilities, placements for disabled students, etc.).
- As vectors for entry to the workplace, EDF promotes socially responsible purchasing through its sustainable development policy, but also in its three-year agreement for inclusion of disabled workers (annual objective of €6 million of purchases to companies employing people with disabilities) and in the socially responsible subcontracting agreement. These purchases are contracted with bodies that are major actors in social integration.

  As part of a plan to increase purchases from the work integration sector (which totaled €2 million in 2008), in line with the national plan for Integration roadmap (*Grenelle de l'Insertion*), EDF is reinforcing relations with stakeholders in the sector. In 2009 it was a partner in the Autumn workshop held by the National Committee for Work Integration firms (CNEI).

2.3.2.3 SUPPORTING EDUCATION ON THE MAJOR ENERGY ISSUES

EDF is developing programs to educate people on the major energy issues such as power consumption reduction and respect of the environment.

These programs are designed for a range of target audiences (schools, local authority employees, businesses, EDF employees, etc.).

- In France, EDF has set up the website "*Énergie Sphère*" to inform young people and provide a discussion forum on the theme of energy. The site has videos, articles, events and games to find out all about energy: how it is produced and its impact on the environment and climate change. All young users of *Énergie Sphère* can express their opinion and suggest subjects to be covered. The site contains recommendations for habits and action that will make for more efficient use of energy in everyday life.
- In the United Kingdom, EDF Energy has created a web portal that contributes to children's education on environmental issues (www.jointhepod.org). This project was supported by the European Eco-schools program and the British NGO Eden Project, and aims to have raised the awareness of 2.5 million children by 2012.
- In Asia, the EDF group has produced a book to teach children about electricity, emphasizing good uses and safety precautions. More than 100,000 copies of the book have been distributed in China, Thailand, Vietnam and Laos in areas where the EDF group is constructing generation facilities.

2.3.3 The public service in France

LEGAL DEFINITION OF PUBLIC SERVICE IN FRANCE

The public electricity service is defined in articles 1 and 2 of French law 2000-108 of February 10, 2000 on the modernization and development of the public electricity service.

THE PUBLIC SERVICE AGREEMENT (*CONTRAT DE SERVICE PUBLIC*)

A public service agreement between the French State and EDF was signed on October 24, 2005 in application of article 1 of the law of August 9, 2004. The agreement defines the respective commitments of EDF and the French state for the period 2005-2007, and sets out the terms of financial compensation for these public service commitments. It will remain in force until a new agreement is signed, as stipulated in its own provisions. A new agreement is currently under negotiation.

PURPOSE OF THE PUBLIC SERVICE AGREEMENT

This agreement is the framework agreement for the public electricity service mission conferred on EDF and its regulated subsidiaries in the open electricity market in France.

MULTIYEAR EVOLUTION OF ELECTRICITY SALES TARIFFS

In accordance with article 1 of the law of August 9, 2004, one of the commitments under the public service agreement concerns the multiyear changes in electricity sales tariffs. Under article 4 of the law of February 10, 2000, regulated sales tariffs must cover "all costs borne [...] by EDF and non-nationalized distributors."

Within this framework, the French government and EDF agreed in the public service agreement on the need to progressively modify the integrated sale tariffs such that the general structure of sale tariffs and the structure specific to certain tariff options reflects the structure of costs.

Electricity sales tariffs were raised on August 15, 2009. This rise complies with the public service agreement signed by EDF and the French government on October 24, 2005, which guarantees that the rise in electricity tariffs for residential customers will not be higher than inflation for the first 5 years after signature of the agreement.

COMMITMENTS OF EDF (EXCLUDING NETWORK OPERATORS)

EDF's public service commitments relate to:

- access to the public electricity service and supply of electricity to customers who have opted to stay with the regulated tariffs. This primarily entails an obligation to:
  (i) supply electricity to customers who have opted to stay with the regulated tariffs and demand–side management. These duties are financed by the integrated tariff,
  (ii) promote social cohesion. The conditions to receive compensation for costs related to this mission *via* the financial public contribution CSPE (*Contribution au service public de l'électricité*) and the integrated tariff are defined in the law of February 10, 2000,
  (iii) provide access to the public service. This is covered by the integrated tariff and the TURPE network access tariff;
- generation and supply, including an obligation to:
  (i) implement an energy policy (programming investment over several years and helping reach targets; demand-side management, energy saving certificates, etc.),
  (ii) continue generating electricity safely while protecting the environment:
- EDF has provided the resources necessary for these two missions through revenues derived from the integrated tariff or electricity sales prices for electricity supplied to customers that have exercised their right to change suppliers, or on the market;
- contribution to the safety of the electricity network: EDF has undertaken to enter into agreements with RTE-EDF Transport, primarily covering optimization of work on generation facilities and the availability of resources necessary for network balance.

COMMITMENTS OF NETWORK OPERATORS

The network operators ERDF and RTE have made commitments through the public service agreement concerning management of public networks and the safety of the electricity system. These commitments are financed by the TURPE network access tariff. They mainly concern network safety, quality of supply, safety of third parties and protection of the environment: four areas where the identified expectations of customers and local authorities are particularly high.

MONITORING OF THE PUBLIC SERVICE AGREEMENT

The public service agreement signed in 2005 between the French government and EDF is reviewed annually by the parties and is also subject to a 3-year review, as stipulated in the agreement itself. A review for the period 2005-2007 was drawn up for the government, and EDF establishes an annual review report on its commitments. EDF, ERDF and RTE-EDF Transport are working with the State to prepare a new public service agreement.

2.3.4 Methodological information on the social and environmental indicators for 2009

2.3.4.1 DATA CONSOLIDATION

- The quantitative social and environmental data in this report was collected *via* the EDF group's consolidation reporting software packages.
- Social and environmental indicators are consolidated under the rules for accounting consolidation, and with reference to relevance criteria for human resources and environmental impact.

Companies fully consolidated for accounting purposes are also fully consolidated for production of the social and environmental indicators.

Companies proportionally consolidated for accounting purposes are also proportionally consolidated for production of the social and environmental indicators.

Companies accounted for under the equity method are not included in the preparation of social and environmental indicators. In addition to these rules, the scope of consolidation for social data only includes companies with a significant workforce (more than 50).

For environmental information, the criteria applied are based on subsidiaries' industrial activities (generation, distribution and transmission) that are significant in terms of environmental impact. Only companies that have been included in the scope of consolidation for longer than one year and were still in the scope of consolidation at December 31, 2009 were taken into account.

2.3.4.2 SOCIAL INDICATORS

The social indicators are prepared for this report on the basis of a glossary of definitions drawn up in 2009.

EDF

Since 2007, calculation of the absenteeism rate only includes the following categories of absence: absences for sickness, absences due to work-related accidents, including on the journey between home and work, and miscellaneous absences (unpaid leave, unexplained absences, etc.). Absences relative to company and union activities, early retirement leave and maternal absences are not included. The absenteeism rate is calculated based on the theoretical number of hours worked.

EDF AND ERDF

The EDF workforce reported includes a percentage of "mixed" personnel who work for both EDF and Gaz de France Suez.

As in 2008, the 2009 workforce does not include company doctors, people employed under various social measures and apprentices, *i.e.* a total of 2,972 persons at EDF and 1,567 persons at ERDF at December 31, 2009. Staff on long-term leave (> 90 days) are also excluded.

Data on the number of days' leave for work-related accident at EDF is taken from the SPRINT HR information system or the Ariane Web security system. If the two systems do not show identical figures, the Group uses the least favorable figure.

GROUP DATA

Current reporting practices take account of certain specificities of the Group, and this generates variances between the 2009 workforce as reported and as recalculated based on 2008 workforce and arrivals/departures:
- EDF's "mixed" workforce (the relative percentage shares for EDF/Gaz de France Suez are not taken into account if the employee is transferred);
- movements internal to the Group;
- figures relating to changes in the scope of consolidation which are not always taken into consideration in arrivals/departures by Group subsidiaries.

In France, the frequency of work-related accidents does not include accidents on the home-work journey. Outside France, such accidents may be taken into account when local legislation considers them as work-related accidents.

The number of fatal accidents includes work-related accidents and accidents on the home-work journey, but does not include fatal accidents for subcontractors.

For Dalkia International, the number of hours worked taken into account in calculating the frequency rate is based on the full-time workforce of Dalkia International multiplied by 1,700 hours. The number of fatal employee accidents does not include fatal accidents on the journey between home and work.

For EDF Energy, the reported hours worked include certain reasons for absence.

2.3.4.3 ENVIRONMENTAL INDICATORS

The environmental indicators are prepared for this report on the basis of a set of descriptions and methodologies. These form the EDF group standards applied in 2009. All indicators on consumption and emissions relate to the electricity and heat generation process.

- The accounting data on provisions for decommissioning and last cores, and for the back-end nuclear cycle, are consolidated Group data taken from the Group's consolidated accounts.
- Indicators on cooling water include water drawn from and returned to rivers, sea and ground water, and may also include water drawn from distribution networks and returned to waste water networks. For nuclear plants located on the coast and fossil-fired plants, the quantities of cooling water drawn/returned are calculated based on the operating time and nominal debit from pumps.
- EDF Energy's Existing Nuclear division has for the first time calculated its data on cooling water under EDF group principles. These principles use a more restrictive method than the currently-used method based on estimated volumes of sea water. Existing Nuclear intends to comply with EDF group methodology in 2010. As in 2009, standardisation of reporting practices for these indicators is an area for improvement over the next year.
- Data on non-nuclear waste are taken from information available at the year-end concerning the quantities removed and the elimination channels. ERDF excludes wood poles from the reporting, except in unusual cases (*e.g.* broken poles, specific parts of the poles). ERDF does not monitor the number of wood poles installed and transferred. Concrete poles are also excluded, because the current reporting arrangements cannot provide satisfactory monitoring figures. The quantity of non-nuclear waste recycled or in the process of being recycled by ERDF is underestimated, as it excludes some recycled PCBs not taken into account because of the current reporting arrangements.
- SO_2 emissions by EDF's fossil-fired plants now cover all phases of production, including plant start-up and shutdown. Except for three units (units 4 and 5 at Cordemais and unit 4 at Le Havre) for which in-chimney measures are used, SO_2 emissions by EDF's fossil-fired plants are calculated based on fuel analyses.
- The indicator for "Very low level radioactive waste from decommissioning" comprises:
  - actual tonnage of waste sent directly to the low level storage center;
  - the tonnage of waste sent to the Centraco fusion unit, weighted by estimated ratios calculated based on SOCODEI reports released in 2009 but concerning 2008 data.
- The "Low and medium level short-life solid radioactive waste produced by reactors in operation" indicator does not include waste resulting from occasional maintenance (vessel lids, steam generators). The volume of waste calculated corresponds to the volume of waste stored at the Aube center (after compacting, incineration and fusion). The volume of waste resulting from reconditioning of waste produced and conditioned in previous years is not included.
- The "High and medium level, long-life solid radioactive waste" indicator includes an uncertainty relating to the conditioning ratio (number of packages actually made after processing of one tonne of fuel), which can only be observed after the event as this ratio essentially depends on the blends used to optimize operations. This indicator is an estimate based on ongoing application of current practices for conditioning long-life waste which projects the current conditioning into the near future.
- Data for the "Intermediate level waste" reported by Existing Nuclear, EDF Energy's nuclear division, are based on the inventory of radioactive waste in the UK drawn up by the Nuclear Decommissioning Authority. The figure is an estimate of the annual arising volume of waste that will be classified as Intermediate level waste at the end of the sites life. The waste volume is given as a packaged waste volume based on the Nuclear Decommissioning Authority proposed waste package types. All Intermediate Level Waste is stored on power station sites pending a National decision on final disposal.
- Environmental protection expenses are expenses declared by the various entities of EDF. The definition of environmental protection expenses used by the Group is derived from the CNC recommendation of October 21, 2003 (itself inspired by the European recommendation of May 2001). Environmental protection expenses are identifiable, additional expenses incurred to prevent, reduce or repair damage to the environment that has been or may be caused by the Group as a result of its business. They relate, for example, to:
  - waste elimination and waste limitation efforts;
  - anti-pollution measures for the ground, surface water and underground water;
  - protection of air and climate quality;
  - reduction of noise emissions;
  - protection of biodiversity and the landscape;
  - plant decommissioning;
  - the amount of these expenses is assessed on their cost excluding taxes, allocated between three main categories:
    - operating expenses (including studies that qualify as operating expenses), not including expenses covered by a provision;
    - investment expenditure (including the related studies);
    - amounts allocated to provisions, including discount expenses.
- Energy produced from renewable energies reported by EDF EN for its windfarms and solar facilities is the gross output without deduction of auxiliary consumption.

Performance indicators	Unit	2009	2008	2007	Scope 2009	Scope 2008	Scope 2007	GRI Ref.
FINANCE								
Provisions for decommissioning and last cores	€ million	**20,352**	14,142	13,654	**2**	2	2	
Provisions for back-end nuclear cycle	€ million	**18,573**	15,538	17,455	**2**	2	2	
Indemnities paid or payable following a court ruling in an environmental matter	€ thousand	**810**	84.5	n.c.	**1**	1	n.c.	
ENVIRONMENT (1)								
FUELS AND RAW MATERIALS								
Total fuel consumption								
Nuclear reactor fuel	t	**1,141**	1,282	1,151	**1**	1	1	EN 1
Coal (2)	Kt	**24,261**	25,300	5,970,970	**2**	2	1	EN 1
Heavy fuel oil (2)	Kt	**1,798**	1,950	1,457,050	**2**	2	1	EN 1
Domestic fuel oil (2)	Kt	**447**	306	259,659	**2**	2	1	EN 1
Natural gas (2) (3)	10^6 m^3	**6,563**	9,259	23,718	**2**	2	1	EN 1
Industrial gas (2)	10^6 m^3	**2,809**	5,716	1,292,403	**2**	2	1	EN 1
TOTAL CONSUMPTION OF RAW MATERIALS FROM SOURCES OUTSIDE THE COMPANY								
Water								
Cooling water drawn	10^9 m^3	**52.2**	45.9	41.2	**2**	2	1	EN 8
Cooling water returned	10^9 m^3	**51.6**	45.7	40.7	**2**	2	1	EN 21

GRI: Global Reporting Initiative.
GC: Global Compact.

Scope 1: EDF (Distribution activities were transferred to the subsidiary ERDF in 2008).
Scope 2: EDF group.

n.c.: Not communicated.

(1) Group data for 2009 and 2008 include Edison.
(2) Units are Kt for 2009 and 2008 but tonnes for 2007; 10^6 m^3 for 2009 and 2008, but 10^3 m^3 for 2007.
(3) Data for 2009 and 2008 include Dalkia Investissement.

Performance indicators	Unit	2009	2008	2007	Scope 2009	Scope 2008	Scope 2007	GRI Ref.
ENVIRONMENT (1)								
AIR								
Gas emissions								
Total CO_2 emissions (including installations not subject to quotas) (2)	Mt	80.2	91.6	78.3	2	2	2	EN 16
SO_2 emissions	Kt	203.5	192.4	209.7	2	2	2	EN 20
NOx emissions	Kt	164.0	168.2	194.5	2	2	2	EN 20
Dust	t	8,506	7,644	5,071	2	2	1	EN 20
CH_4 emissions	Kt. CO_2 eq	35.8	5.3	4.8	2	1	1	EN 16
N_2O emissions	Kt. CO_2 eq	310.8	n.c.	n.c.	2	n.c.	n.c.	EN 16
NON-NUCLEAR WASTE								
Dangerous waste	t	21,785	16,212	15,194	1	1	1	EN 22
Non-dangerous waste	t	138,319	82,606	88,810	1	1	1	EN 22
Non-nuclear industrial waste recycled or removed for use	t	117,818	68,228	80,664	1	1	1	EN 22
Ash produced (3)	Kt	3,761.5	581,694	n.c.	2	1	1	EN 22
ENERGY								
Renewable energies: quantity of electricity and heat generated using renewable energy sources (other than hydro)	GWh	8,600	6,186	4,356	2	2	2	EN 6
Direct energy consumption by primary source								
Internal consumption, pumping electricity	TWh	6.8	6.5	7.7	1	1	1	EN 3
Internal consumption, electricity	TWh	22.4	23.3	23.1	1	1	1	EN 3
MANAGEMENT								
Environmental protection expenses (4) including provisions	€ million	2,477 1,691	2,496 1,775	2,733 1,478	1	1	2	EN 30
Environmental management (ISO 14001)		Group-wide ISO 14001 environmental management system			2	2	2	

GRI: Global Reporting Initiative.
GC: Global Compact.

Scope 1: EDF (Distribution activities were transferred to the subsidiary ERDF in 2008).
Scope 2: EDF group.

n.c.: Not communicated.

(1) Group data for 2009 and 2008 include Edison.
(2) Date for 2009 and 2008 include Dalkia International and Dalkia Investissement.
(3) The unit is the Kt for 2009 and the tonne for 2008.
(4) In 2008 and 2009, concerns EDF only.

Nuclear indicators – EDF	Unit	2009	2008	2007	GRI Ref.
Radioactive emissions to water [1]					
Tritium	TBq/tr	n.c.	17.4	16.9	EN 21
Carbon 14	GBq/tr	n.c.	13.0	13.0	EN 21
Radioactive emissions to air [1]					
Carbon 14	TBq/tr	n.c.	0.17	0.17	EN 20
Tritium	TBq/tr	n.c.	0.42	0.47	EN 20
Nuclear waste					
Low and medium level short-life solid radioactive waste	m^3/TWh	12.8	11.7	10.8	EN 24
High and medium level long-life solid radioactive waste	m^3/TWh	0.88	0.87	0.88	EN 24
Transported spent nuclear fuel	t	1,102	1,179	1,202	EN 24

Nuclear indicators – EDF Energy (Existing Nuclear division first consolidated in 2009)	Unit	2009	2008	2007	GRI Ref.
Radioactive emissions to water					
Tritium	TBq/tr	122	n.a.	n.a.	EN 21
Radioactive emissions to air					
Carbon 14	TBq/tr	0.55	n.a.	n.a.	EN 20
Tritium	TBq/tr	1.5	n.a.	n.a.	EN 20
Waste					
Uranium sent off site	t	147	n.a.	n.a.	EN 24
Low level waste sent off site	m^3	607	n.a.	n.a.	EN 24
Medium level waste sent off site	m^3	170	n.a.	n.a.	EN 24

GRI : Global Reporting Initiative.
GC : Global Compact.

Scope 1: EDF (Distribution activities were transferred to the subsidiary ERDF in 2008).
Scope 2: EDF group.

n.c.: Not communicated.
n.a.: Not applicable.

(1) Radioactive emissions to water and air are reported for the previous year (N-1) and therefore reported for 2008 but not communicated (n.c.) for 2009.

Group performance indicators	Unit	2009	2008	2007	Scope 2009-2007	GRI Ref.
SOCIAL						
WORKFORCE NUMBERS AND BREAKDOWN (AT DEC. 31) (1)						
EDF + ERDF + RTE	No.	105,129	104,929	105,322	1	LA 1
TOTAL EDF group	No.	169,139	160,913	158,640	2	LA 1
Total executives (as defined by French regulations)	No.	36,469	33,543	31,770	2	LA 1
Percentage of women executives	%	22.0%	21.2%	20.5%	2	LA 13
Non-executives	No.	132,670	127,370	126,870	2	LA 13
Gender equality:						
Male staff	No.	129,288	122,762	121,730	2	LA 13
Female staff	No.	39,851	38,151	36,910	2	LA 13
Male executives	No.	28,444	26,436	25,254	2	LA 13
Female executives	No.	8,025	7,108	6,516	2	LA 13
HIRING/DEPARTURES						
Recruitments	No.	12,362	12,533	11,294	2	LA 2
Other new staff (1)	No.	10,232	2,092	2,682	2	LA 2
Retirements	No.	4,389	4,578	4,320	2	LA 2
Resignations (2)	No.	2,529	3,760	3,486	2	LA 2
Redundancies and dismissals	No.	1,512	1,901	1,642	2	LA 2
Other departures	No.	5,983	3,083	4,572	2	LA 2
WORKING TIME						
Part-time staff	No.	20,145	21,971	23,964	2	LA 1

(1) Workforce variation due to first consolidation or deconsolidation are included in "Other new staff" and "Other departures" respectively. In 2009, EDF Energy's consolidation of British Energy led to 6,016 "Other new staff".

(2) Departures during the trial period are included in "Other departures". In 2008 and 2007, 248 and 254 departures during the trial period were classified under "Resignations".

	Unit	2009	2008	2007	Scope 2009-2007	GRI Ref.
HEALTH AND SAFETY						
Fatal accidents	No.	12	13	15	2	LA 7
Injury frequency rate (1)		4.9	6.2	6.3	2	LA 7
Industrial and work-home journey accidents (causing leave of one day or more)	No.	1,268	1,504	1,495	2	LA 7
MANAGEMENT-EMPLOYEE RELATIONS						
Percentage of employees covered by collective bargaining agreements (2)	%	94%	95%	95%	2	LA 4
TRAINING						
Number of staff benefiting from training (3)	No.	104,565	102,629	104,393	2	LA 10
EMPLOYMENT AND INTEGRATION OF EMPLOYEES WITH DISABILITIES						
Number of employees with disabilities (4)	No.	3,343	3,364	3,260	2	LA 13

GRI : Global Reporting Initiative.
GC : Global Compact.

Scope 1 : EDF + ERDF + RTE.
Scope 2: EDF group.

(1) In 2007, excluding EDF Trading and Synergie.
(2) In 2007, excluding EDF Trading, Dalkia International and Synergie.
(2) In 2009 and 2008, excluding Dalkia International.
(3) In 2007, excluding EDF Energy, EDF Trading, Dalkia International and Synergie.
(3) In 2008, excluding EDF Energy, EDF Trading and Dalkia International.
(3) In 2009, excluding EDF Energy and Dalkia International.
(4) In 2009, 2008 and 2007 excluding EDF Energy and EDF Trading.
(4) In 2009 the figure collected by Edison does not include the subsidiary Abu Qir, which was consolidated during the year.

EDF performance indicators (excluding distribution)	Unit	2009	GRI Ref.
SOCIAL			
WORKFORCE NUMBERS AND BREAKDOWN (AT DEC. 31)			
Total EDF staff covered by collective bargaining agreement	No.	60,595	LA 1
Other permanent EDF staff not covered by collective bargaining agreement	No.	445	LA 1
Other non-permanent EDF staff not covered by collective bargaining agreement	No.	399	LA 1
Total EDF staff not covered by collective bargaining agreement	No.	844	LA 1
Total EDF	No.	61,439	LA 1
Total executives (as defined by French regulations)	No.	23,241	LA 1
Percentage of women executives	%	23.5%	LA 13
Non-executives	No.	38,198	LA 13
Technicians and supervisory staff	No.	32,214	LA 13
Operatives	No.	5,984	LA 13
Gender equality:			
Male staff	No.	43,534	LA 13
Female staff	No.	17,905	LA 13
Male executives	No.	17,790	LA 13
Female executives	No.	5,451	LA 13
HIRING/DEPARTURES			
Recruitments	No.	2,488	LA 2
Integration and rehiring	No.	348	LA 2
Other new staff (1)	No.	631	LA 2
Retirements	No.	1,860	LA 2
Resignations	No.	80	LA 2
Redundancies and dismissals	No.	10	LA 2
Deaths	No.	84	LA 2
Other departures (1)	No.	1,082	LA 2
OVERTIME			
Number of hours of overtime	000s	2,696	
OUTSIDE CONTRACTORS			
Average number of temporary staff (2)	No.	(2009) not available (2008) 1,882	LA 1
WORKING TIME			
Full-time staff	No.	51,083	LA 1
Part-time staff	No.	10,356	LA 1
Staff on contracts which allow overtime	No.	7,140	LA 1

GRI : Global Reporting Initiative.

GC : Global Compact.

(1) Not including arrivals and departures of seasonal staff on fixed-term contracts.

(2) 2009 figure unavailable at the reporting date.

	Unit	2009	GRI Ref.
SOCIAL			
ABSENTEEISM			
Absenteeism	%	3.9%	LA 7
Hours of maternity or paternity leave / total working time	%	0.8%	LA 7
HEALTH AND SAFETY			
Fatal accidents	No.	8	LA 7
Injury frequency rate		3.2	LA 7
Severity rate		0.16	LA 7
Industrial and work-home journey accidents (causing leave of 1 day or more)	No.	282	LA 7
WAGES / SOCIAL SECURITY CONTRIBUTIONS / PROFIT SHARE			
Main salaries (average per month):			
Executives	€	4,148	EC 1
Technicians and supervisory staff	€	2,506	EC 1
Operatives	€	1,850	EC 1
Personnel expenses	€ million	5,241	EC 1
Average profit share per employee (1)	€	1,771	EC 1
MANAGEMENT-EMPLOYEE RELATIONS			
Number of collective bargaining agreements signed (France)	No.	23	HR 5
Percentage of employees covered by collective bargaining agreements (2)	%	99%	LA 4
TRAINING			
Number of staff benefiting from training	No.	51,063	LA 10
Employment and integration of employees with disabilities			
Number of employees with disabilities	No.	1,488	LA 13
Number of employees with disabilities hired	No.	107	LA 13
CHARITABLE WORKS			
Committee budgets (1% requirement)	€ million	179	

GRI : Global Reporting Initiative.

GC : Global Compact.

(1) Including €350 of additional profit share.

(2) EDF staff are not covered by a collective bargaining agreement as defined by law, but are covered by the IEG statutes.

Note 3 Resolutions proposed to the Mixed Shareholders' Meeting on May 20, 2009

3.1 Presentation of the resolutions proposed to the Mixed Shareholders' Meeting on May 18, 2010

In addition to the ordinary resolutions that are submitted to your approval, we ask that you decide, on an extraordinary basis, the renewal of the financial delegations that had been approved by the Mixed Shareholders' Meeting of May 20, 2009.

Indeed, in July 2009, the French *"Autorité des marchés financiers"* (AMF) issued a recommendation regarding the authorizations to increase the share capital with no preferential subscription rights for shareholders. This recommendation compels issuers to split the resolution in two, so as to reflect the legislative changes occurred in early 2009 (ordinance dated January 22, 2009 which modified article L. 225-136 of the French Commercial Code).

Ordinary Meeting

FIRST AND SECOND RESOLUTIONS:
APPROVAL OF THE CORPORATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

These two resolutions submit to your approval EDF's corporate financial statements and the EDF group's consolidated financial statements as approved by the Board of Directors at its meeting of February 10, 2010.

THIRD RESOLUTION:
ALLOCATION OF THE NET INCOME FOR THE YEAR ENDED DECEMBER 31, 2009 AND DISTRIBUTION OF DIVIDENDS

It is proposed to the shareholders to vote to pay a dividend, amounting to €2,111,514,096.70 or €1.15 per share, and to allocate the balance of distributable profit to retained earnings. In view of the interim dividend of €0.55 per share paid out on December 17, 2009, the balance of €0.60 per share will be paid within 30 days of the date of this Shareholders' Meeting.

FOURTH RESOLUTION:
AGREEMENTS GOVERNED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

No new agreement has been submitted to the Board of Directors during fiscal year 2009 and certain prior agreements continue to provide their effects, as mentioned in the special report of the Statutory Auditors.

FIFTH RESOLUTION:
ADDITIONAL DIRECTORS' FEES AWARDED TO THE BOARD OF DIRECTORS FOR 2009

This resolution proposes to set an additional amount of directors' fees awarded to the members of the Board of Directors for the year ended December 31, 2009 at €2,250. This additional amount is justified by the substantial number of meetings in 2009 (12 Board meetings and 26 Committee meetings).

(The unit cost of the directors' fees remains unchanged, the overall increase in the amount of directors' fees being only due to an increase in the number of meetings and therefore to a volume effect).

SIXTH RESOLUTION:
DIRECTORS' FEES AWARDED TO THE BOARD OF DIRECTORS

This resolution proposes to set the total amount of directors' fees awarded to the members of the Board of Directors for 2010 and each subsequent fiscal year at €190,000. For your information, the envelope that you approved for 2009 amounted to €180,000, and eventually proved insufficient compared to the number of meetings held by the Board.

The unit cost of the directors' fees remains unchanged since the end of 2004. The payment of directors' fees still depends exclusively on the directors' participation to the Board's meetings. The scale was set in late 2004 *at €2,000 per meeting of the Board, and as for the Committees, €1,250 per Committee meeting for the directors, and €2,000 for Committee chairs. This scale has not changed since.*

SEVENTH RESOLUTION:
AUTHORIZATION FOR THE BOARD OF DIRECTORS TO ENGAGE IN TRANSACTIONS ON THE COMPANY'S SHARES

It is proposed to the shareholders, in this seventh resolution, to renew the previous authorization and authorize the Board of Directors to introduce a new share repurchase program, over a period of eighteen months, covering no more than 10% of the capital, the maximum allowed by law.

The maximum purchase price is set at €90 per share, with a cumulative maximum total purchase of 10% of the capital over the period and a maximum holding at any time of 10% of the capital, reduced to 5% in the event of a merger, demerger or business transfer. The maximum amount of funds dedicated to these operations is €2 billion over the period.

Extraordinary meeting

We propose to extend the financial delegations given to the Board of Directors, under the same terms as the authorizations passed by the Mixed Shareholders' Meeting of May 2009.

EIGHTH RESOLUTION:
DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL, MAINTAINING THE SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHT

This authorization would grant to the Board of Directors all powers to increase the share capital by a maximum nominal amount of €45 million (*i.e.* less than 5% of capital) while maintaining the shareholders' preferential subscription right, by issuing shares or marketable securities giving access to the share capital of the Company.

This delegation is limited in time (26 months) and in its amounts.

NINTH AND TENTH RESOLUTIONS:
DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL, WITH NO PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS

These authorizations would grant to the Board of Directors all powers to increase the share capital by a maximum nominal amount of €45 million (less than 5% of capital) without maintaining the shareholders' preferential subscription right, by means of public offer for the 9th resolution and by means of offers under Art. L. 411-2 II of the Monetary and Financial Code for the 10th resolution, by issuing shares or marketable securities giving access to the capital of the Company.

This delegation is limited in time (26 months) and in its amounts.

ELEVENTH RESOLUTION:
AUTHORIZATION FOR THE BOARD OF DIRECTORS TO INCREASE THE NUMBER OF SHARES TO BE ISSUED IN THE EVENT OF A CAPITAL INCREASE, WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS

It is proposed to grant to the Board of Directors all powers to increase the number of shares to be issued when implementing of the three resolutions above, in the event the relevant issuance would be subject to a higher demand than the originally proposed amount, up to a limit of 15% of the initial amount of the issue.

TWELFTH RESOLUTION:
DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL BY CAPITALIZATION OF RESERVES, PROFITS, PREMIUMS OR OTHER AMOUNTS ELIGIBLE FOR CAPITALIZATION

It is proposed to the shareholders to delegate to the Board of Directors, for a period of 26 months, the authority to increase the share capital by capitalization of reserves, profits, premiums or other amounts eligible for capitalization, up to a limit of €1 billion.

THIRTEENTH RESOLUTION:
DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL AS A RESULT OF A PUBLIC EXCHANGE OFFER INSTIGATED BY THE COMPANY

This delegation would allow the Board of Directors to participate in transactions of external growth, by issuing new shares as payment for securities that would be contributed to the Company, as part of a public tender offer in which the Company would be the initiator. The total nominal value of capital increases undertaken under this resolution would not exceed €45 million.

FOURTEENTH RESOLUTION:
DELEGATION OF AUTHORITY FOR THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL IN RETURN FOR CONTRIBUTIONS IN KIND TO THE COMPANY

It is proposed to grant to the Board of Directors the authority to conduct acquisitions of unlisted companies, financed by new shares or securities issued by the Company in exchange for contributions in kind which may be made to the benefit of the Company, up to a limit of 10% of the share capital.

FIFTEENTH RESOLUTION:
DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL TO THE BENEFIT OF MEMBERS OF A SAVINGS PLAN

This delegation would allow the Board of Directors, if it so desired, to facilitate the development of employee share ownership across the Group, through capital increases reserved to the employees, in a nominal amount of maximum €10 million (or 20 million shares).

SIXTEENTH RESOLUTION:
AUTHORIZATION FOR THE BOARD OF DIRECTORS TO REDUCE THE CAPITAL

This delegation would allow the Board of Directors, as necessary, to cancel all or part of the shares purchased under the share buyback plan and to reduce the capital accordingly, during a 24-months period, within the legal limit of 10% of the capital.

SEVENTEENTH RESOLUTION:
POWERS FOR FORMALITIES

The Shareholders' Meeting grants all powers to the bearer of an original, a copy or an extract of these minutes to carry out all filing and registration formalities required by law.

3.2 Draft resolutions to be submitted to the Mixed Shareholders' Meeting on May 18, 2010

ORDINARY MEETING AGENDA:

- Reports from the Board of Directors.
- Reports from the Statutory Auditors.
- Approval of the financial statements for the year ended December 31, 2009.
- Approval of the consolidated financial statements for the year ended December 31, 2009.
- Allocation of net income for the year ended December 31, 2009 as reported in the financial statements and determination of dividends.
- Agreements governed by article L. 225-38 of the French commercial code.
- Directors' fees.
- Authorization for the Board of Directors to carry out transactions on the Company's shares.

EXTRAORDINARY MEETING AGENDA:

- Delegation of authority to the Board of Directors to issue shares or marketable securities, maintaining the shareholders' preferential subscription right.
- Delegation of authority to the Board of Directors to issue, by means of public offerings, shares or marketable securities, with no preferential subscription rights for shareholders.
- Delegation of authority to the Board of Directors to issue, by means of offers referred to in article L. 411-2 II of the French monetary and financial code, shares or marketable securities, with no preferential subscription rights for shareholders.
- Authorization for the Board of Directors to increase the number of shares to be issued in the event of a capital increase, with or without preferential subscription rights for shareholders.
- Delegation of authority to the Board of Directors to increase the capital by capitalization of reserves, profits, premiums or other amounts eligible for capitalization.
- Delegation of authority to the Board of Directors to increase the capital as a result of a public exchange offer instigated by the Company.
- Authorization for the Board of Directors to increase the capital in return for contributions in kind granted to the Company
- Delegation of power to the Board of Directors to increase the capital to the benefit of members of savings plan.
- Authorization for the Board of Directors to reduce the capital.
- Powers for formalities.

Ordinary meeting

FIRST RESOLUTION:
APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after examination of the management report from the Board of Directors and the reports of the Statutory Auditors, approves the financial statements for the year ended December 31, 2009 comprising the balance sheet, income statement and appendix, as presented, and the operations reflected in those financial statements and summarized in those reports. It sets the profit for the year at €4,579,555,110.71. It is emphasized that the overall sum of expenses and charges concerned by article 223 quater of the French tax code is €1,465,167.

SECOND RESOLUTION:
APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after examination of the management report of the Board of Directors and the report of the Statutory Auditors on the consolidated financial statements, approves the consolidated financial statements for the year ended December 31, 2009 comprising the consolidated balance sheet, consolidated income statement and appendix, as presented, and the operations reflected in those financial statements and summarized in those reports.

THIRD RESOLUTION:
ALLOCATION OF THE NET INCOME FOR THE YEAR ENDED DECEMBER 31, 2009, AS REPORTED IN THE FINANCIAL STATEMENTS, AND DISTRIBUTION OF DIVIDENDS

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after examination of the report of the Board of Directors and the report of the Statutory Auditors on the financial statements:

(i) notes that the distributable profit, taking into account the positive amount of retained earnings and before deducting the interim dividend described below, amounts to €10,029,629,260.88;

(ii) decides to allocate to the legal reserve an amount of €1,334,778.60, bringing it to 10% of the share capital;

(iii) decides to allocate to the free reserve an amount of €3,000,000,000;

(iv) decides to set the dividend at €1.15 per share;

(v) notes that, given that an interim dividend of €0.55 per share was paid on December 17, 2009, the balance of the dividend to be distributed amounts to €0.60 per share;

(vi) decides to allocate the balance of the distributable profit to retained earnings.

The new shares delivered in payment of the interim dividend referred to above, shall only entitle to the balance of the dividend to be distributed (€0.60 per share).

The total dividend (including the total amount of the interim dividend), based on the number of shares as of December 31, 2009, amounts to a maximum of €2,111,514,096.70 given that any shares held by the Company at the date of distribution of the dividend will not confer rights to the dividend.

The Shareholders' Meeting gives all powers to the Board of Directors to determine, in light of the number of shares held by the Company at the date of the distribution of the dividend, the total amount of the dividend and, consequently, the amount of the balance of distributable profits allocated to retained earnings.

The balance of the dividend to be distributed will be paid on June 3, 2010.

The total dividend is eligible for the special 40% tax allowance under paragraph 3-2° of article 158 of the French tax code, to the benefit of individuals who have their tax domicile in France and are subject to income tax, in application of the legal conditions and limits.

Dividends distributed in the past three years were as follows:

Year	Number of shares	Dividend per share *(in Euros)*	Total dividends paid (after deduction of treasury shares) *(in Euros)*	Portion eligible for the tax allowance (1)
2006	1,822,171,090	1.16	2,113,624,504.40	100%
2007	1,822,171,090	1.28	2,330,266,755.20	100%
2008	1,822,171,090	1.28	2,328,200,485.12	100%

(1) Special 40% tax allowance under paragraph 3-2° of article 158 of the French tax code.

FOURTH RESOLUTION:
AGREEMENTS GOVERNED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after examination of the special report of the Statutory Auditors on agreements governed by article L. 225-38 of the French commercial code, takes note of the conclusions of the report.

FIFTH RESOLUTION:
ADDITIONAL DIRECTORS' FEES AWARDED TO THE BOARD OF DIRECTORS FOR 2009

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after examination of the report of the Board of Directors, decides to set the amount of additional directors' fees awarded to the members of the Board for the year ended December 31, 2009 at €2,250.

SIXTH RESOLUTION:
DIRECTORS' FEES AWARDED TO THE BOARD OF DIRECTORS

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after examination of the report of the Board of Directors, decides to set the amount of directors' fees awarded to the members of the Board for the current year and future years at €190,000, until a further decision is made by the Shareholders' Meeting.

SEVENTH RESOLUTION:
AUTHORIZATION FOR THE BOARD OF DIRECTORS TO ENGAGE IN TRANSACTIONS ON THE COMPANY'S SHARES

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after examination of the report of the Board of Directors:

- terminates, with immediate effect, the unused portion of the authorization to purchase shares in the Company given by the Shareholders' Meeting of May 20, 2009 in the seventh resolution; and,
- authorizes the Board of Directors to purchase shares in the Company with a view to:
  - remitting shares when rights are exercised attached to marketable securities representing debt instruments giving access by any means,

immediately or at a later date, to shares in the Company, and carrying out all hedging operations for the obligations of EDF (or one of its subsidiaries) in respect of those marketable securities,
- holding shares for future remittal in exchange or payment for any external growth operations,
- ensuring the liquidity of EDF's share by an investment service provider through a liquidity contract coherent with the code of ethics recognized by the French market authority,
- attributing shares to members of EDF group employees, notably under any share purchase or free share allocation plan benefiting members or former members of personnel in the conditions set forth by the law, particularly articles L. 225-197-1 and following of the French commercial code or articles L. 3332-18 and following of the French labor code (including any transfer of shares covered by these articles of the labor code), and carrying out all hedging operations for these operations,
- reducing the Company's capital by canceling all or some of the shares purchased.

Purchases of shares in the Company may concern a number of shares such that:
- the number of shares the Company purchases during the period of a repurchase program must not exceed 10% of shares making up the share capital at the day of this Shareholders' Meeting, it being specified that when shares are redeemed to ensure the liquidity of the EDF share under the conditions defined above, the number of shares taken into account for calculating the 10% limit is the number of shares purchased net of the number of shares sold during the term of this authorization; and,
- the number of shares the Company holds directly or indirectly at any time must not exceed 10% of the shares making up the Company's share capital.

Acquisitions or transfers of these shares may be carried out by all means, particularly on a market or over the counter, including *via* acquisition or transfer of blocks, use of derivative financial instruments or notes or securities giving access to the Company's shares, or by setting up options, at such times that the Board of Directors or the person acting on its authority shall decide.

The maximum amount of funds dedicated to execution of this share repurchase program shall be €2 billion.

The purchase price shall not exceed €90 per share; however, the Board of Directors may adjust the maximum purchase price in the event of capitalization of premiums, reserves or profits resulting in either a rise in the nominal value of shares or in creation and attribution of free shares, and in the event of a share split or reverse share split, or any other operation affecting equity, to reflect the effect of these operations on the share value.

This authorization is granted for a maximum duration of 18 months from the date of this meeting.

The Board of Directors shall have all powers to implement this authorization, and may delegate its authority, in order to place all orders in the stock exchange or off-market, allocate or reallocate the shares acquired to the various objectives pursued, under the applicable legal and regulatory conditions, complete all formalities, and in general do everything that is necessary.

The Board of Directors must inform the Shareholders' Meeting each year of the transactions undertaken in application of this resolution.

Extraordinary meeting

EIGHTH RESOLUTION: DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL, MAINTAINING THE SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHT

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, after examination of the report of the Board of Directors and the report of the Statutory Auditors, in accordance with articles L. 225-129 to L. 225-129-6 and L. 228-91 to L. 228-97 of the French commercial code:
- terminates, with immediate effect, the unused portion of the delegation of authority given by the Shareholders' Meeting of May 20, 2009 in its 8th resolution;
- authorizes the Board of Directors to decide to issue, in one or more issuances, while maintaining the shareholders' preferential subscription right, (i) shares in the Company,(ii) marketable securities giving access by any means, immediately or at a later date, to shares existing or to be issued in the Company, (iii) marketable securities giving access by any means, immediately or at a later date, to shares existing or to be issued in a company of which the Company directly or indirectly holds more than half of the capital (the "Subsidiary"), for subscription in cash or by offsetting against existing debt;
- also authorizes the Board of Directors to decide to issue marketable securities carrying a right to attribution of Company debt instruments in one or more issuances.

The total nominal value of the capital increase, immediately or at a later date, resulting from all issues undertaken under this resolution shall not exceed €45,000,000 (the "Ceiling").

It is emphasized that (i) this Ceiling is common to all capital increases undertaken immediately or at a later date under the 8th, 9th, 10th, 11th, 13th and 14th resolutions proposed at this Shareholders' Meeting, and the nominal value of such increases shall therefore be deducted from the Ceiling; (ii) the Ceiling does not include shares in the Company that may be issued in connection with adjustments to preserve the rights of holders of marketable securities giving access to the capital of the Company.

The marketable securities giving access to the capital of the Company or a Subsidiary issued in this way may consist of debt instruments or be associated with issuance of such instruments, or allow their issuance as intermediary securities.

Debt instruments issued under this delegation of authority may take the form of subordinated securities, perpetual or otherwise, issued in Euros or other currencies.

Securities issued may carry warrants for attribution, acquisition or subscription of bonds or other marketable securities representative of debt instruments.

The nominal value of debt instruments issued shall not exceed €4,500,000,000. It is emphasized that this maximum is common to all debt instruments issued under the 8th, 9th, 10th, 11th, 13th and 14th resolutions proposed at this Shareholders' Meeting.

Company share subscription warrants may be issued through a subscription offer, but also through free attribution to holders of existing shares and, but also by free award to the holders of existing shares. In the case of free award of autonomous subscription warrants, the Board of Directors may decide that fractional subscription rights will be non transferable and that the corresponding shares will be sold.

The Board of Directors may take any and all measures to protect the rights of holders of marketable securities giving access to the capital existing at the day of the capital increase.

Shareholders may, in compliance with the law, exercise their preferential subscription right for new shares as of right. The Board of Directors shall also be entitled to award shareholders a subscription right for excess shares, concerning a higher number of shares or marketable securities giving access to the capital than the number they could subscribe as of right, proportionally to the subscription rights held and in any event up to the limit of their share application.

If the subscriptions as of right, together where relevant with subscriptions for excess shares, do not absorb the entire issue of securities, the Board of Directors may take one or more of the following steps, in the order of its choice:

- limit the issue to the quantity of subscriptions received, provided this quantity is at least three quarters of the planned issue;
- freely allocate all or some of the shares unsubscribed as of right, and where relevant excess unsubscribed shares;
- offer all or some of the unsubscribed shares to the public.

The Shareholders' Meeting notes that, to the benefit of holders of the marketable securities giving access to the Company's capital issued under this resolution, this delegation of authority automatically entails a waiver by the shareholders of their preferential subscription right to the shares associated with those newly-issued marketable securities.

The Board of Directors shall have all powers to implement this authorization, and in particular to determine the characteristics of the marketable securities to be issued by the Company, to set the issue date, which may be retroactive, and, if applicable, the conditions of their redemption, to suspend, if applicable, the exercise of the right to share allocation attached to the Company's securities according to the applicable laws and regulations, to perform any adjustments designed to take into account the impact of transactions on the capital of the Company, to set the terms and conditions allowing to secure the rights of holders of securities giving access at a later date to the share capital of the Company, to modify the terms and conditions of the securities to be issued under this resolution while such securities remain outstanding in compliance with the applicable formalities, to perform all necessary deductions on the issuance premium and more generally to take all appropriate actions to complete the issuances.

The delegation of authority given to the Board of Directors under this resolution is valid for a duration of 26 months from the date of this meeting.

NINTH RESOLUTION:
DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL, WITH NO PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, after examination of the report of the Board of Directors and the report of the Statutory Auditors, in accordance with articles L. 225-129 to L. 225-129-6, L. 225-135 and L. 225-136, and L. 228-91 to L. 228 97 of the French commercial code:

- terminates, with immediate effect, the unused portion of the delegation of authority given by the Extraordinary Shareholders' Meeting of May 20, 2009 in its 9th resolution;
- authorizes the Board of Directors to decide to issue, through public offers, in one or several issuances, with no preferential subscription rights for shareholders, (i) shares of the Company, (ii) marketable securities giving access by any means, immediately or at a later date, to shares existing or to be issued in the Company, (iii) marketable securities giving access by any means, immediately or at a later date, to shares existing or to be issued in a company of which the Company directly or indirectly holds more than half of the capital (the "Subsidiary"), for subscription in cash or by offsetting against existing debt;
- also authorizes the Board of Directors to decide to issue marketable securities carrying a right to attribution of Company debt instruments through.

Public offer(s) decided under this resolution may be associated, as part of a single issuance or as separate issuances occurring at the same time, to (an) offer(s) defined in Article L. 411-2, II, of the French monetary and financial code, decided based on the 10th resolution proposed at this Shareholders' Meeting.

The total nominal value of the capital increase, immediately or at a later date, resulting from all issues undertaken under this resolution shall not exceed €45,000,000 (the "Ceiling").

It is emphasized that (i) this Ceiling is common to all capital increases undertaken immediately or at a later date under the 8th, 9th, 10th, 11th, 13th and 14th resolutions proposed at this Shareholders' Meeting, and the nominal value of such increases shall therefore be deducted from the Ceiling; (ii) the Ceiling does not include shares in the Company that may be issued in connection with adjustments to preserve the rights of holders of marketable securities giving access to the capital of the Company.

The marketable securities giving access to the capital of the Company or a Subsidiary issued in this way may consist of debt instruments or be associated with issuance of such instruments, or allow their issuance as intermediary securities.

Debt instruments issued under this delegation of authority may take the form of subordinated securities, perpetual or otherwise, issued in Euros or other currencies;

The total nominal value of all debt instruments issued under this resolution shall not exceed, and shall be deducted from, the Ceiling for debt securities defined in the 8th resolution proposed at this Shareholders' Meeting.

The Shareholders' Meeting decides to eliminate the shareholders' preferential subscription right for shares and marketable securities to be issued based on this resolution, but the Board of Directors shall be entitled to grant to the shareholders a priority subscription right for shares in excess or subscriptions as of right, for a duration to be determined in compliance with applicable laws and regulations, for all or part of the issuance, in accordance with the second paragraph of article L. 225-135 of the French commercial code. This subscription priority would note lead to the creation of negotiable rights.

If the subscriptions, including, if necessary, any subscription by shareholders, do not absorb the entire issue of securities, the Board of Directors may limit the issue to the quantity of subscriptions received, provided this quantity is at least three quarters of the planned issue.

The Shareholders' Meeting notes that, to the benefit of holders of the marketable securities giving access to the Company's capital issued under this resolution, this delegation of authority automatically entails a waiver by the shareholders of their preferential subscription right to the shares concerned by those newly-issued marketable securities.

The Shareholders' Meeting decides that:

- the issue price of shares issued directly shall be at least equal to the weighted average of the opening price of the Company's shares for the three trading sessions of the Euronext Paris market preceding the date at which the subscription price for the capital increase is set, less a discount of a maximum of 5% if required, after correction of the average if necessary due to differences in the shares' issue dates;
- the issue price of marketable securities giving access to the capital shall be such that the sum immediately received by the Company, plus any further sum likely to be received if applicable, is no less than the minimum subscription price defined in the above paragraph for each share issued as a result of issuance of these marketable securities.

The Board of Directors shall have all powers to implement this authorization, and in particular to determine the characteristics of the marketable securities to be issued by the Company, to set the issue date, which may be retroactive, and, if applicable, the conditions of their redemption, to suspend, if applicable, the exercise of the right to share allocation attached to the Company's securities according to the applicable laws and regulations, to perform any adjustments designed to take into account the impact of transactions on the capital of the Company, to set the terms and conditions allowing to secure the rights of holders of securities giving access at a later date to the share capital of the Company, to modify the terms and conditions of the securities to be issued under this resolution while such securities remain outstanding in compliance with the applicable formalities, to perform all necessary deductions on the issuance premium and more generally to take all appropriate actions to complete the issuances.

The delegation of authority given to the Board of Directors under this resolution is valid for a duration of 26 months from the date of this meeting.

TENTH RESOLUTION:
DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO ISSUE, BY MEANS OF OFFERS REFERRED TO IN ARTICLE L. 411-2 II OF THE FRENCH MONETARY AND FINANCIAL CODE, SHARES OR MARKETABLE SECURITIES, WITH NO PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, after examination of the report of the Board of Directors and the report of the Statutory Auditors, in accordance with articles L. 225-129 to L. 225-129-6, L. 225-135 and L. 225-136, and L. 228-91 to L. 228-97 of the French commercial code:

- authorizes the Board of Directors to decide to issue, by means of offers pursuant to article L. 411-2 II of the French monetary and financial code, in one or more issuances, with no preferential subscription rights for shareholders, (i) shares in the Company, (ii) marketable securities giving access by any means, immediately or at a later date, to shares existing or to be issued in the Company, (iii) marketable securities giving access by any means, immediately or at a later date, to shares existing or to be issued in a company of which the Company directly or indirectly holds more than half of the capital (the "Subsidiary"), for subscription in cash or by offsetting against existing debt;
- also authorizes the Board of Directors to decide to issue marketable securities carrying a right to attribution of Company debt instruments.

Public offer(s) decided under this resolution may be associated, as part of a single issuance or as separate issuances occurring at the same time, to (an) offer(s) defined in Article L. 411-2 II, of the French monetary and financial code, decide based on the 10th resolution proposed at this Shareholders' Meeting.

The total nominal value of the capital increase, immediately or at a later date, resulting from all issues undertaken pursuant to this resolution shall not exceed €45 million (the "Ceiling") on the one hand, and the legal ceiling (*i.e.*, as of the date of this meeting, 20% of the share capital per year) on the other hand.

It is emphasized that (i) this Ceiling is common to all capital increases undertaken immediately or at a later date under the 8th, 9th, 10th, 11th, 13th and 14th resolutions proposed at this Shareholders' Meeting, and the nominal value of such increases shall therefore be deducted from the Ceiling; (ii) the Ceiling does not include shares in the Company that may be issued in connection with adjustments to preserve the rights of holders of marketable securities giving access to the capital of the Company.

The marketable securities giving access to the share capital of the Company or of a Subsidiary issued in this manner may consist of debt instruments or be associated with the issuance of such instruments, or allow their issuance as intermediary securities.

Debt instruments issued under this delegation of authority may take the form of subordinated or unsubordinated securities, perpetual or otherwise, issued in Euros or other currencies.

The total nominal value of all debt instruments issued under this resolution shall not exceed, and shall be deducted from, the Ceiling for debt securities set forth in the 8th resolution proposed at this Shareholders' Meeting.

The Shareholders' Meeting decides to eliminate the shareholders' preferential subscription right with respect to the shares and marketable securities to be issued, based on this resolution.

If the subscriptions do not absorb the entire issue of securities, the Board of Directors may limit the issue to the amount of subscriptions received, provided this amount is at least three quarters of the planned issue.

The Shareholders' Meeting notes that, to the benefit of holders of the marketable securities giving access to the Company's capital issued under this resolution, this delegation of authority automatically entails a waiver by the shareholders of their preferential subscription right with respect to the shares to which those newly-issued marketable securities give right.

The Shareholders' Meeting decides that:

- the issue price of shares issued directly shall be at least equal to the weighted average of the opening price of the Company's shares for the three trading sessions of the Euronext Paris market preceding the date at which the subscription price for the capital increase is set, less a discount of a maximum of 5% if required, after correction of the average if necessary due to differences in the shares' issue dates;
- the issue price of marketable securities giving access to the capital shall be such that the sum immediately received by the Company, plus any further sum likely to be received if applicable, is no less than the minimum subscription price defined in the above paragraph for each share issued as a result of issuance of these marketable securities.

The Board of Directors shall have all powers to implement this authorization, and in particular to determine the characteristics of the marketable securities to be created by the Company, to set the date of holding, which may be retroactive, of the securities to be issued, and if any, the conditions of their redemption, to suspend, if any, the exercise of the right to shares allocation attached to the Company's securities according to the applicable law and regulation, to perform adjustments designed to take into account operations impact on the capital of the Company, to set the modalities according to which the rights of holders of shares giving access at a later date to the capital shall be secured, to modify the modalities of the securities to be issued under this resolution during the lifetime of the securities concerned in compliance with the applicable formalities, to perform all necessary deductions on the issuing premium and more generally to take all appropriate actions.

The delegation of authority given to the Board of Directors under this resolution is valid for a duration of 26 months from the date of this meeting.

ELEVENTH RESOLUTION:
AUTHORIZATION FOR THE BOARD OF DIRECTORS TO INCREASE THE NUMBER OF SHARES TO BE ISSUED IN THE EVENT OF A CAPITAL INCREASE, WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS FOR SHAREHOLDERS

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, after examination of the report of the Board of Directors and the report of the Statutory Auditors, in accordance with article L. 225-135-1 of the French commercial code, authorizes the Board of Directors to decide to increase the number of shares to be issued for each of the issues undertaken in application of the 8th, 9th and 10th resolutions proposed to the Shareholders' Meeting, within the periods and limits prescribed by the law and regulations applicable on the date of the issue (currently, within thirty days after subscription is closed, up to a limit of 15% of the initial issue and at the same price as the initial issue), subject to respect of the Ceiling(s) defined in the resolution under which the issue is undertaken.

The Shareholders' Meeting terminates, with immediate effect, the unused portion of the delegation of authority given by the Extraordinary Shareholders' Meeting of May 20, 2009 in its 10th resolution.

The authorization given to the Board of Directors under this resolution is valid for a duration of 26 months from the date of this meeting.

TWELFTH RESOLUTION:
DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL BY CAPITALIZATION OF RESERVES, PROFITS, PREMIUMS OR OTHER AMOUNTS ELIGIBLE FOR CAPITALIZATION

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, after examination of the report of the Board of Directors, in accordance with articles L. 225-129 to L. 225-129-6 and L. 225-130 of the French commercial code:

- terminates, with immediate effect, the unused portion of the delegation of authority given by the Extraordinary Shareholders' Meeting of May 20, 2009 in its 11th resolution; and,
- delegates its authority to the Board of Directors to increase the capital, in one or more times, by capitalization of reserves, profits, premiums or other amounts eligible for capitalization, or to do so in conjunction with a capital increase in cash undertaken under the previous resolutions, or in the form of attribution of free shares or an increase in the nominal value of existing shares, or in a combination of the two.

The total nominal value of the capital increase, immediately or at a later date, undertaken under this resolution shall not exceed €1,000,000,000. It is emphasized that (i) this ceiling is separate from and independent of the ceilings for capital increases resulting from issues of shares or marketable securities authorized by the 8th, 9th, 10th, 11th, 13th and 14th resolutions proposed at this Shareholders' Meeting, and (ii) this ceiling does not include shares in the Company that may be issued in connection with adjustments to preserve the rights of holders of marketable securities giving access to the capital of the Company.

The Board of Directors may decide that fractional subscription rights will be non-transferable and that the corresponding shares will be sold; the proceeds of such sale will be allocated to holders of the rights within the period defined by the regulations.

The Board of Directors shall have all powers to determine, in particular, the characteristics and conditions of the authorized transactions and in particular to set the amount and nature of the reserves and premiums to be incorporated in the share capital, to set the number of new shares to be issued or the amount by which the nominal value of the existing shares will be increased, to set the date of holding, which may be retroactive, of the securities to be issued or the date at which the increase in the nominal value of the existing shares will be effective, and perform all necessary deductions on the issuance premium and in particular the deduction of expenses in connection with the issuances, and more generally to take all appropriate actions to complete the issuances.

The delegation of authority given to the Board of Directors under this resolution is valid for a duration of 26 months from the date of this meeting.

THIRTEENTH RESOLUTION:
DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL AS A RESULT OF AN EXCHANGE OFFER INSTIGATED BY THE COMPANY

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, after examination of the report of the Board of Directors and the report of the Statutory Auditors, in accordance with articles L. 225-129-2, L. 225-148 and L. 228-91 and following of the French commercial code,

- terminates, with immediate effect, the unused portion of the delegation of authority given by the Extraordinary Shareholders' Meeting of May 20, 2009 in its 12th resolution; and,
- delegates its authority to the Board of Directors, on the basis and terms defined in the 9th resolution (except for price related matters set forth in this resolution), to decide to issue shares in the Company or marketable securities giving access to shares in the Company already issued or to be issued, in exchange for securities tendered to a public offer which includes an exchange component (as a principal or subsidiary) instigated by the Company in or outside France, in accordance with local rules, in respect of shares in a company whose shares are admitted to trading on a regulated market as concerned by article L. 225-148 mentioned above, and decides, to the benefit of bearers of the newly-issued securities, to eliminate, if necessary, the shareholders' preferential subscription right for those shares and marketable securities;
- notes that this delegation of authority automatically entails a waiver by the shareholders of their preferential subscription right to shares associated with any marketable securities to be issued under this delegation of authority.

  The total nominal value of the capital increase, immediately or at a later date, resulting from all issues undertaken under this resolution shall not exceed €45,000,000, and the total nominal value of the capital increases undertaken under this resolution shall be deducted from the Ceiling for the overall nominal value of capital increases set forth in the 9th resolution proposed at this Shareholders' Meeting. This Ceiling does not include shares in the Company that may be issued in connection with adjustments to preserve the rights of holders of marketable securities giving access to the capital of the Company.

- decides that the total nominal value of the debt instruments issued under this resolution shall not exceed, and shall be deducted from, the ceiling for debt instruments defined in the 8th resolution proposed at this Shareholders' Meeting;
- decides that the Board of Directors shall have all powers to implement this authorization, and in particular to:
  - carry out the public offers concerned by this resolution,
  - set the exchange ratio and the amount of cash payment if applicable,
  - set the dates and issue conditions, particularly the price and issue date, of shares or where relevant marketable securities giving access to shares in the Company and, where necessary, amend the characteristics of the securities issued under this resolution during the lifetime of the securities concerned in compliance with the applicable formalities,
  - register in the "Contribution premium" in the balance sheet liabilities, relative to the rights of all shareholders, the difference between the issue price and nominal price of the new shares, and if necessary deduct from this contribution premium account all expenses incurred in connection for the purpose of the authorized operation,
  - in general take all appropriate action and enter into any and all agreements.

The delegation of authority to the Board of Directors under this resolution is valid for a duration of 26 months from the date of this meeting.

FOURTEENTH RESOLUTION:
AUTHORIZATION FOR THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL IN RETURN FOR CONTRIBUTIONS IN KIND GRANTED TO THE COMPANY

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, after examination of the report of the Board of Directors and the report of the Statutory Auditors, in accordance with article L. 225-147 and articles L. 228-91 and following of the French commercial code:

- terminates, with immediate effect, the unused portion of the authorization given by the Extraordinary Shareholders' Meeting of May 20, 2009 in its 13th resolution; and,
- authorizes the Board of Directors to increase the capital by a maximum of 10% of the existing capital (at the date of this meeting), in view of the report of the appraiser (*commissaire aux apports*), in remuneration of contributions in kind made to the Company, in the form of shares or marketable securities giving access to the capital when the provisions of article L. 225-148 of the French commercial code do not apply.

Under this authorization, the Board of Directors will decide after examination of the report(s) of the Statutory Auditors, in accordance with article L. 225-147 of the French commercial code.

The total nominal value of the capital increase, immediately or at a later date, resulting from all issues undertaken under this resolution shall not exceed €45.000.000 and the total nominal value of the capital increases undertaken under this resolution shall be deducted from the Ceiling for the overall nominal value of capital increases set forth in the 9th resolution proposed at this Shareholders' Meeting.

This Ceiling does not include shares in the Company that may be issued in connection with adjustments to preserve the rights of holders of marketable securities giving access to the capital of the Company:

- decides that the total nominal value of all debt instruments issued under this resolution shall not exceed, and shall be deducted from, the Ceiling for debt securities defined in the 8th resolution proposed at this Shareholders' Meeting;
- decides, to the benefit of holders of the shares or marketable securities issued in exchange for the contribution in kind, to eliminate the shareholders' preferential subscription right to the shares and marketable securities issued in this way;
- the Meeting records the fact that this delegation of authority automatically entails a waiver by the shareholders of their preferential subscription right to the shares associated with any marketable securities to be issued under this delegation of authority;
- decides that the Board of Directors shall have all powers to implement this authorization, and in particular to determine the terms and conditions of the authorized operations, including valuing the contribution and where relevant granting special benefits and formally acknowledging execution of the capital increase and amending the bylaws accordingly.

The delegation of authority given to the Board of Directors under this resolution is valid for a duration of 26 months from the date of this meeting.

FIFTEENTH RESOLUTION:
DELEGATION OF POWER TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL TO THE BENEFIT OF MEMBERS OF THE EDF GROUP SAVINGS PLAN

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, after examination of the report of the Board of Directors and the report of the Statutory Auditors, in accordance with article L. 225-129-6, L. 225-138 I and II and L. 225-138-1 of the French commercial code and articles L. 3332-18 and following of the French labor code:

- terminates, with immediate effect, the unused portion of the authorization given by the Extraordinary Shareholders' Meeting of May 20, 2009 in its 14th resolution;
- grants the Board of Directors full powers in order to increase the capital of the Company, in one or several issuances, by an issue of shares or marketable securities giving access to the shares in the Company already issued or yet to be issued, reserved for members of company savings plans (or other plan for which article L. 3332-18 of the French labor code would allow a capital increase in similar conditions) at the level of the Company or the EDF group, established by the Company or other French or foreign companies consolidated in the accounts of the Company according to Articles L. 3344-1 and L. 3344-2 of the French labor code;
- fixes the ceiling of the nominal value of the capital increase, immediately or at a later date, resulting from all issues undertaken under this resolution shall not exceed €10,000,000. This limit does not include shares in the Company that may be issued in connection with adjustments to preserve the rights of holders of marketable securities giving access to the capital of the Company;
- fixes the discount at 20% relative to the average opening price of the Company's share over the twenty trading sessions of the Euronext Paris market preceding the date of the decision fixing the opening date for subscriptions. However, the Shareholders' Meeting expressly authorizes the Board of Directors to reduce or eliminate this reduction if it deems such action appropriate, in view of factors such as locally applicable legal, accounting, tax or social systems;
- decides that the Board of Directors may, within the limits prescribed by the law and regulations applicable, attribute for no consideration shares already issued or to be issued, or other securities giving access to the Company's capital already issued or to be issued, in conformance with the company's additional contribution for employees, or if need be with the reduction;
- decides, to the benefit of the beneficiaries mentioned above, to eliminate the shareholders' preferential subscription right concerning the shares and marketable securities to be issued under this resolution, and to waive all rights to shares or other securities attributed for no consideration in application of this delegation of authority;
- decides that the Board of Directors shall have all powers to implement this authorization, and in particular to:
  - determine the scope, the terms and conditions of operations and set the dates and conditions of the issues to be made under this authorization,
  - set the opening and closing dates for subscriptions, the issue dates, the methods for payment of the shares and other marketable securities giving access to the Company's capital,
  - grant extensions for settlement of the shares and, where relevant, other marketable securities giving access to the Company's capital, apply for admission to trading for the newly issued securities in any place it wishes.

The delegation of authority given to the Board of Directors under this resolution is valid for a duration of 26 months from the date of this meeting.

SIXTEENTH RESOLUTION:
AUTHORIZATION FOR THE BOARD OF DIRECTORS TO REDUCE THE CAPITAL

The Shareholders' Meeting, deliberating in compliance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, after examination of the report of the Board of Directors and the report of the Statutory Auditors, in accordance with article L. 225-209 of the French commercial code:

- terminates, with immediate effect, the unused portion of the authorization given by the Extraordinary Shareholders' Meeting of May 20, 2009 in its 15th resolution; and,
- authorizes the Board of Directors to reduce the capital by cancellation of all or some of the shares purchased under the Company's share repurchase program, by up to 10% of the existing capital in 24-month periods. This 10% limit applies to the amount of the Company's capital, adjusted if necessary to take into account operations affecting the share capital after the date of this meeting;
- authorizes the Board of Directors to allocate the difference between the repurchase value and nominal value of cancelled shares to the available premiums and reserves;
- grants all powers to this end to the Board of Directors, with the possibility of subdelegation as permitted by the law and regulations applicable, to set the terms and conditions and amend the Company's bylaws accordingly, and more generally to take all necessary action.

The authorization given to the Board of Directors under this resolution is valid for a duration of 18 months from the date of this meeting.

SEVENTEENTH RESOLUTION:
POWERS FOR FORMALITIES

The Shareholders' Meeting grants all powers to the bearer of an original, a copy or an extract of the minutes of this meeting to carry out all legal and administrative formalities, and file and register all information required by the laws in force.