the energy to make the world a better place

EDF
Electricité de France

2003 First Half Results

Paris, 2 October 2003

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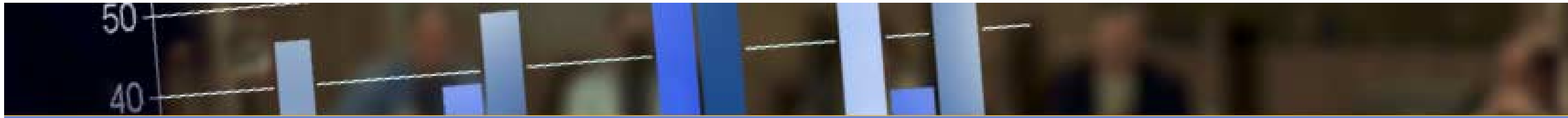
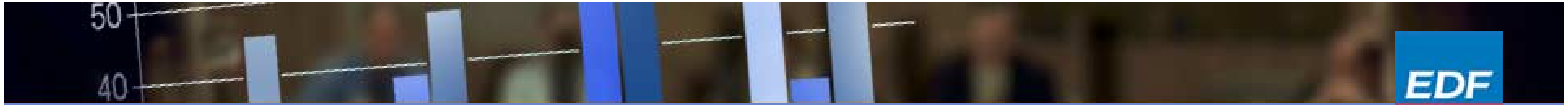
Electricité
de France



Agenda

First Half Developments and Outlook	François Roussely
Financial Results	Daniel Camus
Questions and Answers	



Summary of First Half Results

1. **Net current income is robust in France and improved abroad**
2. **Adoption of IAS accounting standards compatible with French system**
3. **Very large non-recurring items**
4. **Balance Sheet and Cash Flow: Improvement in financial ratios**
5. **Charting the Group's financial course**

- Figures improved from the low point reached in 2002
- Clearer and more transparent accounts
- Drive for greater profitability

EDF… A company in transformation

Market opening

Flexibility and cost structure
Funding of pensions
Mix of regulated
and deregulated activities

Internationalisation

Financial integration and
valuation at Group level

Transparency

International accounting
standards
Focus on operating
performance

Fully transparent explanations and communication

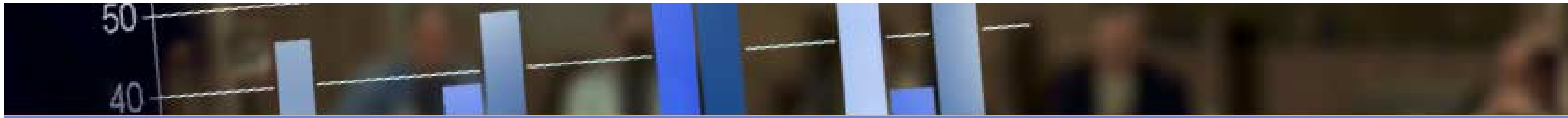
Financial transparency

- **First ever half yearly accounts from EDF**
- **Implementation as from 01.01.2003 of all IAS standards that are applicable and compatible with French standards**
    - Presentation of all changes to the COB, the stock market regulator
- **Presentation of the income statement, cash flow and balance sheet in the standard IAS format for the first half of 2003; complete restatement of 2002 accounts in line with the new standards**

    - Clearer Group accounts
    - Greater comparability with our major European competitors
    - Gradually establishing EDF as a financial benchmark

-1-

Net current income: Robust in France, and improved abroad



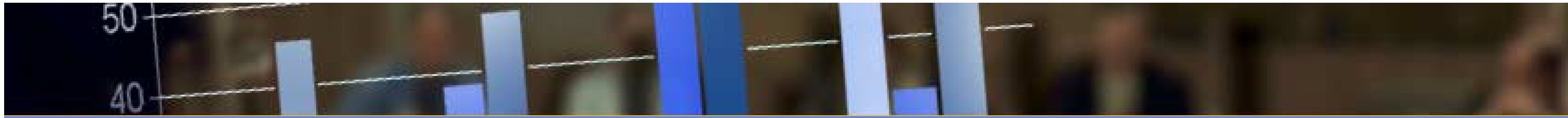
Consolidated Results

In € million	1st Half 2003	2002 Pro-forma	2002 Published	Comments
Sales*	23,189	41,817	48,359	Solid operating results
EBITDA	6,258	10,585	11,216	
EBIT	5,659	5,147	5,179	Impact of accounting changes
Net income	728	231	481	Up in spite of the impact of amortisation
Net current income **	1,330	-	-	Very positive
Net financial debt	24,540	26,863	25,829	Improvement in the financial structure
Shareholders' equity (EDF share)	19,644	19,286	13,883	

Results reflect the initial effect of the powering up of Group performance

*As from 2003, only the trading margin is included in the sales figure

**Net current income = income before extraordinary items and changes to the accounting standards



Sales Growth

In € million	1st Half 2003	1st Half 2002	Reported Growth as %	Activity as %	Consolidation as %	Foreign Exchange as %
Sales	**23,189**	**21,242**	**9.2**	**4.7**	**7.5**	**- 3.0**
▪ France*	14,688	14,530	1.1	1,1		
▪ Rest of Europe	6,370	4,372	45.7	12.3	38.3	-5
▪ Rest of the world and other activities	2,131	2,340	-9	12.4	-3.6	-17.7

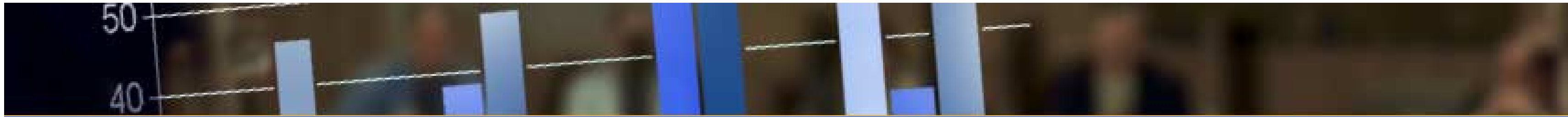
- **4.7% increase in sales excluding consolidation and foreign exchange impacts**
- **96% of sales generated in Europe**

*attributable to parent company

Operating Results

In € million

	1st Half 2003	2002 Pro-forma	2002 Published
Sales	23,189	41,817	48,359
External charges	-11,272	-19,582	
Personnel expenses	-4,848	-9,218	
Taxes and duties	-1,282	-3,716	
Other operating revenues and costs	471	1 284	
EBITDA	6,258	10,585	11,216
Net depreciation expenses	-2,163	-5,399	
Net provisions	1,564	-39	
Operating results (EBIT)	5,659	5,147	5,179

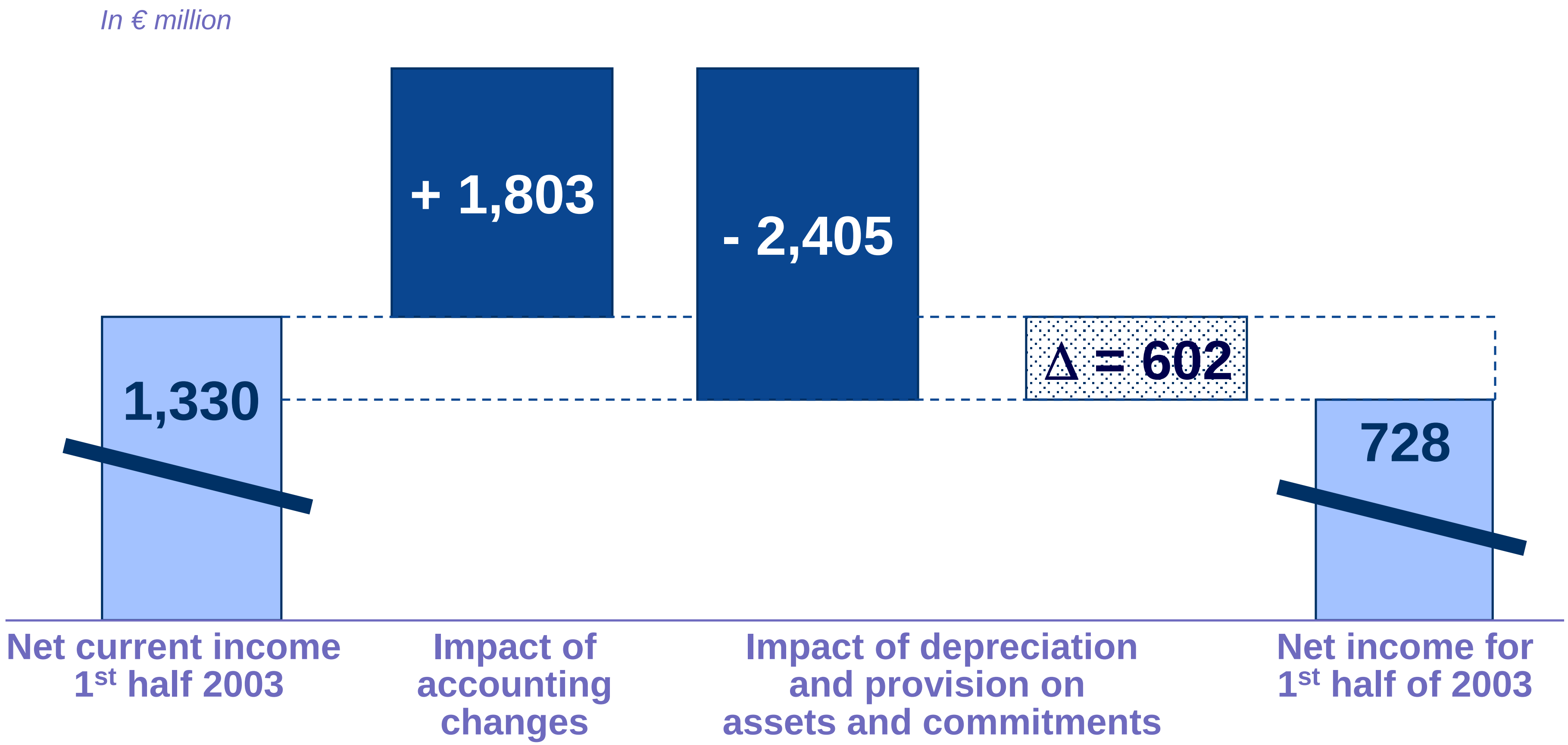


Net Income

In € million

	1st Half 2003	2002 Pro-forma	2002 Published
Operating results (EBIT)	**5,659**	**5,147**	**5,179**
Net interest expenses	-768	-1,651	
Foreign exchange gain/loss	111	-90	
Other financial revenues and expenses	-1,586	-1,726	
Pre-tax income of consolidated companies	**3,416**	**1,680**	**1 668**
Income tax	-1,878	-825	
Net depreciation expenses and provisions for goodwill	-732	-714	
Share in income of companies accounted for by the equity method	-29	25	
Net income (EDF and minority interests)	**777**	**166**	**415**
Minority interests	-49	65	66
Net income (Group share)	**728**	**231**	**481**

Net income and net current income



Group net current income as at 30 June 2003

In € million

Net current income	**1,330**
-Effect of accounting changes	+ 1,803
-Provisions for risks on Edison, Italy	- 900
-Impairment Fenice, Italy	- 175
-Impairment Light, Brazil	- 830
-Impairment and restructuring of EnBW, Germany	- 500
Net income (Group share)	**728**

A solid net current income based on operating improvements in France and abroad

Electricité de France

- Results by country

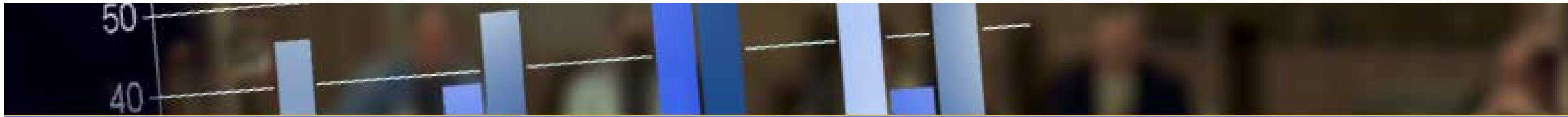
Geographic breakdown of consolidated results

In € million

	Total	France EDF*	United Kingdom	Germany	Italy	Latin America	EDF Trading	Rest of world and other activities
Sales	**23,189**	**14,688**	**2,656**	**2,579**	**405**	**898**	**174****	**1,789**
EBITDA	**6,258**	**4,576**	**599**	**227**	**77**	**186**	**127**	**466**
EBIT	**5,659**	**5,303**	**455**	**-128**	**43**	**-459**	**118**	**327**
Net income	**728**	**1,841**	**154**	**-561**	**-139**	**-804**	**88**	**149**
Net current income	**1,330**	**926**	**154**	**-61**	**36**	**35**	**88**	**152**

96% of EBITDA and 96% of Net Current Income generated in Europe

* *Attributable to parent company ** Gross margin*



EDF
Electricité de France

EDF France*:
Robust operational performance

In € million	1st Half 2003	2002 Pro-forma	2002 Published
Sales	14,688	28,239	27,825
EBITDA	4,576	7,729	8,229
EBIT	5,303	3,702	3,921
Net income	1,841	1,246	1,461
Net current income	926	-	-

- **Company is gearing up for 1st July 2004 (70% of French market to be opened up to competition)**

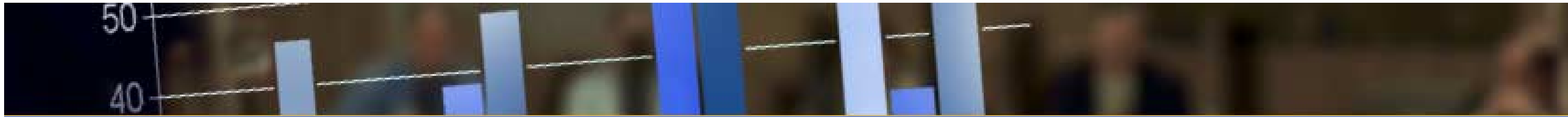
- **Rising to the challenge of competition**
  - 37% of the market "open" in February 2003
  - EDF kept 83% market share in this "open" market
- **Good fundamentals**
  - Electricity generation up by 2.5% to 248 Twh
  - Energy mix 96% based on nuclear and hydraulic power
- **Initial powering up of EDF performance has paid off**

*Parent company attributable

United Kingdom: EDF Energy continues its integration process

In € million	1st Half 2003	2002 Pro-forma	2002 Published
Sales	2,656	4,502	4,451
EBITDA	599	952	1,010
EBIT	455	582	600
Net income	154	107	114
Net current income	154	107	114

- **Growth in income**
  - Net income doubled on first half 2002 (including Seeboard consolidation)
- **Critical mass achieved**
  - 11% of energy customers
  - Needs of residential and small and medium-sized business customers met by our own generation resources
- **Major synergies**
  - 3 adjacent networks (London + East + South)
  - As from 2003, the synergies will generate £40 million (goal =£100 million/year)



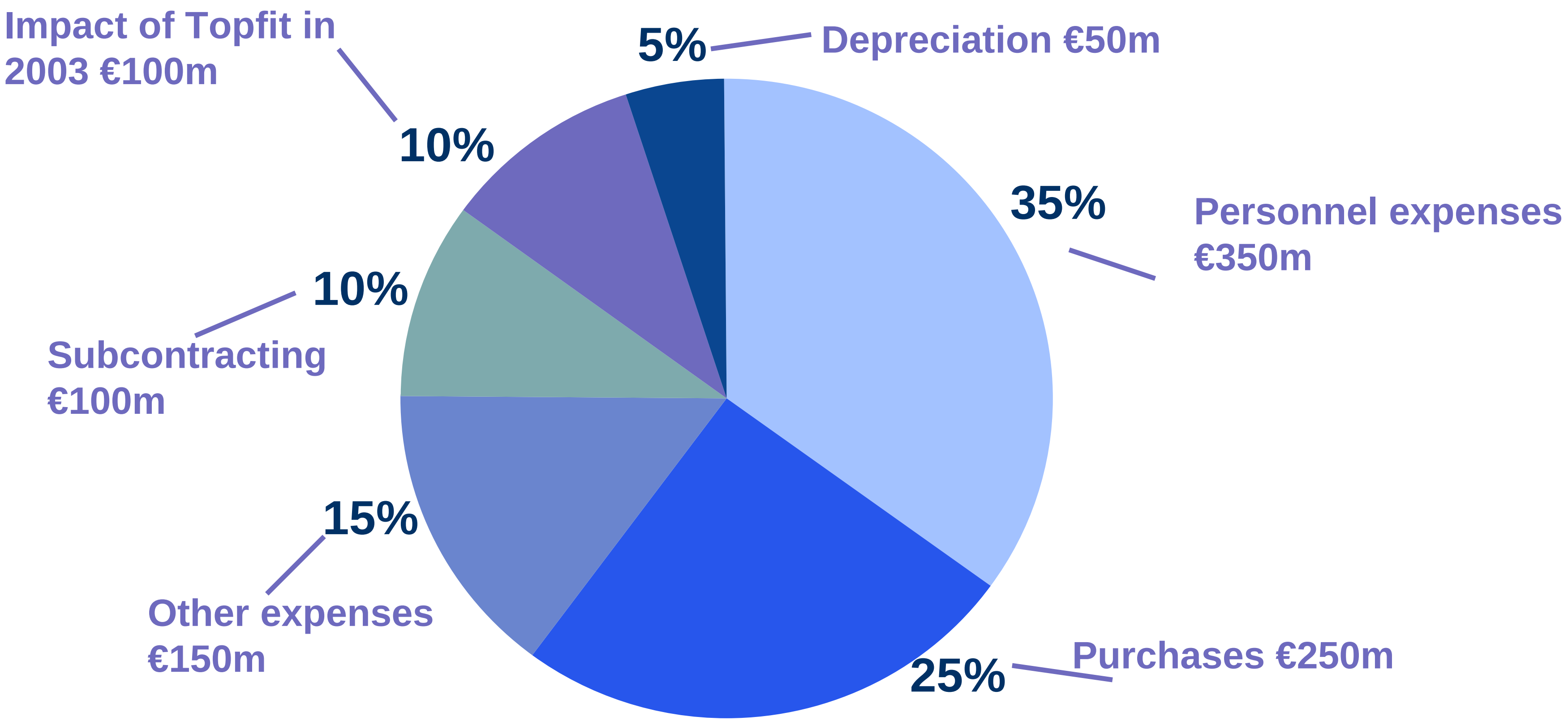
EDF Electricité de France

Germany: EnBW restructures its portfolio

In € million	1st Half 2003	2002 Pro-forma	2002 Published
Sales	2,579	3,178	3,161
EBITDA	227	252	426
EBIT	-128	50	2
Net income	-561	-174	-174
Net current income	-61	-174	-174

- **High growth in core business (consolidation impact)**
  - Strong growth in gas business (GVS): 19.5% of sales compared with 6.3% in first half 2002
- **Significant non-recurring items**
  - Impact on result – 1.1 € billion (100%): SWDüsseldorf, Thermoselect, Salamander, Zeag, restructuring charges…
- **TOPFIT objective 2003-2006 = €1 Billion**
  - Ambitious cost cutting plan
- **Dispose of non-strategic assets and cut capital expenditure sharply**

EnBW: €1 Billion Top-fit cost reduction programme in 2003 - 2006



€60.8 million worth of cost-cutting achieved in first half 2003

Italy: Edison
Situation has improved significantly

- **Edison not consolidated in 1st half 2003**

- **Edison has returned to profitability:**
  - Net income of €141million compared with a loss of €129 million in the first half 2002 and a loss of €697million over the whole of 2002
  - As against year end 2002, net debt was reduced by over a third to €4.1 billion

- **Energy-focused business plan in an attractive market**
  - 12% increase in energy sales (eligible market)
  - Target for Italy in 2007: 20% of eligible electricity market and 22% of eligible gas market, mainly through organic growth
  - Develop gas-electricity convergence

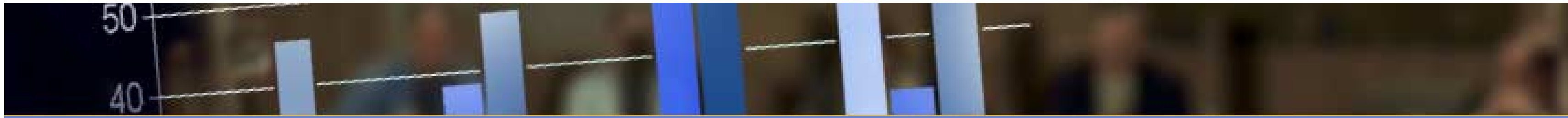
Argentina:
Edenor profitable in 1st Half 2003

In € million

	1st Half 2003	2002 Pro-forma	2002 Published
Sales	137	274	274
EBITDA	40	84	76
EBIT	24	35	37
Net income	105	-307	-307
Net current income	105	-307	-307

- Operating result remains positive
- Favourable impact of foreign exchange in first half
- Economic stabilisation
- Electricity prices expected to rise since early 2002

Debt rescheduling necessary

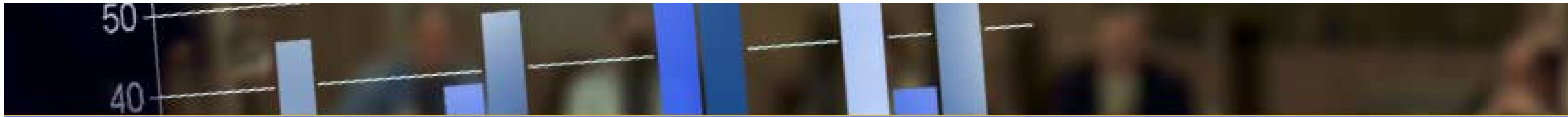


Brazil: Stabilisation of operational performance and Light's refinancing

In € million	1st Half 2003	2002 Pro-forma	2002 Published
Sales	539	1 301	1 301
EBITDA	130	399	465
EBIT	-478	105	95
Net income	-913	-715	-715
Net current income	-80	-274	-274

- Stable performance in local currency, but short of Business Plan
- Slow reduction in non-technical losses (22%) Objective: -1.5% per annum
- Proposal to raise prices in November 2003 (+6.15%)
- Plan announced to help the electricity sector in Brazil, which should stabilise supply costs

➢ Debt rescheduling necessary



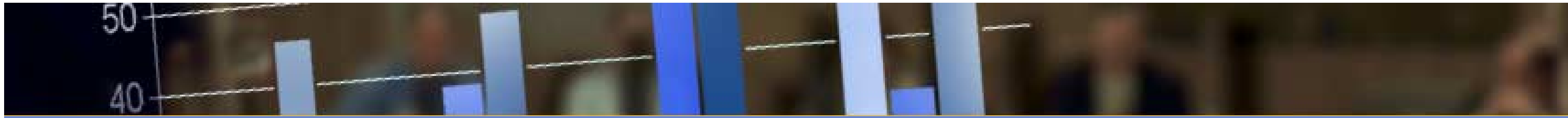
EDF Trading:
A valuable core asset for the group

In € million	1er Half 2003	2002 Pro-forma	2002 Published
Non consolidated sales	5,759	8,338	8,338
Consolidated sales	174	214	7,238
EBITDA	127	99	95
EBIT	118	99	94
Net income	88	45	43
Net current income	88	45	43

- **A leading European energy trading company (Electricity, Gas, Coal) in less than three years thanks to:**
  - A resilient and sophisticated risk management system and corporate culture,
  - Advanced skills
- **Very good results in first Half 2003 in very volatile markets**
- **Wholly-owned by EDF since August 2003**

- 2 -

First half accounts already meet international standards



New Accounting Standards

- EDF has positioned itself in advance for the mandatory implementation in 2005 of IAS / IFRS standards by European companies making public offerings
- In 2003, EDF adopted the current IAS standards (except for IAS 19 on pensions), which are compatible with French accounting principles
- Early implementation of new French legislation incorporating IAS standards

Accounting changes in 3 steps

-1- Financial Statements 2002	Adoption of the regulation governing provisions (IAS 37)
-2- Financial Statements 2003	**Changes of Method:** • Method for depreciating assets (IAS 16) • End to capitalisation of interim interest payments (IAS 23) • Restatement of leasing contracts (IAS17) **Change of estimates:** • Lengthening of the depreciation period for nuclear power stations from 30 to 40 years
-3- Changes to be implemented by 2005	•Pensions (as soon as the pension scheme has been reformed) •Financial instruments (IAS 39 not applicable in France to date) •Concessions (pending a new IAS standard)

Changes in 2003:
Depreciation of nuclear power stations

Until 2002, accelerated depreciation over 30 years

Change of method
Adoption of IAS 16

From 2003, straight line depreciation (retroactive implementation: impact on shareholders' equity)

Change of estimate

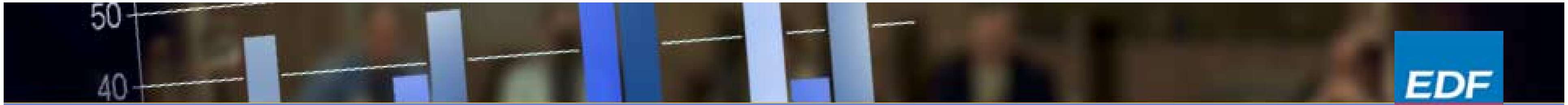
- **Lessons drawn from operating experience**
- **Technical studies of non-replaceable parts**
- **In USA, licences for the same technology are renewed for 60 years**
- **Discussions with the Safety Authority**

From 2003, switch to 40 year depreciation (forward implementation: impact on future results and on provisions for decommissioning)

Other accounting changes in 2003

- **Ten-year servicing costs capitalised as an item on the asset side of the balance sheet (under IAS 16)**
  - Write-back of provisions made earlier for maintenance and servicing
- **Depreciation of major components over their useful life (under IAS 16).**
- **Cancellation of the capitalisation of interim interest payments (preferred method under IAS 23)**
- **Capitalisation of leasing contracts (under IAS 17)**

These changes accounted for retroactively.
Impact on shareholders' equity as at 1 January 2003



Impact of accounting changes in 2003

In € million	Shareholders' equity as at 1 January 2003	Results 1st Half 2003
Depreciation and provision for power stations and networks	5,713	1,799
Major components/ten-year servicing/maintenance	1,851	(39)
Interim interest payments and others	(2,161)	43
Total after tax	**5,403**	**1,803**

Taxes: €990 million on First Half results 2003

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Updated estimate for the valuation of some Group assets and commitments

Depreciation, restructuring and risks (1)

- **Light (Brazil) = €830 Million**
  Taking into account of contingency plan execution risk and of macro-economic environment
  - Depreciation of remaining goodwill = €296 Million
  - Depreciation of fixed assets = €534 Million

- **EnBW (Germany) = €500 Million (EDF share)**
  - Restructuring measures taken by the new management team (SWD, Thermoselect, Salamander, ZEAG, etc.)

Depreciation, restructuring and risks (2)

- **Edison Group (Italy) = €900 Million**
  - of which €855 Million relating to purchase and sale options
  - Implementation of a method for valuing options at ‘‘market rate’’, comparing the market value of shares in 2003 with the option strike prices, discounted back in 2003,
  - and, to a lesser extent, account taken of the latest assumptions of Edison Group’s business plan

- **Fenice (Italy) = €175 Million**
  - Depreciation of part of goodwill
  - Cautious assumptions regarding the long-term implementation of Fenice’s business plan.
    Its main customer is Fiat

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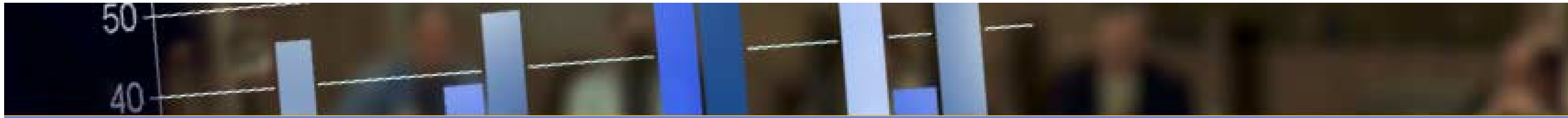
Balance Sheet and Cash Flow: Improved financial ratios

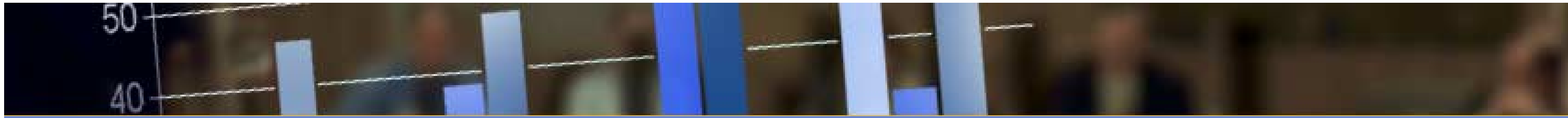


Consolidated Balance Sheet

In € million

	1er Half 2003	2002 Pro-forma
Goodwill and intangible assets	6,802	7,770
Tangible assets	101,063	102,184
Financial assets and equity consolidated subsidiaries	9,606	9,736
Inventory & work in progress	7,380	7,661
Deferred tax assets	169	380
Customer receivables and other debt	16,862	18,473
Short-term financial assets and cash	6,274	4,681
Total assets	**148,156**	**150,885**

	1er Half 2003	2002 Pro-forma
Shareholders' equity	19,644	19,286
Minority interests	963	943
Specific concession accounts	20,767	20,822
Provisions for contin-gencies & liabilities	45,788	47,187
Deferred tax liabilities	5,936	6,199
Financial debt	30,814	31,544
Trade payables and others	24,244	2, 904
Total liabilities	**148,156**	**150,885**



Changes in shareholders’ equity

In € million

As at 31 December 2002	13,883
Change in accounting methods	5,403
As at 31 December 2002 (pro-forma)	19,286
Net income	728
Dividends paid	(208)
Translation difference	(162)
As at 30 June 2003	19,644

Increase in shareholders’ equity without a cash impact

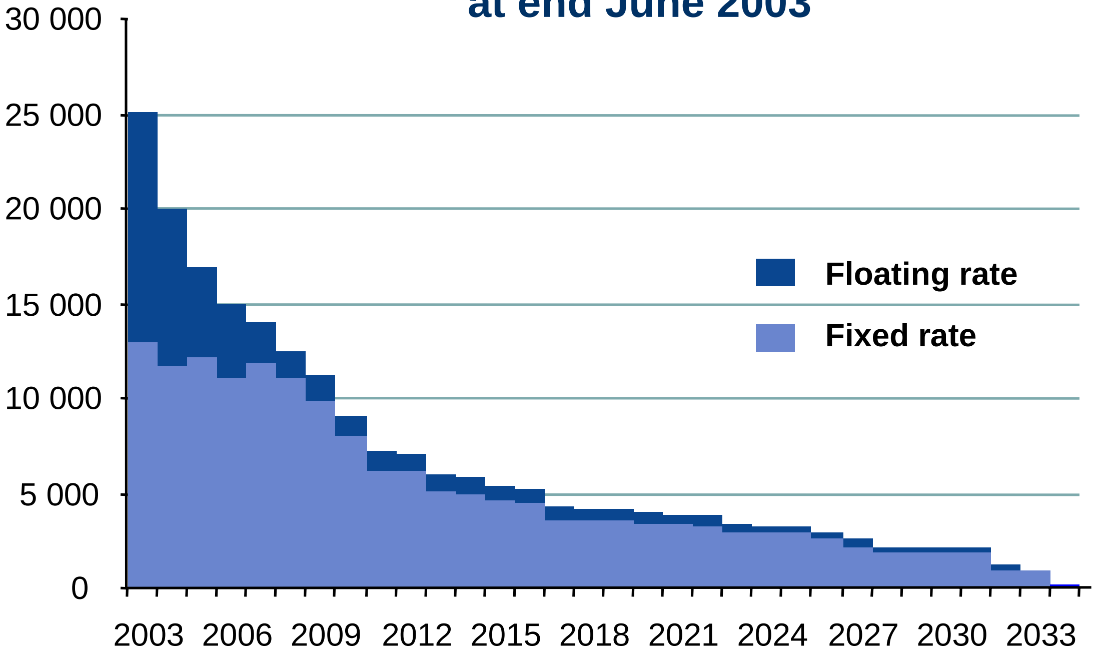
Change in net financial debt

In € billion	1er Half 2003	2002 Pro-forma
Net financial debt pro-forma, start of period	**-26.9**	**-23.2**
- Net cash flow from operations	4.3	9.3
- Net investments	-2.6	-10.0
- Other financing operations	0.7	-3.0
Net financial debt as at end of period	**-24.5**	**-26.9**

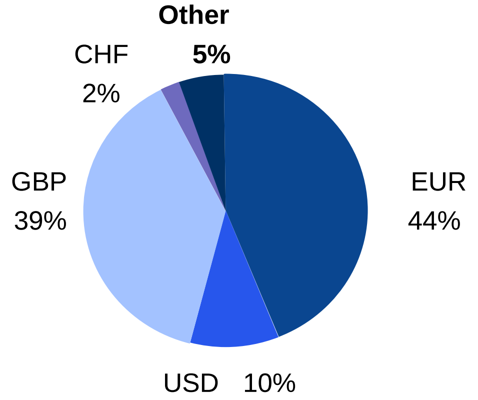
Squeeze on operational cash flow and strict control on investments has reduced debt

Structure of Group Net Financial Debt

Profile of Group consolidated debt at end June 2003



Breakdown of consolidated debt by currency, end June 2003



Best credit ratings in sector:

- Moodys: Aa3, outlook negative
- S&P : AA-, outlook negative
- Fitch IBCA : AAA, rating watch negative

- **Average debt maturity is long term: 8 years for parent company, 6 years for Group**
- **Little use of short-term finance available and no drawing on syndicated credit lines worth €9 billion**

A healthy debt structure

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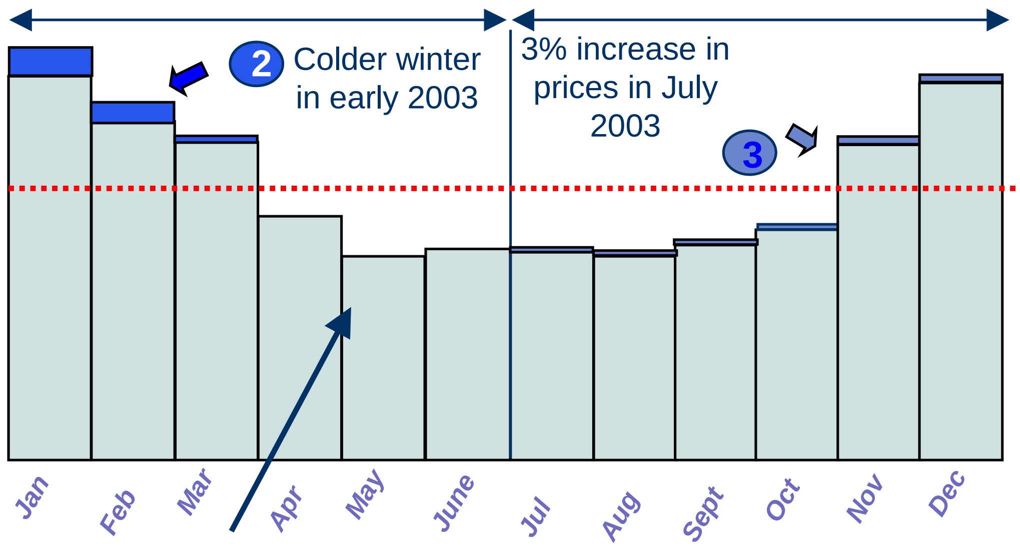
Outlook

Outlook 2003: France

The second half features a traditional fall in revenues…

Breakdown of revenues over the year



1 Traditionally, revenues tend to rise in the first half ('in an average year'')
Three cold months in the first half compared with two in the second

… and additional extraordinary costs

- impact of the **heat wave**
- risk that drought will last longer

… specific expenditures: engineering and maintenance costs, preparation for deregulation of professional markets, etc.

Cost of heatwave and drought estimated to exceed €300 million

Second half will be affected by special weather conditions

Outlook 2003: Subsidiaries & shareholdings

- **Ongoing programmes to improve operational performance**
  - **EnBW**: implementation of the **TOPFIT** programme
  - **UK**: continuation of efforts to extract **synergies**
  - **Edison**: sustaining the improvement in operational performance
  - **Latin America**: losses due to non-technical factors/price review
- **The refocusing of the asset portfolio is well under way**
  - July 2003: sale of EDF stake in **CNR** to Electrabel (€267million)
  - August 2003: sale of EDF stake in **Graninge** to E.On (€525 million)

EDF's entire asset and shareholding portfolio is being systematically reviewed

Outlook for 2003

Despite a lower second half because of seasonal factors and weather conditions,

Our target net current income for 2003 is noticeably up on 2002, thanks to the efforts made by all our branches over the year

A group performance programme over the 2003-2006 period

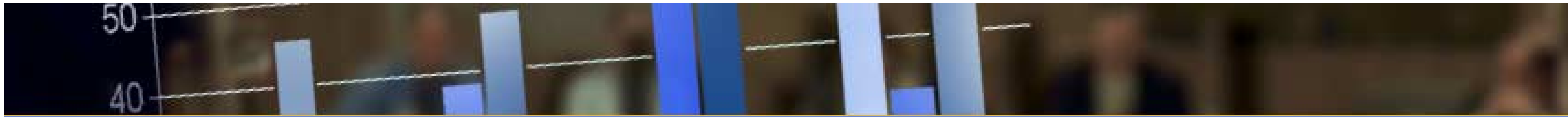
Improving profitability and financial flexibility 2003 - 2006

- Group-wide programme implemented across the organisation
- Range of projects implemented at all levels of the organisation

  - Cuts in purchases
  - Competitiveness of ancillary services
  - Marketing effectiveness
  - Interconnection capabilities
  - Control of investments
  - Improvement in working capital requirements
  - Optimisation of asset portfolio
  - etc.

- An overall project manager has been appointed with extensive authority

By year-end, detailed objectives will be set and explicit action plans will be drawn up by entity



Performance Enhancement Project (1) 2003 – 2006

Powering up the group systematically and in depth to achieve sustainable profit growth

- **Increasing operational leverage by achieving a higher EBITDA/Sales ratio than our competitors**
- **Aiming for a net income to sales margin that matches our major European competitors by 2006**

Integrated programme – France & Subsidiaries

Performance Enhancement Project (2) 2003 - 2006

Achieving greater flexibility ahead of our planned financial commitments in order to boost the group's industrial development

- **Group Competitiveness**
  Improving operational performance in France and abroad
- **Free Cash Flow managed through clearer resources allocation**
  Drastic reduction in acquisitions
  Improved working capital management
- **Reducing and refocusing EDF's asset portfolio in France and abroad**

Objective of €10 to €15 billion improvement in our financial flexibility between now and 2006

Discipline – Transparency – Anticipation

- **Raising our level of requirements**
- **Enhancing the visibility on EDF's performance**
- **Meeting our financial commitments steadily and consistently**

Charting the Group's financial course

Backups

Off-balance sheet commitments on foreign subsidiaries

In € million

	1er Half 2003	31 December 2002
Italy	4,805 (1)	4,878
Germany	4,585 (2)	4,862
Latin America	788	771
Other countries	1,571	1,278

Stable off-balance sheet commitments

(1) of which €3,736 million shareholder commitment to acquire an additional 82% stake; as at 30 June 2003, provision made for €855 million
(2) of which €2,816 million shareholder commitment to acquire an additional 31% stake

Goodwill by company

In € million

	30/06/03	31/12/02 Pro forma	31/12/02 Published
TOTAL	5,808	6,748	6,756
- EDF Energy	2,524	2,780	2,780
- EnBW	1,946	2,091	2,091
- Fenice	219	404	404
- Light	0	297	297
- Edenor	203	189	189
- Others	916	987	995