

## BASE PROSPECTUS



### €20,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Electricité de France (the "**Issuer**" or "**EDF**" or "**Electricité de France**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**") to qualified investors and the public in France or in any other Member State of the European Economic Area ("**EEA**") where this Base Prospectus has been notified to the competent authority in that Member State in accordance with the Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**"). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 20,000,000,000 (or the equivalent in other currencies at the date of issue of any Notes).

This Base Prospectus supersedes and replaces the Base Prospectus dated 18 May 2009.

Application has been made to the Autorité des marchés financiers (the "**AMF**") for approval of this Base Prospectus in its capacity as competent authority under the Prospectus Directive. This Base Prospectus received the visa no. 10-103 on 20 April 2010 from the AMF. Application may be made (i) to Euronext Paris during the period of 12 months from the date of this Base Prospectus for Notes issued under the Programme to be admitted to trading and/or (ii) to the competent authority of any other EEA Member State for Notes issued under the Programme to be admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC (a "**Regulated Market**"). However, Notes may be issued pursuant to the Programme which are not admitted to trading on any Regulated Market. The relevant final terms (the "**Final Terms**") (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading, and, if so, the relevant Regulated Market. The minimum denomination of each Note will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

The Programme is currently rated "Aa3" by Moody's Investors Service Ltd ("**Moody's**") and "A+" by Standard and Poor's Ratings Services ("**Standard and Poor's**"). Notes issued pursuant to the Programme may be unrated or rated differently from the current ratings of the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**") as more fully described herein. Dematerialised Notes will at all times be in book entry form in compliance with Article L.211-3 of the French Code monétaire et financier. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be in bearer dematerialised form (au porteur) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes — Form, Denomination(s), Title and Redenomination") including Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or in registered dematerialised form (au nominatif) and, in such latter case, at the option of the relevant Noteholder (as defined in "Terms and Conditions of the Notes — Form, Denomination(s), Title and Redenomination"), in either fully registered form (au nominatif pur), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (au nominatif administré) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global**")

**Certificate**) will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached, on or after a date expected to be on or about the 40th day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Bearer Notes") upon certification as to non U.S. beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche (as defined in "Summary") intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined herein) of Notes will be set out in the Final Terms.

**Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus.**

Arranger for the Programme  
**BNP PARIBAS**

Dealers

**BNP PARIBAS**

**Crédit Agricole CIB**  
**Société Générale Corporate & Investment Banking**

The date of this Base Prospectus is 20 April 2010.

**This Base Prospectus (together with any supplements to this Base Prospectus published from time to time, each a "Supplement" and, together, the "Supplements") constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive in respect of, and for the purposes of giving information, with regard to the Issuer and its fully consolidated subsidiaries (the "EDF Group") and the Notes, which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attached to the Notes.**

**This Base Prospectus should be read and construed in conjunction with any Supplement thereto and with any other documents incorporated by reference (see "Documents Incorporated by Reference"), each of which shall be incorporated in and form part of this Base Prospectus and, in relation to any Series (as defined herein) of Notes, should be read and construed together with the relevant Final Terms, the Base Prospectus and the Final Terms being together, the "Prospectus".**

**The Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import and the Issuer accepts responsibility accordingly.**

**No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Dealers or the Arranger.**

**No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date thereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer since the date thereof or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. No action has been taken by the Issuer, the Dealers or the Arranger which would permit a public offering of any Notes or distribution of this Base Prospectus in any such jurisdiction where action for that purpose is required. Accordingly no Notes may be offered or sold, directly or indirectly and neither this Base Prospectus nor any Final Terms or**

other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions.

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and may include Notes in bearer form which are subject to U.S. tax law requirements. Under United States legislation, subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with applicable laws and rules.

In addition, liquidity provider(s) may be appointed in connection with the issue of any Tranche, in which case the applicable Final Terms will include all relevant details regarding the entity (ies) which have a firm commitment to act as intermediary (ies) in secondary trading.

All references in this Base Prospectus to "€", "EUR" and "Euro" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, and all references to "U.S.\$", "U.S. dollars", "United States dollars" and "USD" are to the lawful currency of the United States of America.

## TABLE OF CONTENTS

|   |     |
|---|-----|
| <b>SUMMARY</b>  | 6   |
| <b>RÉSUMÉ EN FRANCAIS (SUMMARY IN FRENCH)</b>   | 15  |
| <b>RISK FACTORS</b>   | 25  |
| <b>DOCUMENTS INCORPORATED BY REFERENCE</b>  | 63  |
| <b>SUPPLEMENT TO THE BASE PROSPECTUS</b>  | 67  |
| <b>TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF<br/>MATERIALIZED BEARER NOTES</b> | 68  |
| <b>TERMS AND CONDITIONS OF THE NOTES</b>  | 70  |
| <b>USE OF PROCEEDS</b>  | 106 |
| <b>DESCRIPTION OF THE ISSUER</b>  | 107 |
| <b>DESCRIPTION DE L'EMETTEUR (DESCRIPTION OF THE ISSUER IN FRENCH)</b>                  | 112 |
| <b>RECENT EVENTS</b>  | 118 |
| <b>FORM OF FINAL TERMS</b>  | 126 |
| <b>TAXATION</b>   | 150 |
| <b>SUBSCRIPTION AND SALE</b>  | 157 |
| <b>GENERAL INFORMATION</b>  | 162 |
| <b>PERSONS RESPONSIBLE FOR THE BASE PROSPECTUS</b>                                      | 165 |
| <b>VISA OF THE AUTORITÉ DES MARCHÉS FINANCIERS</b>                                      | 166 |

## SUMMARY

*This summary (the "**Summary**") is provided for the purposes of the issue of Notes of a denomination of less than Euro 50,000 (or its equivalent in other currencies). Investors in Notes of a denomination equal to or greater than Euro 50,000 should not rely on this Summary in any way and the Issuer accepts no liability to such investors.*

*This Summary must be read as an introduction to this Base Prospectus. Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Where a claim relating to information contained in this Base Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member States of the European Community or states parties to the European Economic Area, be required to bear the costs of translating this Base Prospectus before the legal proceedings are initiated. No civil liability will attach to the persons who tabled the summary, including any translation thereof, and applied for its notification pursuant to Article 212-39 of the règlement général of the Autorité des marchés financiers, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus, including the documents incorporated by reference.*

*References to "EDF" or "EDF SA" in this section are references to the Issuer and references to the "EDF Group" are references to the Issuer and its fully consolidated subsidiaries.*

### 1. **Information relating to the Issuer**

#### *General introduction to the EDF Group*

The legal and commercial name of the Issuer is "Electricité de France". The Issuer may also legally and commercially be known as "EDF".

The Issuer is a limited liability company (a *société anonyme*) established under the laws of the Republic of France for a period of 99 years from 20 November 2004. It is registered at the Trade and Companies Registry of Paris (*Registre du Commerce et des Sociétés de Paris*) under reference number 552 081 317 RCS Paris.

The Issuer's registered address is 22-30 avenue de Wagram, 75008 Paris. The Issuer's contact number is + 33 (0)1 40 42 22 22.

The EDF Group is an integrated energy company with a presence in a wide range of electricity-related businesses: generation, transmission, distribution, supply and energy trading. It is France's leading electricity operator and has a strong position in the three other main European markets (Germany, the United Kingdom and Italy), making it one of Europe's leading electrical players as well as a recognised player in the gas industry.

With worldwide installed power capacity totalling 136.3<sup>1</sup> GW as of 31 December 2009 (134.0<sup>1</sup> GW in Europe) and global energy generation of 618.5<sup>1</sup> TWh, it has the

---

<sup>1</sup> Figures calculated according to the rules of accounting consolidation.

## Summary

---

largest generating capacity of all the major European energy corporations with the lowest level of CO<sub>2</sub> emissions due to the significant proportion of nuclear and hydroelectric power in its generation mix. The EDF Group supplies gas, electricity, and associated services to more than 37.9 million customers' accounts worldwide (including approximately 27.7 million in France).

### *Key information regarding the EDF Group's financial data*

The selected financial information is taken from the EDF Group's consolidated financial statements at 31 December 2009, which have been audited by EDF's statutory auditors.

The selected financial information below must be read in conjunction with (i) the consolidated financial statements included in section 20.1 ("Historical Financial Information") of the 2009 *Document de Référence*, and (ii) the operating and financial review contained in Chapter 9 of the 2009 *Document de Référence*.

| <i>(in millions of Euro)</i>                                | <b>Year Ended<br/>31 December<br/>2009</b> | <b>Year Ended<br/>31 December<br/>2008</b> |
|---|--|--|
| <b>Extracts from the consolidated income statements:</b>    |  |  |
| EDF net income  | <b>3,905</b>                               | 3,484                                      |
| <b>Extracts from the consolidated balance sheets:</b>       |  |  |
| Total assets  | <b>241,914</b>                             | 200,492                                    |
| Total equity and liabilities                                | <b>241,914</b>                             | 200,492                                    |
| <b>Extracts from the consolidated cash flow statements:</b> |  |  |
| Net increase (decrease) in cash and cash equivalents        | <b>1,340</b>                               | <b>(282)</b>                               |
| <b>Information concerning net indebtedness</b>              |  |  |
| Net indebtedness  | <b>42,496</b>                              | 24,476                                     |

See section headed "Description of the Issuer" of this Base Prospectus.

## 2. Information relating to the Programme

|                    |  |
|--------------------|--|
| <b>Description</b> | Euro Medium Term Note Programme for the issue of Notes to qualified investors and the public in France or in any other Member State of the European Economic Area where the Base Prospectus has been notified to the competent authority in that Member State in accordance with the Prospectus Directive, subject to further particularities set out in the relevant Final Terms. |
| <b>Arranger</b>    | BNP Paribas.   |
| <b>Dealers</b>     | BNP Paribas, Crédit Agricole Corporate and Investment Bank and Société Générale. The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint one or more additional dealers either generally in respect of the   |

## Summary

---

Programme or in relation to a particular Tranche (as defined below) of Notes. References in this Base Prospectus to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

### **Fiscal Agent, Principal Paying Agent and Paris Paying Agent**

Société Générale.

### **Calculation Agent**

The Fiscal Agent unless an alternative Calculation Agent is appointed in relation to a particular issue of Notes.

### **Programme Limit**

Up to Euro 20,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.

Any increase to this Programme limit will require the publication of a Supplement to the Base Prospectus.

### **Method of Issue**

The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the "**Final Terms**").

### **Form of Notes**

Notes may be issued in either dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either fully registered form (*au nominatif pur*) or administered registered form (*au nominatif administré*). No physical documents of title will be issued in respect of Dematerialised Notes.

Materialised Notes will be in bearer materialised form ("**Materialised Bearer Notes**") only. A Temporary Global Certificate will be issued



## Summary

---

|  |   |
|--|---|
|  | initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.  |
| <b>Initial Delivery of Dematerialised Notes</b>    | One Paris business day before the issue date of each Tranche of Dematerialised Notes, the <i>lettre comptable</i> relating to such Tranche shall be deposited with Euroclear France as central depository.  |
| <b>Initial Delivery of Materialised Notes</b>      | On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.   |
| <b>Currencies</b>                                  | Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated and based on rates of exchange for such other currency/ies.   |
| <b>Status</b>                                      | Notes and, where applicable, any related Coupons and Receipts, will constitute direct, unconditional, unsubordinated and (subject to the provisions of <i>Negative Pledge</i> below) unsecured obligations of the Issuer and rank and will rank pari passu without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer. |
| <b>Negative Pledge</b>                             | There will be a negative pledge.  |
| <b>Events of Default (including cross default)</b> | There will be events of default and a cross-default.  |
| <b>Issue Price</b>                                 | Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms.  |
| <b>Maturities</b>                                  | Any maturity subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.   |
| <b>Redemption</b>                                  | Notes may be redeemable in whole or in part (detailed in a formula or otherwise), at maturity or in instalments, as may be specified in the relevant Final Terms.   |

## Summary

---

|  |   |
|--|---|
| <b>Optional Redemption</b>                 | The Final Terms issued in respect of an issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders and, if so, the terms applicable to such optional redemption.   |
| <b>Early Redemption</b>                    | Except as provided in the Terms and Conditions of the Notes, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons.   |
| <b>Interest</b>                            | Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate or be linked to an index or formula, and may vary during the lifetime of the relevant Series.   |
| <b>Interest Periods and Interest Rates</b> | The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.   |
| <b>Denominations</b>                       | Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/ or regulatory and/or central bank requirements and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency). |
| <b>Consolidation</b>                       | Notes of one Series may be consolidated with Notes of another Series.   |
| <b>Redenomination</b>                      | Notes issued in the currency of any Member State of the EU which will participate in the single currency of the European Economic and Monetary Union may be redenominated into Euro.  |
| <b>Further Issues</b>                      | Further Notes may be issued so as to form a single Series with the Notes of any particular Series.  |
| <b>Taxation</b>                            | Unless otherwise specified in the relevant Final Terms, payments with respect to Notes will be made without the withholding tax set out under Article 125 A III of the French Tax Code ( <i>Code général des impôts</i> ).  |

## Summary

---

|   |  |
|---|--|
| <b>Governing Law</b>  | French law.  |
| <b>Listing and Admission to Trading</b>                             | As specified in the relevant Final Terms, a Series of Notes may or may not be listed and admitted to trading on Euronext Paris and/or any regulated market as defined by the Markets in Financial Instruments Directive 2004/39/EC (a " <b>Regulated Market</b> ") or other stock exchange.  |
| <b>Method of Publication of the Base Prospectus and Final Terms</b> | The Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Notes listed and admitted to trading on any Regulated Market will always be published on the websites of (a) the <i>Autorité des marchés financiers</i> ( <a href="http://www.amf-france.org">www.amf-france.org</a> ) and (b) the Issuer ( <a href="http://www.edf.fr">www.edf.fr</a> ) and may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France and at the specified offices of each of the Paying Agents. In addition, if the Notes are listed and admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of. |
| <b>Clearing Systems</b>   | Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.   |
| <b>Selling Restrictions</b>   | <p>There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions.</p> <p>In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.</p>  |
| <b>Risk Factors</b>   | <p><b>A. Essential risks associated with EDF</b></p> <p>The EDF Group operates in an environment that is experiencing profound change, generating various risks, some of which are outside of its control and which are in addition to the risks inherent in carrying on its businesses. The risks that the EDF Group believes are material for its businesses are described below and more extensively in "Risk Factors" below. One or several of these risks could possibly have an adverse effect on the EDF Group's activities and/or its results. Moreover, other risks, of which it is currently unaware, or which it believes are not material at present, may have the same adverse effect.</p> <p>The risks identified below relate to:</p>   |

- European energy markets;
- the EDF Group's activities;
- the EDF Group's nuclear activities;
- the EDF Group's structure and its transformation; and
- the structure of EDF share capital and the listing of its shares.

### **B. Essential risks associated with the Notes to be issued by EDF**

An investment in the Notes involves certain risks which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the Notes may lead to a volatility and/or decrease in the market value of the relevant Tranche whereby the market value falls short of the expectations (financial or otherwise) of an investor upon making an investment in such Notes.

However, each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

These risks include:

- **risk relating to potential conflicts of interest between the Issuer, the Dealers, their respective affiliates and the Holders of the Notes**
- **risks related to legality of purchase**

The acquisition of the Notes may be restricted by the laws of the jurisdiction of the Holder of the Notes, and may be subject to regulation by local authorities.

- **risk of modification, waivers or substitutions, of the conditions of the Notes by a General Meeting of Holders of the Notes binding all Holders of the Notes including those who did not attend or who voted in a manner contrary to the majority**

- **risks related to taxation**

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other charges or duties in accordance with the law and practices of the country where the Notes are transferred or where any other action is taken in relation to the Notes.

- **risks related to the EU Savings Directive**

Directive 2003/48/EC relating to the taxation of savings income provides that during a transitional period, certain Member States will withhold an amount on interest payments in respect of the taxation of that income.

- **risk of a change of law**

The Terms and Conditions of the Notes are based on French law in effect as of the date of the Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus.

- **risk relating to the liquidity/trading market for the Notes**

Notes issued under the Programme may not be widely distributed and there may be no active trading market in respect of such Notes.

- **risks relating to exchange rates risks and exchange controls**

The Issuer will pay principal and interest in the currency specified in the relevant Final Terms. For investors whose financial activities are denominated in a currency other than the specified currency in which the related Notes are denominated, there is a risk of significant fluctuation in the rate of exchange between these two currencies.

- **risks relating to credit ratings**

The credit ratings assigned to the Notes may not reflect the potential impact of all risks relating to the Notes, and other factors which may affect the value of the Notes.

- **risks related to the market value of the Notes**

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional

## Summary

---

factors.

There are also risks relating to the structure of a particular issue of Notes (Notes subject to optional redemption of the Issuer, Fixed Rate Notes, Floating Rate Notes, Inverse Floating Rate Notes, Fixed/Floating Rate Notes, Notes issued at a substantial discount or premium, Index-Linked Notes, Partly Paid Notes, Variable Rate Notes, Structured Notes, etc.).

These risk factors are more detailed in "Risk Factors" below.

## RÉSUMÉ EN FRANCAIS (SUMMARY IN FRENCH)

*Le présent résumé (le "**Résumé**") est établi dans le cadre de l'émission de Titres d'une dénomination inférieure à 50 000€ (ou son équivalent dans une autre monnaie). Les personnes investissant en Titres d'une dénomination égale ou supérieure à 50 000€ ne doivent en aucun cas se fonder sur le présent Résumé et Electricité de France (l'"**Emetteur**") n'est pas responsable vis-à-vis de tels investisseurs.*

*Le Résumé doit être lu comme une introduction au présent prospectus de base (le "**Prospectus de Base**"). Toute décision d'investir dans des titres (les "**Titres**") doit être fondée sur un examen exhaustif du présent Prospectus de Base ainsi que de tout document incorporé par référence. Lorsqu'une action concernant l'information contenue dans le Prospectus de Base est intentée devant le tribunal, l'investisseur plaignant peut, selon la législation nationale des Etats membres de la Communauté Européenne ou parties à l'accord sur l'Espace Economique Européen, avoir à supporter les frais de traduction du Prospectus de Base avant le début de la procédure judiciaire. Les personnes qui ont présenté le résumé, y compris le cas échéant sa traduction et en ont demandé la notification au sens de l'article 212-41 du règlement général de l'Autorité des marchés financiers, n'engagent leur responsabilité civile que si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base, y compris tout document incorporé par référence.*

*Les références à "EDF" ou "EDF SA" dans la présente section sont des références à l'Emetteur et les références au "Groupe EDF" sont des références à l'Emetteur et à ses filiales par intégration globale.*

### 1. **Informations concernant l'Emetteur**

#### *Présentation générale du Groupe EDF*

La dénomination sociale et le nom commercial de l'Emetteur est "Electricité de France". L'Emetteur peut aussi être légalement et commercialement dénommé "EDF".

L'Emetteur est une société anonyme constituée conformément au droit français pour une période de 99 ans à compter du 20 novembre 2004. Il est immatriculé au Registre du Commerce et des Sociétés de Paris sous le numéro 552 081 317 RCS Paris.

Le siège social de l'Emetteur est situé au 22-30 avenue de Wagram, 75008 Paris. Le numéro de téléphone de l'Emetteur est le + 33 (0)1 40 42 22 22.

Le Groupe EDF est un énergéticien intégré, présent sur l'ensemble des métiers de l'électricité : la production, le transport, la distribution, la commercialisation et le négoce d'énergies. Il est l'acteur principal du marché français de l'électricité et détient des positions fortes sur les trois autres principaux marchés européens (Allemagne, Royaume-Uni, Italie) qui en font l'un des électriciens leader en Europe et un acteur gazier reconnu.

## Résumé

---

Avec une puissance installée de 136,3<sup>1</sup> GW dans le monde au 31 décembre 2009 (134,0<sup>1</sup> GW en Europe) pour une production mondiale de 618,5<sup>1</sup> TWh, il dispose, parmi les grands énergéticiens européens, du parc de production le plus important et le moins émetteur de CO<sub>2</sub> grâce à la part du nucléaire et de l'hydraulique dans son mix de production. Le Groupe EDF fournit de l'électricité, du gaz et des services associés à plus de 37,9 millions de comptes clients dans le monde (dont près de 27,7 millions en France).

### *Informations de base concernant les états financiers du Groupe EDF*

Les informations financières sélectionnées présentées ci-dessous sont extraites des comptes consolidés du Groupe EDF pour l'exercice clos le 31 décembre 2009 qui ont été audités par les Commissaires aux comptes d'EDF.

Les informations financières sélectionnées présentées ci-dessous doivent être lues conjointement avec (i) les comptes consolidés figurant à la section 20.1 ("Informations financières historiques") du Document de Référence 2009 et (ii) l'examen de la situation financière et du résultat du Groupe EDF figurant au chapitre 9 du Document de Référence 2009.

| Exercices clos au 31 décembre<br><i>(en millions d'euros)</i>     | 2009    | 2008    |
|---|---------|---------|
| <b>Extraits des comptes de résultat consolidés :</b>              |         |         |
| Résultat net part du Groupe EDF                                   | 3 905   | 3 484   |
| <b>Extraits des bilans consolidés :</b>                           |         |         |
| Total de l'actif  | 241 914 | 200 492 |
| Total du passif   | 241 914 | 200 492 |
| <b>Extraits des tableaux de flux de trésorerie consolidés:</b>    |         |         |
| Variation nette de la trésorerie et des équivalents de trésorerie | 1 340   | (282)   |
| <b>Informations relatives à l'endettement financier net</b>       |         |         |
| Endettement financier net   | 42 496  | 24 476  |

Se reporter à la section "Description de l'Emetteur" du Prospectus de Base.

## 2. Informations concernant le Programme:

|                    |   |
|--------------------|---|
| <b>Description</b> | Euro Medium Term Note Programme pour l'émission de Titres à destination des investisseurs qualifiés et du public en France ou dans tout autre pays de l'Espace Economique Européen dans lequel le Prospectus de Base a été notifié à l'autorité compétente de cet Etat membre |
|--------------------|---|

---

<sup>1</sup> Chiffres calculés conformément aux règles de consolidations comptables.



conformément à la Directive Prospectus, sous réserve des informations complémentaires mentionnées dans les Conditions Définitives.

### **Arrangeur**

BNP Paribas.

### **Etablissements Placeurs**

BNP Paribas, Crédit Agricole Corporate and Investment Bank et Société Générale. L'Emetteur pourra, à tout moment révoquer tout établissement placeur nommé au titre du Programme ou nommer un ou plusieurs autres établissements placeurs soit de manière permanente dans le cadre du Programme, soit dans le cadre d'une Tranche particulière de Titres (telle que définie ci-dessous). Dans le présent Prospectus, le terme "**Etablissements Placeurs Permanents**" désigne les établissements placeurs mentionnés ci-dessus et tout autre établissement placeur qui aura été nommé de manière permanente dans le cadre du Programme (et qui n'aura pas été révoqué) et "**Etablissements Placeurs**" désigne tous les Etablissements Placeurs Permanents et toutes les autres établissements placeurs nommés dans le cadre d'une ou plusieurs Tranches.

### **Agent Financier, Agent Payeur Principal et Agent Payeur à Paris**

Société Générale.

### **Agent de Calcul**

L'Agent Financier sauf si un Agent de Calcul alternatif est nommé en rapport avec une émission particulière de Titres.

### **Montant Maximum du Programme**

Le montant nominal total des Titres en circulation ne pourra, à aucun moment, excéder la somme de 20 000 000 000 d'euros (ou sa contre-valeur dans une autre devise, calculée à la date d'émission).

Toute augmentation du montant maximum du présent Programme donnera lieu à la publication d'un Supplément au Prospectus de Base.

### **Méthode d'Emission**

L'émission des Titres fera l'objet d'une syndication ou non. Les Titres seront émis par série (chacune une "**Série**", à une même date d'émission ou à des dates d'émission différentes, et seront soumises pour leurs autres caractéristiques (à l'exception du premier paiement des intérêts) à des modalités identiques, les Titres de chaque Série étant supposés interchangeables entre eux. Chaque Série peut être émise par tranches (chacune une "**Tranche**") à une même date d'émission ou à des dates

d'émission différentes. Les modalités spécifiques de chaque Tranche (qui seront complétées, si nécessaire par les termes et conditions concernés et, à l'exception de la date d'émission, du prix d'émission, du premier paiement d'intérêt et du montant nominal de la Tranche, seront soumises à des modalités identiques que celles des autres Tranches de la même Série) figureront dans les conditions définitives (les "**Conditions Définitives**").

### **Forme des Titres**

Les Titres pourront être émis soit sous forme de titres dématérialisés ("**Titres Dématérialisés**"), soit sous forme de titres matérialisés ("**Titres Matérialisés**").

Les Titres Dématérialisés pourront, au gré de l'Emetteur, être émis sous forme de titres au porteur ou sous forme de titres au nominatif, et dans ce dernier cas, au gré du Porteur de Titre, soit au nominatif pur soit au nominatif administré. Aucun titre physique ne sera émis en relation avec les Titres Dématérialisés.

Les Titres Matérialisés seront uniquement au porteur. Un Certificat Global Temporaire relatif à chaque Tranche de Titres Matérialisés au porteur sera initialement émis. Les Titres Matérialisés pourront uniquement être émise hors de France.

### **Création Initiale des Titres Dématérialisés**

Un jour ouvrable de Paris avant la date d'émission de chaque Tranche de Titres Dématérialisés, la lettre comptable relative à la Tranche concernée devra être déposée auprès d'Euroclear France en sa qualité de dépositaire centrale.

### **Création Initiale des Titres Matérialisés**

Au plus tard à la date d'émission de chaque Tranche de Titres Matérialisés au porteur, le Certificat Global Temporaire émis dans le cadre de la Tranche concernée sera déposé auprès d'un dépositaire commun pour Euroclear et Clearstream, Luxembourg ou auprès de tout autre système de compensation ou en dehors de tout système de compensation sous réserve que cette méthode ait été convenue au préalable par l'Emetteur, l'Agent Financier et l'Etablissement Placeur concerné.

### **Devises**

Les Titres peuvent être libellés dans toute devise sous réserve du respect de la législation et/ou de la réglementation applicable(s) et/ou des exigences des banques centrales. Les paiements relatifs aux Titres pourront, sous réserve du respect de la législation et/ou de la réglementation applicable(s), être effectués et/ou liés à toute devise ou toutes les devises autres que la devise

## Résumé

---

dans laquelle ces Titres sont libellés.

|   |   |
|---|---|
| <b>Rang</b>                                       | Les Titres et, le cas échéant, tout Coupon et Reçu constitueront des engagements directs, inconditionnels, non-subordonnés de l'Emetteur et (sous réserve de la clause de maintien de L'emprunt à son rang ci-dessous) non assortis de sûretés et viennent et viendront au minimum au même rang sans préférence entre eux et (sous réserve de certaines exceptions légales prévues par le droit français) au même rang que tous les autres engagements non-subordonnés et non assortis de suretés, présents ou futurs, de l'Emetteur. |
| <b>Maintien de l'Emprunt à son Rang</b>           | Une clause de maintien de l'emprunt à son rang ( <i>Negative Pledge</i> ) sera prévue.  |
| <b>Cas de Défaut (y compris de défaut croisé)</b> | Une clause portant sur les cas de défaut (y compris le cas de défaut croisé) sera prévue.   |
| <b>Prix d'Emission</b>                            | Les Titres pourront être émis à un quelconque prix et pourront être libérés totalement ou partiellement, conformément aux Conditions Définitives concernées.  |
| <b>Échéances</b>                                  | Toute échéance sous réserve, pour les devises spécifiques, du respect de la législation et/ou de la réglementation applicable(s) et/ou des exigences des banques centrales.   |
| <b>Remboursement</b>                              | Les Titres sont remboursables en totalité ou en partie (tel que précisé dans une formule ou autrement) tel qu'indiqué dans les Conditions Définitives concernées, à leur échéance ou par échelonnements, tel que spécifié dans les Conditions Définitives concernées.   |
| <b>Remboursement Anticipé Optionnel</b>           | Les Conditions Définitives concernées pourront prévoir le remboursement anticipé des Titres au gré de l'Emetteur (en totalité ou en partie) et/ou des porteurs et, dans ce cas, les termes applicables à tel remboursement anticipé optionnel.  |
| <b>Remboursement Anticipé</b>                     | Sauf dans les cas indiqués au paragraphe "Termes et Conditions des Titres — Remboursement et Achat", le remboursement anticipé des Titres au gré de l'Emetteur sera possible pour raisons fiscales uniquement.  |
| <b>Intérêts</b>                                   | Les Titres émis pourront porter intérêt. Dans ce cas, les intérêts (s'il y en a) seront calculés à un taux fixe ou variable, ou liés à un indice ou une formule, et pourront varier au cours de la durée de vie de la Série concernée.  |

## Résumé

---

### **Périodes d'Intérêt et Taux d'Intérêt**

La durée des périodes d'intérêt pour les Titres et le taux d'intérêt applicable ou sa méthode de calcul peuvent être modifiés de temps à autre ou être constants pour toutes les Séries. Les Titres pourront avoir soit un taux d'intérêt maximum soit un taux d'intérêt minimum ou les deux. Le recours à des périodes d'intérêts cumulées permettra aux Titres de porter des intérêts à des taux différents au cours de la même période d'intérêt. Ces informations seront décrites dans les Conditions Définitives concernées.

### **Valeur nominale**

Les Titres seront émis à la valeur nominale indiquée dans les Conditions Définitives concernées, sous réserve de la législation et/ou de la réglementation applicable(s) et/ou des exigences des banques centrales et sous réserve que la valeur nominale de chaque Titres admis à la négociation sur un marché réglementé à l'intérieur de l'Espace Economique Européenne ou offert au public dans un Etat membre de l'Espace Economique Européenne dans des circonstances qui requièrent la publication d'un prospectus en application de la Directive Prospectus soit au minimum de 1000 euros (ou, si les Titres sont libellés dans une devise autre que l'euro, la contrevaletur de ce montant dans cette devise).

### **Consolidation**

Les Titres d'une Série pourront être consolidés avec les Titres d'une autre Série.

### **Redénomination**

Les Titres émis dans la devise de tout Etat Membre de l'UE qui adoptera la monnaie unique de l'Union Economique et Monétaire Européenne seront convertis en Euro.

### **Emissions Assimilables**

De nouveaux Titres pourront être émis de manière à ce qu'ils forment qu'une seule Série avec les Titres de toute autre Série.

### **Fiscalité des Titres**

Sauf mention contraire dans les Conditions Définitives concernées, les paiements dus en vertu des Titres ne seront pas soumis à la retenue à la source prévue à l'article 125 A III du Code général des impôts.

### **Droit Applicable**

Droit français.

### **Cotation et Admission aux Négociations**

Les Conditions Définitives préparées à l'occasion de chaque émission de Titres indiqueront si ceux-ci ont vocation à être cotés et admis aux négociations sur Euronext Paris et/ou sur tout autre marché réglementé au sens de la Directive 2004/39/CE concernant les marchés d'instruments financiers (un "**Marché Réglementé**") ou

bourse de valeurs.

### **Mode de Publication du Prospectus de Base et des Conditions Définitives**

Le Prospectus de Base, tout supplément au Prospectus de Base et les Conditions Définitives préparées à l'occasion de chaque émission de Titres cotés et admis à la négociation sur un Marché Réglementé seront disponibles sur les sites internet (a) de l'Autorité des marchés financiers ([www.amf-france.org](http://www.amf-france.org)) et (b) de l'Emetteur ([www.edf.fr](http://www.edf.fr)) et peuvent être obtenus gratuitement pendant les heures d'ouverture au public d'Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France et dans les bureaux mentionnés de chaque Agent Payeur. Par ailleurs, si les Titres sont cotés et admis aux négociations sur un Marché Réglementé autre qu'Euronext Paris, les Conditions Définitives préparées à l'occasion de l'émission indiqueront si d'autres modes de publications sont requis.

### **Systèmes de Compensation**

Euroclear France en tant que dépositaire central pour les Titres Dématérialisés et, pour les Titres Matérialisés, Clearstream, Luxembourg, Euroclear ou tout autre système de compensation que l'Emetteur, l'Agent Financier et l'Etablissement Placeur concerné auraient convenu de désigner.

### **Restrictions de Vente**

La vente de Titres et la diffusion des documents d'offre seront soumises à des restrictions dans plusieurs juridictions.

Dans le cadre d'une offre ou d'une vente d'une Tranche particulière, des restrictions de ventes additionnelles pourront être imposées qui seront exposées dans les Conditions Définitives concernées.

### **Facteurs de Risque**

#### **A. Principaux facteurs de risques relatifs à EDF**

Le Groupe EDF exerce son activité dans un environnement en forte évolution induisant de nombreux risques, dont certains échappent à son contrôle, et qui s'ajoutent aux risques inhérents à l'exercice de ses métiers. Le Groupe EDF décrit ci-dessous les risques significatifs auxquels il estime être exposé, tel que plus amplement détaillé dans "Facteurs de Risques" ci-dessous. Ces risques ou l'un de ces risques pourraient avoir une incidence négative sur son activité et/ou ses résultats. En outre, d'autres risques, dont il n'a pas actuellement connaissance ou qu'il considère comme non significatifs à ce jour pourraient avoir le même effet négatif.

Les risques présentés ci-dessous concernent:

- les marchés européens de l'énergie;
- les activités du Groupe EDF;
- les activités nucléaires du Groupe EDF;
- la structure et à la transformation du Groupe EDF; et
- la structure du capital d'EDF et à la cotation de ses actions.

### **B. Principaux facteurs de risques relatifs aux Titres à émettre par EDF**

Investir dans les Titres implique certains risques importants qui doivent être pris en compte dans l'évaluation des risques de marché associés aux Titres émis dans le cadre du Programme. Bien que ces risques ne soient qu'éventuels, les investisseurs sont avertis que lesdits risques peuvent entraîner une certaine volatilité et/ou une baisse de la valeur de marché des Titres en deçà des attentes (financières ou autres) des investisseurs de ces Titres.

Chaque investisseur potentiel doit déterminer, selon son appréciation personnelle et sur les conseils des professionnels qu'il considérera appropriés selon les circonstances, si l'acquisition des Titres est conforme à sa situation personnelle, ses besoins financiers et ses objectifs. Il doit aussi déterminer si l'acquisition des Titres est conforme aux politiques d'investissement, aux règles et aux restrictions qui lui sont applicables, et s'il s'agit d'un investissement satisfaisant et conforme à son attente, malgré les risques réels et substantiels liés à tout investissement ou détention des Titres.

Ces facteurs de risques relatifs aux Titres incluent notamment:

- **les risques liés aux conflits d'intérêts potentiels entre l'Emetteur, les banques, leurs affiliés respectifs et les porteurs des Titres**
- **les risques liés à l'acquisition légale des Titres**

L'acquisition des Titres peut être sujette à des lois et règlements ou à un contrôle ou une régulation par certaines autorités.

- **le risque de modification des modalités des Titres par une décision de l'assemblée générale des porteurs des Titres, les porteurs non présents ou en désaccord pouvant se retrouver liés par le vote**

### **de la majorité**

- **les risques liés à la fiscalité**

Les acquéreurs et vendeurs de Titres doivent savoir qu'il est possible qu'ils aient à payer des droits de timbre ou toute autre taxe similaire en application des lois et pratiques de l'état dans lequel les Titres sont transférés et/ou dans lequel un quelconque actif est délivré.

- **les risques liés à la directive européenne sur la fiscalité de l'épargne**

La directive 2003/48/CE relative à l'imposition des revenus tirés de l'épargne prévoit que, pendant une période de transition, certains Etats membres doivent appliquer une retenue à la source sur tout paiement d'intérêt au sens de ladite directive.

- **les risques relatifs à un changement législatif**

Les Titres sont régis par la loi française à la date du Prospectus de Base. Aucune assurance ne peut être donnée quant aux conséquences d'une décision judiciaire ou d'une modification de la législation ou de son interprétation postérieure à la date du Prospectus de Base.

- **les risques liés au marché secondaire des Titres**

Les Titres émis peuvent ne pas faire l'objet d'une distribution importante et il ne peut être garanti qu'un marché actif des Titres se développera.

- **les risques relatifs aux taux de change**

L'Emetteur paiera le principal et les intérêts des Titres dans la devise prévue par les Conditions Définitives, pouvant présenter notamment des risques relatifs à la conversion des devises si les activités financières d'un investisseur sont effectuées principalement dans une unité monétaire différente de la devise prévues par les Conditions Définitives.

- **les risques liés à la notation des Titres**

La notation des Titres ne reflète pas nécessairement tous les risques liés aux Titres et autres facteurs qui peuvent affecter la valeur des Titres.

- **les risques à la valeur des Titres sur le marché**

La valeur des Titres sur le marché peut être affectée par la solvabilité de l'Emetteur et un certain nombre de facteurs additionnels.

Il existe aussi des facteurs de risques liés à la structure de certains Titres en particulier (Titres pouvant être remboursés de façon anticipée à l'initiative de l'Emetteur, Titres portant intérêt à taux flottant, Titres portant intérêt à taux fixe, Titres dont le taux d'intérêt est lié à un sous-jacent ou index, Titres subordonnés, etc.)

Pour une description détaillée des facteurs de risques, se reporter à "Facteurs de Risques" ci-dessous.



**RISK FACTORS**  
**A. RISK FACTORS RELATING TO THE NOTES**

*The following paragraphs describe some risk factors that are material to the Notes to be offered and/or admitted to trading in order to assess the market risk associated with these Notes. They do not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances. These risk factors may be completed in the Final Terms of the relevant Notes for a particular issue of Notes.*

*Terms defined herein shall have the same meaning as in the Terms and Conditions of the Notes.*

**1. General Risks Relating to the Notes**

***Independent review and advice***

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Dealers, the Arranger or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

***Provision of information***

None of the Issuer, the Dealers, the Arranger or any of their respective affiliates makes any representation as to an index. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to an index that is or may be material in the context of index-linked Notes. The issue of index-linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or any other party such information (whether or not confidential).

***Potential conflicts of interest***

Each of the Issuer, the Dealers, the Arranger or their respective affiliates may deal with and engage generally in any kind of commercial or investment banking or other business with any issuer of the securities taken up in an index, their respective affiliates or any guarantor or any other person or entities having obligations relating to any issuer of the securities taken up in an index or their respective affiliates or any guarantor in the same manner as if any index-linked Notes issued under the Programme did not exist, regardless of whether any such action might have an adverse effect on an issuer of the securities taken up in the index, any of their respective affiliates or any guarantor.

## **Risk Factors**

---

The Issuer may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

In respect of Notes which are not offered to the public in France or listed in France (the AMF not permitting such discretion in respect of such Notes), potential conflicts of interest may arise between the Calculation Agent, if any, for a Tranche and the Holders of the Notes, including with respect to certain discretionary determinations and judgments that such Calculation Agent may make pursuant to the Terms and Conditions of the Notes that may influence the amount receivable upon redemption of the Notes.

### ***Legality of purchase***

Neither the Issuer, the Dealers, the Arranger nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

### ***Modification, waivers and substitution***

The Terms and Conditions of the Notes contain provisions for calling meetings of holders of the Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Notes including holders of the Notes who did not attend and vote at the relevant meeting and holders of the Notes who voted in a manner contrary to the majority.

### ***Regulatory restrictions***

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities. Investors should review and consider such restrictions prior to investing in the Notes.

### ***Credit ratings***

Electricité de France, and Electricité de France's debt, have credit ratings which are the subject of review from time to time by the independent credit rating agencies which assign such credit ratings.

In addition, one or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. Any such revision suspension or withdrawal of any such credit rating could adversely affect the value of the Notes.

## Risk Factors

---

### ***Taxation***

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

### ***EU Savings Directive***

On 3 June 2003, the European Council of Economics and Finance Ministers adopted a directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Directive**"). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise and authorises the paying agent to disclose the above information (see "**Taxation - EU Taxation**").

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a paying agent, the Issuer will be required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

The European Commission has proposed a number of changes to the Directive which have been adopted by the European Parliament. The European Parliament adopted an amended version of this proposal on 24 April 2009. If any of these proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above. Investors who are in doubt as to their position should consult their professional advisors.

### ***French insolvency law***

Under French insolvency law as amended by Order no. 2008-1345 dated 18 December 2008 which came into force on 15 February 2009, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in the event of the opening in France of a preservation procedure (*procédure de sauvegarde*) or a judicial reorganisation

## Risk Factors

---

procedure (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law.

The Assembly deliberates on the draft safeguard plan (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required on convocation of the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Base Prospectus will not be applicable in these circumstances.

### **No active secondary/trading market for the Notes**

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although in relation to Notes to be admitted to trading on Euronext Paris and/or any other Regulated Market in the European Economic Area, the Final Terms of the Notes will be filed with the *Autorité des marchés financiers* and/or with the competent authority of the Regulated Market of the European Economic Area where the Notes will be admitted to trading, which, in the case of Notes to be admitted to trading on Euronext Paris shall be the *Autorité des marchés financiers*, there is no assurance that such filings will be accepted, that any particular Tranche will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche.

In addition, certain Notes may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities.

Investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk that certain Notes may not be readily sellable, that the value of Notes may fluctuate over time and that such fluctuations may be significant.

## **Risk Factors**

---

Furthermore, the secondary market for securities is currently experiencing significantly reduced liquidity, which could limit investors' ability to resell Notes and adversely affect the price of Notes.

### ***Exchange rate risks and exchange controls***

The principal of, or any return on, Notes may be payable in, or determined by reference or indexed to, one or more specified currencies (including exchange rates and swap indices between currencies or currency units). For investors whose financial activities are denominated principally in a currency or currency unit (the "**investor's currency**") other than the specified currency in which the related Notes are denominated, or where principal or return in respect of Notes is payable by reference to the value of one or more specified currencies other than by reference solely to the investor's currency, an investment in such Notes entails significant risks that are not associated with a similar investment in a debt security denominated and payable in such investor's currency. Such risks include, without limitation, the possibility of significant fluctuations in the rate of exchange between the applicable specified currency and the investor's currency and the possibility of the imposition or modification of exchange controls by authorities with jurisdiction over such specified currency or the investor's currency. Such risks generally depend on a number of factors, including financial, economic and political events over which the Issuer has no control.

Appreciation in the value of the investor's currency relative to the value of the applicable specified currency would result in a decrease in the investor's currency-equivalent yield on a Note denominated, or the principal of or return on which is payable, in such specified currency, in the investor's currency-equivalent value of the principal of such Note payable at maturity (if any) and generally in the investor's currency-equivalent market value of such Note. In addition, depending on the specific terms of a Note denominated in, or the payment of which is determined by reference to the value of, one or more specified currencies (other than solely the investor's currency), indices (including exchange rates and swap indices between currencies or currency units) or formulas, fluctuations in exchange rates relating to any of the currencies or currency units involved could result in a decrease in the effective yield on such Note and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of such Note to the investor.

Government and monetary authorities have imposed from time to time, and may in the future impose, exchange controls that could affect exchange rates, as well as the availability, of the specified currency in which a Note is payable at the time of payment of the principal or return in respect of such Note.

### ***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### ***Market value of the Notes***

## **Risk Factors**

---

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including the value of the reference assets or an index, including, but not limited to, the volatility of the reference assets or an index, or the dividend on the securities taken up in the index, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes, the reference assets or the index depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes, the reference assets, the securities taken up in the index, or the index are traded. The price at which a holder of the Notes will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the reference assets or an index should not be taken as an indication of the reference assets' or an index's future performance during the term of any Note.

### ***Change of law***

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus.

## **2. Risks related to the structure of a particular issue of Notes**

The Programme allows for different types of Note to be issued. Accordingly, each Tranche may carry varying risks for potential investors depending on the specific features of such Notes such as, *inter alia*, the provisions for computation of periodic interest payments, if any, redemption and issue price.

### ***Optional redemption***

Unless in the case of any particular Tranche the relevant Final Terms specify otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the country of domicile (or residence for tax purposes) by the Issuer, or on behalf of France, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

### ***Fixed Rate Notes***

## **Risk Factors**

---

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche.

### ***Floating Rate Notes***

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short-term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

### ***Inverse Floating Rate Notes***

Inverse floating rate Notes have an interest rate equal to a fixed base rate minus a rate based upon a reference rate. The market value of such Notes typically is more volatile than the market value of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### ***Fixed to Floating Rate Notes***

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/ Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

### ***Notes issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### ***Index-linked Notes***

Index-linked Notes are debt securities which do not provide for predetermined redemption amounts and/or interest payments but amounts due in respect of principal and/or interest will

## **Risk Factors**

---

be dependent upon the performance of an index, which itself may contain substantial credit, interest rate or other risks. The amount of principal and/or interest, if any, payable by the Issuer might be substantially less than the issue price or, as the case may be, the purchase price invested by the holder of the Notes and may even be zero in which case the Holder of the Notes may lose its entire investment.

Index-linked Notes are not in any way sponsored, endorsed, sold or promoted by the index sponsor or the respective licensor of the index and such index sponsor or licensor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to the relevant Issuer or the Notes. None of the index sponsors or licensors is responsible for or has participated in the determination of the timing of, prices of, or quantities of the Notes to be issued or in the determination or calculation of the equation by which the Notes settle into cash. None of the index sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the Notes. The index sponsor or licensor of an index has no responsibility for any calculation agency adjustment made for the index.

### ***Partly Paid Notes***

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

### ***Variable rate Notes with a multiplier or other leverage factor***

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

### ***Structured Notes***

An investment in Notes, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Notes.

The prices at which Zero Coupon Notes, as well as other Notes issued at a substantial discount from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do the prices for conventional interest-bearing securities of comparable maturities.



### B. RISK FACTORS RELATING TO THE ISSUER AND ITS OPERATIONS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer or any of its subsidiaries.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in Notes issued under the Programme.*

References to sections in the factors described below are, where applicable, references to sections of the 2009 *Document de référence* of the Issuer (see "Documents Incorporated by Reference").

#### **Risks related to the European energy markets**

##### **The EDF Group must face increased competition on the European energy markets, in particular, on the French electricity supply market, which is its principal market.**

In France, since 1 July 2007, the electricity market has been totally open to competition. All of EDF's clients now have the option of choosing their electricity supplier and can therefore choose any of its competitors (see section 6.2.1.2 ("Sales and Marketing")). EDF has implemented measures aimed at contending with competition. Due to the changing context of the competition (new regulation, emergence of new players, mergers of existing operators, etc.), EDF may lose a share of the market. This loss of market share could have, at constant consumption and price levels, a negative impact on the EDF Group's sales. Finally, to achieve its objectives, EDF could be forced to increase its marketing expenditures or reduce its margins (especially in the event of price competition), which would have a negative effect on its profitability.

Elsewhere in Europe, the EDF Group faces different contexts according to the competitive situations (more or less total opening of markets, position of competitors, regulations, etc.).

In some countries, or in some regions within a country, the EDF Group must therefore pursue a defensive strategy with respect to its market share, as in France. In other countries, in contrast, it must pursue an offensive strategy to conquer market share. The type of competition, the development of this competition, and its effect on the EDF Group's activities and its results vary from one country to another. They depend on the degree of deregulation

## Risk Factors

---

in the country in question and on various other factors over which the EDF Group has no control.

Within this context, even if the EDF Group considers that the European electricity market presents opportunities, the EDF Group may not be able to defend its market share or win expected market shares, or may see its margins decrease, which would have a negative effect on its activities, its strategy and its financial results.

### **The legal and regulatory framework governing the liberalization of the energy sector is recent. This framework may change in the future and become more restrictive.**

The EDF Group's activities in France and abroad are subject to numerous regulations (see section 6.5 ("Legislative and regulatory environment")). Moreover, and even in the European Union, where directives only define a general framework, laws and regulations may vary from one country to another.

This legal and regulatory framework, which organizes the opening up of the energy sector, is relatively recent and does not necessarily provide all of the solutions to the difficulties raised by the opening up of those markets. It is therefore likely to change, which could be unfavorable to the EDF Group. For instance future changes to the legal and regulatory framework, whether in France or abroad, may lead to additional costs, be inconsistent with the EDF Group's development model, or change the competitive context in which the EDF Group operates.

In particular, in the UK, the regulation regarding generators' access to the main UK transportation and transmission network (GB transmission system) is currently under review. There is a risk that this review may fundamentally change the basis for charging and the physical access arrangements. This may result in higher costs for existing generation assets and may also undermine the profitability of any new nuclear stations.

### **Risks associated with the fact that the EDF Group will remain, in all likelihood for the coming years, a major operator in the French electricity market.**

In France, although it has observed a decrease in its market share, EDF will in all likelihood remain the largest operator in the French electricity market over the next few years, particularly in generation and supply. The transmission and distribution activities (operated by RTE and by ERDF) are required to be operated in a framework guaranteeing their independence from generation and supply activities in order to ensure non-discriminatory access to all users.

EDF intends to continue to strictly comply with current regulations on competition and non-discrimination.

However, competitors have and may initiate lawsuits for non-compliance with these regulations, which may be decided against the EDF Group's interests.

Furthermore, regardless of any legal action initiated by competitors, the authorities may make decisions that are contrary to the EDF Group's economic or financial interests or to its model as an integrated and balanced operator (see, in particular, section 6.5.1.1 ("European

## Risk Factors

---

legislation” – “Investigations Concerning the Energy Sector”) and section 20.5.1 (“Legal proceedings concerning EDF”).

In April 2009, the “Champsaur Commission” issued a certain number of proposals aiming to promote a more competitive French electricity market in France, both upstream and downstream (see sections 6.2.1.2.1.2 (“The competition”) and 6.5.4.5.2 (“Future regulations in France”). One of the Champsaur Commission’s proposals is *“to grant access rights to baseload electricity to each supplier at a regulated price reflecting the economic conditions of the established nuclear fleet for a volume proportional to its national client portfolio.”* The government announced the adoption by the end of the year, provisions of which are not known as of the date hereof, of a law aiming to implement, on this basis, a new organization of the electricity market in France. A bill to that effect was handed down to the French Council of State at the end of March 2010.

Finally, European countries may claim that the opening up of the French market is insufficient and implement measures intended to slow the EDF Group’s growth in their own countries.

This may have material, negative consequences for the EDF Group’s model, activities and financial results.

### **Laws and regulations that require the transmission and distribution activities to be managed independently limit control over these activities.**

In accordance with current laws and regulations, EDF has instituted a management of its distribution network that is independent from its generation and sales activities and has transferred its distribution and transmission network activities to wholly-owned subsidiaries. EDF may be affected by the loss of control over certain operational decisions, which may have an impact on its operating costs, which is a significant element in the profitability of its transmission and distribution activities in France. At the same time, EDF will continue to bear the risks associated with transmission and distribution activities, potential liabilities to third parties and factors that may affect the profitability of transmission and distribution assets.

Such risks may also be present in countries where the EDF Group owns or operates transmission or distribution networks where it is subject to similar regulatory restrictions.

### **Risks related to the EDF Group’s activities**

#### **The EDF Group operates facilities that may cause significant harm to the natural or human environment or for which accidents or external attacks may have serious consequences.**

The risks specific to nuclear facilities are described separately below in section 4.2.3 (“Specific risks relating to the EDF Group’s nuclear activity”).

With respect to hydropower facilities, even if it is not the owner but a licensee, the EDF Group is responsible as the operator for the safety of the facilities. The main risks associated with hydropower facilities and their operations are the risk of dams or associated hydropower facilities bursting, risks associated with operating the facilities during floods, and the risk

## Risk Factors

---

associated with flow or level variations due to the operation of these facilities. To these risks are added those associated with attacks or ill-intentioned acts of any kind.

The EDF Group takes, during the construction and operation of hydroelectric facilities, measures for accident prevention and safety (see section 6.2.1.1.4.2 (“Hydropower safety”)) with the collaboration of public authorities. Nonetheless, the EDF Group cannot guarantee that such events will never occur or that the measures taken will be fully effective in all cases, in particular, to deal with external events (floods, negligence or ill-intentioned acts of third parties).

Regarding electricity transmission and distribution facilities, persons working in or near this type of facility may be exposed, in the event of an accident, error or negligence, to the risk of electrocution. In this field, the EDF Group also implements accident prevention and safety measures. However, the EDF Group cannot guarantee that these measures will prove sufficient in all cases.

Questions with respect to the risks to human health as a result of exposure to electromagnetic fields (“*Champs Électromagnétiques*”, or “CEM”), in particular, from power lines operated by the EDF Group, are being raised both in France and abroad. Based on numerous studies completed over the past 20 years, numerous international health organizations (including the World Health Organization (“WHO”), the International Agency for Research on Cancer (“IARC”), the American Academy of Sciences, the American National Institute of Environmental Health Sciences, the English National Radiation Protection Board) consider, given currently available scientific information, that the existence of health risks as a result of exposure to CEM has not been proven. Since 2002, the IARC has classified the low-frequency electromagnetic fields at level 2B (possible carcinogen) on its scale of scientific evidence. However, the WHO considered in a report published in June 2007 that the health risks, if any, are low. Medical knowledge about health risks related to exposure to electromagnetic fields may evolve or public sensitivity about such risks could increase, or the principle of precaution could be applied very broadly.

At a European Union and French level, new regulations are being prepared aiming in particular at tackling the risks linked to CEMs (see section 6.5.4.5 (“Principal draft regulations likely to have an impact on the EDF Group’s business”)).

All of the above could expose the EDF Group to risks of increased litigation or lead to the adoption of more stringent security measures for the operation or construction of transmission or distribution networks.

Finally, and more generally, the EDF Group operates or has operated facilities which, as currently operated, could be or have been the source of industrial accidents or environmental and public health impacts (such as inadequately controlled emissions, leakages in electricity supply lines insulated with oil under pressure, a failure of decontamination facilities, pathogenic micro organism, asbestos, polychlorobiphenyls (“PCBs”), etc.). In particular, large quantities of hazardous materials (mainly explosive or inflammable, such as gas and fuel oil) are stored in certain facilities. These facilities may be located in industrial areas where other activities experiencing similar risks are operated, such that the EDF Group’s own facilities may be impacted by accidents occurring at neighbouring facilities owned by other operators and not subject to the EDF Group’s control.

## Risk Factors

---

The EDF Group implements in the framework of standards ISO 14001 (see section 4.1.2.4. “Management of the risks associated with the EDF Group's industrial accidents or with environment or sanitary impacts”) measures both for accident prevention and repairs with respect to industrial accidents or harm to the environment caused by the facilities that it operates. These measures are intended, in particular, to protect the EDF Group both against the risk of an accident (such as explosion, fire, etc.) occurring in its own facilities and against the impact of such an accident occurring in a neighbouring facility owned by a third party.

Generally, the EDF Group cannot guarantee that the measures taken for the control of these risks will prove fully effective upon the occurrence of one of the events referred to above.

An accident of the type described in the preceding paragraphs would have serious consequences for persons, properties and business continuity, and the EDF Group could be found liable. The civil liability and damage insurance coverage taken out by the EDF Group may prove to be significantly inadequate. Further, the EDF Group cannot guarantee that it will always maintain a level of coverage at least equal to that currently in place and at a cost that would not be higher.

Furthermore, such accidents may lead to the shutdown of the facility in question and, potentially, of similar facilities that may be considered to present the same risks.

In addition, facilities operated by the EDF Group may be targeted by external attacks or ill-intentioned acts of any nature. Safety measures were provided for during the design of the facilities and sites and protective measures were implemented by EDF. Moreover, safety measures to counter all forms of attack were implemented in collaboration with the public authorities. Nonetheless, like any safety measures intended to counter an outside threat, the EDF Group cannot guarantee that these will prove fully effective in all cases, including upon the occurrence of one of the events mentioned above. Nor can the EDF Group guarantee that European and national legislation regarding the protection of sensitive sites and critical infrastructure will not become more restrictive, which could generate additional investments or costs for the EDF Group.

An attack or ill-intentioned act committed on these facilities could have similar consequences to those of any of the accidents described above: (i) damage to persons and property, (ii) the EDF Group's liability being sought on the basis of measures that are judged inadequate, or (iii) interruption to operations.

Any one of these events may have material, negative consequences on the EDF Group's image, activities, results and financial situation.

**A significant part of the EDF Group's revenue is generated from activities subject to regulated tariffs, the level of which may have an impact on the EDF Group's results.**

In France, a significant part of EDF's revenue depends on regulated tariffs. Such tariffs are set by joint order decree of the Minister of Economy and the Minister in charge of Energy, either upon proposal by or after consultation with the French Energy Regulation Commission (*Commission de Régulation de l'Énergie*, or “CRE”) (the integrated tariff and the TURPE, see section 6.2.2.4 (“Tariffs for using the public electricity transmission and distribution networks (*Tarif d'Utilisation des Réseaux Publics de transport et de distribution d'électricité*, or “TURPE”)). Tariffs are also set with regulatory authorities' intervention in other countries

## Risk Factors

---

where the EDF Group operates, including in the United Kingdom, Italy, Germany, China, Belgium, Hungary and Slovakia.

Public authorities and the regulator may decide to limit or even block tariff increases, with no change to the quality of service. These authorities can also change the requirements to benefit from such regulated tariffs (with respect to France, see section 6.5.1.2 “French legislation” relating to law n° 2006-1537 dated 7 December 2006 concerning the energy sector).

The provisions of the law of 7 December 2006 provided in particular for the implementation until 30 June 2010 of a regulated tariff, the transitory regulated tariff for market adjustment (“TaRTAM”) for the final customers who applied in writing to their supplier before 1 July 2007 (see section 6.2.1.2.1.5 (“TaRTAM contracts”)).

In addition, in April 2009, the “Champsaur Commission” issued a certain number of proposals aiming to promote a more competitive electricity market in France, both upstream and downstream (see sections 6.2.1.2.1.2 (“The competition”) and 6.5.4.5.2 (“Future regulations in France”)). In line with this report, the Government has begun drafting a bill that was handed down to the French Council of State in late March, for final adoption by the Parliament announced by the end of the year 2010.

The EDF Group cannot guarantee that the laws and regulations relating to the implementation of these provisions allowing a return to regulated price will not be extended again, or that no other tariff plans will be introduced at their term. The EDF Group can neither guarantee that the regulated tariffs will always be set at a level which would allow it to preserve its short- medium- and long-term investment capacity and its property interests, while ensuring a fair return on the capital invested by the EDF Group in its generation, transmission and supply assets.

**EDF is responsible for certain commitments, in particular public service commitments, paid for by mechanisms which could fail to provide complete compensation of excess charges incurred in relation to these commitments, or which could be questioned.**

The Public service contract entered into by the French State and by EDF on 24 October 2005 outlines the public service commitments that EDF must provide and sets out compensation mechanisms in respect of EDF as regards these commitments (see section 6.4.3.4 (“Public service in France”)).

EDF cannot ensure that the compensation mechanisms provided for by the laws and regulations applicable to it regarding its public service commitments and the implementation of regulated tariffs will provide for full compensation of the costs incurred in order to respect such commitments and/or implement such tariffs. EDF cannot guarantee either that these compensation mechanisms will not be called into question or that existing mechanisms could fully cover potential additional costs to be incurred in relation with new obligations of EDF under its public service commitments.

If any of these events should occur, it may have a negative impact on EDF’s activities and its financial results.

## Risk Factors

---

**The EDF Group's activities require various administrative authorizations that may be difficult to obtain or whose grant may be subject to conditions that may become significantly more stringent; furthermore, some activities are subject to special taxation.**

The operations and development of the EDF Group's industrial activities – generation, transmission and distribution – require various administrative authorizations, at local and national levels, in France and abroad. The procedures for obtaining and renewing these authorizations can be drawn-out and complex. Obtaining these authorizations is not routine and the conditions attached to obtaining them may change and are not always predictable. The EDF Group may accordingly be required to pay significant amounts to comply with the requirements associated with obtaining or renewing these authorizations (for example, costs of preparing the application for the authorizations or investments associated with installing equipment required before the authorization can be issued). Its industrial activities may also be penalised. Delays, extremely high costs or the suspension of its industrial activities due to its inability to obtain, maintain, or renew authorizations, may have a negative impact on the EDF Group's activities and profitability. In addition the EDF Group may also have invested resources without obtaining the necessary permits and authorizations and therefore have to cancel or withdraw from a project, which may have a negative impact on its business or development.

Some of the EDF Group's activities, for example, its nuclear, fossil fuel and hydropower generation activities in France, are subject to special taxation, which could increase. That would have a negative impact on the EDF Group's financial results.

**In some cases, the EDF Group operates its generation, transmission or distribution activities within the context of public service concessions and it is not always the owner of the assets it operates.**

The EDF Group does not always own the assets that it uses for its activities and in such case, frequently operates them under a concession of public service.

Accordingly, in France, ERDF does not own all the assets of the distribution networks but operates them under concession agreements negotiated with local authorities (see section 6.2.2.2.3 "Concessions"). Pursuant to the French law of 8 April 1946 and the French law of 10 February 2000, only EDF can be appointed by local authorities to operate their distribution networks, except networks operated by local distribution companies ("LDCs"). Therefore, when renewing a concession agreement, ERDF does not compete with other operators. Nonetheless, the EDF Group cannot guarantee that such provisions will not be modified by law in the future or will not be challenged before the Court of Justice of the European Communities (renamed Court of Justice of the European Union since the implementation of the Lisbon Treaty on 1 December 2009) or viewed to be in violation of European law. In addition, the EDF Group could not obtain the renewal of these contracts at the same economic terms (see in particular section 6.2.2.2.3 ("Concessions")).

In France, RTE is both owner and operator of the public transmission system according to standard concession specifications signed by the Minister of Industry (decree n° 2006-1731 of 23 December 2006) (see section 6.2.2.1 ("Transmission – RTE") and section 6.5.2.2 ("French legislation")).

## Risk Factors

---

Hydropower generation facilities of 4.5 MW or more are also operated under concessions awarded by the French State. Renewal of these concessions at their expiry dates is now subject to a procedure of invitations to tender (see section 6.2.1.1.4.4 “Current and future hydropower generation issues”). In addition, the law on water dated 30 December 2006 eliminated the preferential right of the outgoing licensee at the time of renewal and the decree n°2008-1009 dated 26 September 2008 provides the conditions under which the concessions may be renewed. If an expired concession is not renewed, the outgoing licensee will not, under current rules, benefit from any indemnity. The amended Finance Act for 2006 nonetheless provides for reimbursement of non-amortized expenditure incurred for modernization work or those for increasing production capacities if this work has been carried out during the second half of the concession.

Besides, the Government retained the principle of bringing forward the expiry of certain concessions, in order to carry out grouping by valley. The concessions the expiry of which is brought forward by government must be compensated by the Government, in order to compensate for the loss in revenue for the outgoing licensee resulting from the early termination of operation of the concession, in accordance with the terms of the concession. The hydropower concessions, at the time of their renewal, are subject to an annual charge indexed according to the revenue from sales of electricity produced by the conceded hydropower structures, paid to the French State and allocated in part to the *départements* on the territory of which the water courses used flow. The Grenelle 1 law of August 2009 provided that the amount of this charge may be derestricted above 25%, threshold set by the amended Finance Act for 2006. The Grenelle 2 draft law, at the date of the 2009 *Document de référence* of the Issuer, provides for a limit set on a case by case basis by the conceding authority, within each competitive situation. In the state of the draft law, a part of this charge would also be allocated to municipalities.

The EDF Group cannot guarantee that it will obtain the renewal in its favor of each of the concessions that it currently operates, or that renewal of a concession will be obtained under the same economic terms as the initial concession. The EDF Group cannot guarantee either that the compensation paid by the Government in the case of early termination of the operation of a concession will be able to fully compensate for the EDF Group’s consequent loss of revenue, or that future regulations regarding the limitation of charges will not develop in a way that could negatively affect the EDF Group.

This could have a negative impact on its activities and financial results.

The EDF Group also operates under electricity distribution or generation concessions in other countries where it is present (including in the United Kingdom, Germany and Italy).

Depending on the conditions in each of these countries, the transmission, distribution or generation concessions may not be upheld or be renewed in its favor, with changes in the economic conditions in the concession specifications, which would have a negative impact on the EDF Group’s activities and its financial results.

**The EDF Group must comply with increasingly restrictive environmental and public health regulations that are the sources of costs and potential liabilities.**



## Risk Factors

---

The EDF Group's activities are subject to regulations for the protection of the environment and public health, which are increasingly numerous and restrictive. These regulations relate to the EDF Group's industrial activities, energies generation, transmission and distribution, as well as to energy supply and energy-related services, which must, for example, incorporate the concept of demand-side management in their offers (for a description of environmental, health and safety regulations applicable to the EDF Group, and future regulations likely to have an impact on its activity (see section 6.5.4.4 "Other regulations relating to the environment, health, hygiene and safety"))).

Failure to follow these regulations could entail additional costs and/or expose the EDF Group to significant legal actions.

The EDF Group may be found liable, even if it has not committed any fault or breached existing rules. The EDF Group may also be found liable as a result of the fault or breach committed by entities which were not part of the EDF Group at the time of damage, if the EDF Group has since taken over their facilities.

Furthermore, these regulations could be subject to significant reinforcement by the national or European authorities (see section 6.5.4.5 ("Principal draft regulations likely to have a negative impact on the EDF group business")), which would have a negative impact on the EDF Group's activity and financial results.

Current rules, and future changes to such rules, have resulted and are likely to continue to result in an increasing level of operating expenses and investments in order to comply with such rules. The EDF Group may even be required to close facilities that could not be made compliant with new rules. Furthermore, other rules, which may be more restrictive or which may apply to new areas (in particular provisions which could be adopted in the case of Grenelle 2 law), and which are not currently foreseeable, may be adopted by the relevant authorities and have a similar effect.

In addition, external perception by stakeholders of the EDF Group's policy on sustainable development could worsen, resulting in a deterioration of the EDF Group's image and extra-financial rating.

### **The growth of an integrated European electricity market may be slowed by a lack of cross-border transmission system interconnections.**

As described in section 6.3.1 ("Europe"), the growth of an integrated European electricity market is inhibited by a lack of cross-border interconnections. This situation limits exchange capacity between operators in different countries, notably the capacity to rapidly adapt the supply to the demand ("blackout risk"), and allows price differences between the different countries, which would be significantly reduced in an efficient integrated European market, to exist. It also impedes the emergence of efficient operators with a European dimension as it limits the options for synergies between companies within a same group located on different sides of a border.

Although there are currently several projects to develop interconnections, their construction has nonetheless been slowed down, mainly by environmental, financial, regulatory and local acceptability considerations.

## Risk Factors

---

Beyond the absence of adequate interconnections between countries where the EDF Group is based or their slow development may limit industrial synergies which the EDF Group intends to achieve between its various entities or cause network interruptions in countries in which the EDF Group is established, which could have a negative impact on its results, its business and outlook.

**Repeated and/or widespread blackouts in France or in an area served by a EDF Group subsidiary, in particular, if they are attributable to the EDF Group, may have consequences for its activities, results and image.**

The EDF Group could be the source of repeated blackouts, or widespread blackouts or be involved in one, even if the causal event occurred in another network or was attributable to another player.

The causes of these electricity breakdowns vary: local or regional imbalance between electricity generation and consumption, accidental interruption to the power supply, cascaded interruptions (more difficult to overcome in a market with cross-border exchanges), interconnection problems at borders, lack of investment and difficulty in coordinating operators on an open market.

Such electricity supply breakdowns would first have an impact on the EDF Group's sales. They may also result in repair costs for reconnecting or rehabilitating the network and lead to investment expenditures if it were decided, for example, to install additional generation or network capacity. Finally, they would have a negative impact on the EDF Group's image with its customers, in particular, if the blackouts proved to be attributable to it.

**Natural disasters, significant climatic changes, or any major event on a scale that is difficult to predict, could have a material negative impact on the EDF Group's industrial and commercial activities.**

In France, the storms of December 1999 and the heat wave in the summer of 2003 and more recently the Klaus storm which crossed South-West of France on 24 January 2009 and the Xynthia storm at the end of February 2010, led to additional costs for the EDF Group. In addition to these events, other natural disasters (floods, landslides, earthquakes, etc.), other significant climatic changes (droughts, etc.), or any other event on a scale that is difficult to predict (large epidemic diseases, etc.) could affect the EDF Group's activities.

Based on its experience with the above events, the EDF Group implements measures, that are aimed at allowing it to limit the consequences should such events be repeated. Accordingly, following the storms of December 1999, the EDF Group initiated a program to secure its transmission and distribution networks.

Following the analysis carried out in the first quarter of 2009, with respect to the consequences of the storm of 24 January 2009, an adaptation of this program is being processed. Following the heat wave in the summer of 2003, EDF drew up an "Unforeseen Climatic Events" plan in order to better anticipate and prevent the consequences of such situations (as it was the case for the heat wave of summer 2006). The adoption of such measures can lead to costs in addition to those related to the cost of repairing the damage caused by the natural disaster and the loss of earnings corresponding to the interruption to supply.

## Risk Factors

---

The EDF Group's aerial networks, including those owned by RTE, are not covered for "damage to property". The specific coverage set up by the EDF Group after the storms of December 1999 against storm risk for the portion of its aerial networks related to its distribution network (see section 4.1.3.3.3 ("Storm cover")) has expired in December 2008; as a result, the EDF Group is currently considering alternative schemes. Owing to the absence of coverage, any damage to these aerial networks could have a negative impact on the EDF Group's financial situation.

Finally, in the event of a wide-spread sanitary epidemic, EDF created and tested, in 2006, a plan which aims to assure the continuity of electricity supply, depending on the intensity of the crisis, and at the same time guarantee the safety of the facilities and reduce the sanitary risks to which employees are exposed. In November 2008, this plan was submitted to a second crisis exercise with the contribution of the Asia Pacific Division of EDF and EDF Energy. Organization measures such as those described in the plan have been activated between May 2009 and February 2010 in order to cope with the H1N1 epidemic that has affected virtually every country in which the EDF Group is present. The measures provided for in the EDF Group's Pandemic plan, initially defined in the context of an H5N1-type epidemic, have been adapted in the context of the H1N1 epidemic.

The EDF Group cannot guarantee however that the occurrence of a natural disaster, a significant climatic unforeseen event, or any other event on a scale that is difficult to predict will not have significant negative consequences on its activities, its profits and its financial situation.

### **Risks associated with climatic conditions and seasonal variations in the business.**

Electricity consumption has a seasonal nature, and depends namely on climatic conditions. Accordingly, electricity consumption is generally higher during winter months. In addition, available generated electricity may also depend on climatic conditions: for example, low hydrocity, or heat waves which inhibit generation due to the obligation to respect certain temperature limits for rivers in the downstream of the facilities.

The EDF Group's profits consequently reflect the seasonal character of the demand for electricity and may be adversely affected by significant climate variations since the EDF Group could have to compensate the reduction in the availability of economical generation means by using other means with a higher generation cost or by being required to access the wholesale markets at high prices.

### **The EDF Group's activities are sensitive to economic cycles and to general economic conditions.**

The EDF Group's activities are sensitive to economic cycles and to general economic conditions within the geographical areas in which the EDF Group operates. Any economic slowdown, in such areas, would lead to a drop in energy consumption, investments and industrial production by the EDF Group's customers, and, consequently, would have a negative effect on the demand for electricity and the other services offered by the EDF Group, which could have a significant adverse effect on the EDF Group's activities, profits and outlook, as well as on the implementation of its development strategy.

## Risk Factors

---

The EDF Group cannot guarantee that the economic downturn effects, as the one observed since October 2008, in the geographical areas in which it operates, will not have a significant adverse impact on its activities, operating profits, financial situation or outlook.

### **Technological choices implemented by the EDF Group may be outperformed by more efficient technologies.**

The EDF Group's activities are based on a certain number of technological choices, which may be outperformed by other technologies that prove more efficient, more profitable or even more reliable than those used by the EDF Group. The use of these technologies by the EDF Group's competitors could have the effect of reducing or eliminating the competitive advantage that the EDF Group has through some of its technologies, and thus have a negative impact on its activities, financial results and outlook.

### **The occurrence of work-related illnesses or accidents cannot be excluded.**

Although the EDF Group does its best to comply with the laws and regulations concerning health and safety in the different countries in which it operates, and considers to have taken measures intended to ensure the health and safety of its employees and those of its subcontractors, the risk of work-related illnesses or accidents cannot be excluded. The occurrence of such events may lead to lawsuits against the EDF Group and the payment of damages, which may prove material.

For a description of the measures taken by the EDF Group with regards to ionizing radiation, see section 6.2.1.1.3.2 ("Environment, safety and radiation protection").

Regarding asbestos, the EDF Group has taken measures to treat materials containing asbestos, provide information and install protection, as described in section 17.3 ("Health and safety — quality of working life"). For a description of ongoing legal proceedings, see section 20.5 ("Legal and arbitration proceedings").

### **The EDF Group is exposed to risks on the wholesale energy and CO<sub>2</sub> emission allowances' markets.**

The EDF Group operates in the deregulated energy markets (mainly in Europe) through its generation, marketing and distribution activities. As such, the EDF Group is exposed to price fluctuations in the wholesale energy markets (electricity, gas, coal, oil) as well as in the CO<sub>2</sub> emission allowances market. These fluctuations are particularly important in the current context of major tensions and volatility on the energy markets.

The EDF Group manages its risk exposure mainly by buying and selling on the wholesale markets. Apart from the oil products markets, these are new markets that are still developing. Therefore, a shortage of products or lack of depth can limit the EDF Group's capacity to cover its exposure to risk in the energy market. In addition, these markets remain in part partitioned by country, as a result, among other things, of the lack of interconnections. They may thus experience significant increases or decreases in price movements and liquidity crises that are difficult to predict. Such fluctuations may have a significant unfavorable impact.

## Risk Factors

---

The management of energy market risks is in line with the energy market risks policy adopted by the EDF Group (see section 4.1.1.2 (“Management and control of energy market risks”)). The EDF Group hedges its positions on these markets through derivative products such as futures, forwards, swaps and options negotiated on organised or over-the-counter markets. However, the EDF Group cannot guarantee total protection, in particular, against significant price movements, which could have a material negative impact on its financial results.

### **The EDF Group is exposed to variations in the prices and in the availability of materials or services (other than fuels) which it buys for the carrying out of its activities.**

In a context of a significant and long-standing increase in raw material prices, the EDF Group could face a sharp and sustained increase in the costs of certain critical products or services. Moreover, this increase could lead to a reduction of the offer if certain suppliers were forced to reduce their profit margins. Certain products or services are increasingly demanded, which could have an effect on their availability, in particular, products used for gas-fired combined cycle power stations, wind turbines and products and services in the nuclear field.

### **The EDF Group is exposed to financial risks.**

Because of its activities, the EDF Group is exposed to financial risks:

- liquidity risk which has been particularly heightened in the current context of major tensions on the financial markets; In addition, as customary on the organised energy or financial markets, a margin call system has been established on certain over-the-counter transactions by certain entities of the EDF Group in order to reduce or, if possible, eliminate the counterparty risk. Such system could lead the EDF Group to mobilize liquidities due to current strong volatility on the energy and financial markets. In the context of the financial crisis, EDF has strengthened the monitoring and the control of the liquidity risk related to the margin calls on the energy and financial markets (see section 4.1.1.3.3 (“Liquidity risk”));
- exchange rate risk related to holdings in subsidiaries operating in currencies other than the euro, or to supply, in particular fuel and material, denominated in such currencies (see section 4.1.1.3.4 (“Exchange rate risk”));
- equity risk, in particular related to equity instruments held as part of the management of assets constituted to cover the costs of EDF’s long-term commitments in the nuclear business and obligations related to pensions and other employee benefits and, to a lesser extent, to the shares held in direct participation and in the framework of cash management activities (see section 4.1.1.3.5 (“Equity risk”));
- interest rate risk related to the EDF Group’s financing and cash management activities and to the value of the EDF Group’s financial assets and liabilities; the interest rate risk lies in particular in portfolios of debt instruments held as part of the management of dedicated assets constituted to cover the costs of the EDF Group’s long-term commitments in the nuclear business and obligations related to pensions and other specific provisions in favor of the employees (see section 4.1.1.3.6 (“Interest rate risk”));

## Risk Factors

---

- counterparty risk inherent in contractual relationships; the monitoring and reporting procedures applied by the EDF Group in connection with its exposure to counterparty risk were strengthened since 2008 (see section 4.1.1.3.7 (“Counterparty risk”)).

The organization and management principles of these risks are described in section 4.1.1.3 (“Management and control of financial market risks”) and their measures of control are described in section 9.9.1 (“Management and control of financial risks”). However, the EDF Group cannot guarantee total protection, including in the event of continued significant movements in exchange rates, interest rates and equity markets like those seen in 2008.

### **Specific risks relating to the EDF Group’s nuclear activity**

The EDF Group is the world’s leading nuclear operator. Nuclear electricity represents approximately 87% of its generation in France. EDF acquired in 2009, nuclear assets in the United Kingdom, and operates nuclear power plants in Germany through EnBW, and in the United States, through CENG: the nuclear share in the EDF Group electricity mix is hence a major competitive advantage. The EDF Group also plays an active role in the construction projects of new nuclear plants in France, the United Kingdom, the United States, China and potentially in Italy. Any event negatively affecting the nuclear business is likely to have greater consequences for the EDF Group’s image, activities, productivity, financial situation and results, than for those of its competitors, which generate proportionally less electricity from this source of energy.

### **Due to its nuclear activities, the EDF Group is exposed to substantial liability risks and possibly significant additional operating costs.**

Even if the EDF Group has implemented risk control strategies and procedures corresponding to high standards for its nuclear activities, such activities, by their nature, still present potential risks. Therefore, the EDF Group may face considerable liability as a result of, among others, incidents and accidents, breaches of security, ill-intentioned acts or terrorism, air crashes, natural disasters (such as floods or earthquakes), equipment malfunctions or mishandling in storage, handling, transportation, treatment or conditioning of substances and nuclear materials. Such events could induce a significant tightening of the nuclear plants’ operating constraints, or the partial or total disruption of the operation of the EDF Group’s generation fleet, and could have serious consequences, especially in case of radioactive contamination and irradiation of the environment, for persons working for the EDF Group and for the general population, as well as a material, negative impact on the EDF Group’s activities, strategy, outlook and financial situation.

A nuclear operator assumes liability for the nuclear safety of its facilities. The liability scheme that applies to European nuclear facilities operators, and the associated insurance, are described in sections 6.5.4.2 (“Special regulations applicable to nuclear facilities”) and 4.1.3.4.1 (“Civil liability”). This scheme is based on the principle of strict liability for the operator. If there is an event which causes damage, the EDF Group would be automatically liable within the limits of a financial ceiling established by applicable local law, regardless of the source of the event that caused the damage. The implementation of safety measures does not exonerate the EDF Group from this type of liability.

## Risk Factors

---

The EDF Group cannot guarantee that, in countries where it operates nuclear facilities, the liability ceilings established by law will not be increased or removed. For example, the Protocols amending the Paris Convention and the Brussels Convention, currently being ratified, provide for these ceilings to be raised. In addition, the EDF Group cannot guarantee that the insurance policies covering this liability will always be available, or that their cost will not increase from their present level, or that the EDF Group will always succeed in maintaining these insurance policies.

The damage to EDF's nuclear facilities is covered by an insurance policy (see section 4.1.3.4.2 ("Damage insurance for nuclear facilities")).

Despite this coverage, any event that would cause significant damage to a EDF Group's nuclear facility could have a negative impact on the EDF Group's business, financial results and financial situation.

### **A serious nuclear accident occurring on a facility which does not belong to the EDF Group may have material consequences for the EDF Group.**

Despite the precautions taken during their design or operation, a serious accident on a facility which does not belong to the EDF Group cannot be excluded and could result in public rejection of the nuclear business and lead to the competent authorities deciding to tighten noticeably operating conditions of power plants, or to cease the generation of electricity through nuclear means (and therefore suspend or cancel projects of development of nuclear power plants), or to cease authorizing, temporarily or permanently, operation of one or more nuclear plants. Such decisions might be taken even in the absence of an accident taking place. Such accident, if occurring close to one or several facilities of the EDF Group, could also have the effect of contaminating their environment, and thus jeopardize their operation.

Such events would have a material, negative impact on the economic model, strategy, business, profit, financial situation and prospects of the EDF Group.

### **The nuclear activity of the EDF Group is subject to particularly detailed and restrictive regulations that may increase in severity.**

The nuclear activity of the EDF Group is subject to detailed and restrictive regulations, in particular in France, with a system for the monitoring and periodic re-examination of operating authorizations, which primarily take into account nuclear safety, environmental and public health protection, and also national safety considerations (terrorist threats in particular). These regulations may be subject to significant tightening by national and European authorities (for a description of the "Nuclear Package" and the French law relating to transparency and safety in the nuclear field, see section 6.5.4.2 ("Specific regulations applicable to nuclear facilities")). Furthermore, a tightening of the regulations or a possible non-compliance with the current regulations could lead to having to shut down temporarily or permanently one or more plants of the EDF Group.

Furthermore, a tightening of regulations or any non-compliance with the regulations in force could result in a temporary or permanent shut-down of one or more nuclear plants.

## Risk Factors

---

This could result in material increased costs of the EDF Group's nuclear fleet, which would have a negative impact on its financial situation.

### **For its nuclear activity, the EDF Group depends on a limited number of contractors.**

Even though the EDF Group operates a supplier diversification policy within its nuclear business, it is currently dependent on a limited number of contractors and suitably qualified and experienced contract personnel.

This situation:

- limits competition on markets on which EDF acts as buyer; and
- creates for the EDF Group a risk of exposure to failure of one or more of these suppliers or specific skills.

This could have a negative impact on the EDF Group's results and financial situation.

### **The EDF Group is exposed to variations in uranium procurement conditions and conversion and enrichment services conditions.**

Nuclear fuel purchases are part of the EDF Group's operating costs.

For its nuclear power fleet in France, and since 31 March 2010 for its nuclear power fleet in the United Kingdom, EDF purchases uranium, conversion services and enrichment services through long-term contracts containing hedging mechanisms against price movements allowing it to reduce the impact of the price fluctuations. The main supplier is the AREVA group, but EDF is pursuing a policy of diversification by buying supplies from other producers (see section 4.3 ("Dependency factors" and section 6.2.1.1.3.4 "The nuclear fuel cycle and related issues")). Prices and available quantities of uranium and conversion and enrichment services are subject to fluctuations resulting from factors, mainly political and economic, which the EDF Group cannot control (in particular, increased demand in the context of worldwide expansion of nuclear energy or shortages linked, for example, to an operating accident in a uranium mine).

In the United States, CENG purchases uranium and conversion, enrichment and assembly services from several suppliers. The current contracts with these providers allow a supply of fuel and conversion, enrichment and assembly services for years to come, for the three plants of Calvert Cliffs, Nine Mile Point and Ginna.

However, the EDF Group cannot guarantee that its uranium supply contracts and its conversion and enrichment services contracts, in France and abroad, will protect it completely against drastic or significant price increases. It cannot guarantee that when these long-term contracts expire, it will be able to renew them, in particular, at price conditions that are equivalent. This could have a negative impact on the EDF Group's financial results.

### **Risks relating to the transportation of nuclear fuel.**

The transportation of new or used nuclear fuels is an operation that requires special and restrictive safety and security measures. These constraints could increase further, generating additional difficulties and costs for the EDF Group. Furthermore, several factors



## Risk Factors

---

that are outside of the EDF Group's control (such as opposition by local residents or anti-nuclear associations, for example, in the form of demonstrations to prevent nuclear material from being moved) may slow these operations. The operation may even be interrupted, in particular, in the event of an accident. As a result, the EDF Group may be required to slow or interrupt some or all of the generation on the affected sites, due to either the non delivery of new fuel assemblies, or the saturation of storage facilities on the sites, which could have a negative impact on the EDF Group's financial results.

### **The nuclear fleet operated by the EDF Group could require heavy and/or costly repairs or modifications**

The fleet of nuclear facilities currently operated by the EDF Group in France is highly standardized (see section 6.2.1.1.3.1 ("EDF's nuclear fleet")). This represents an advantage for the EDF Group: it allows the EDF Group to achieve economies of scale in equipment purchases and engineering, to apply improvements made to its newest power plants to its entire fleet, and to anticipate, in the event of a malfunction in a facility, the measures to be taken in the others.

This standardization carries the risk of a malfunction that is common to several power plants or series of power plants. The EDF Group is currently addressing certain technical issues across its fleet that affect the availability factor Kd of the fleet (see section 6.2.1.1.3.3 ("Performance of the nuclear fleet")). The EDF Group cannot guarantee that it will never again be confronted with other burdensome or costly repairs or modifications, to be carried out on all or part of the fleet, or that events will not occur which may have an impact on the operation of the fleet or its output, bringing about a temporary outage or closure of all or part of the fleet.

The EDF Group also operates nuclear power plants elsewhere in Europe (notably the United Kingdom and Germany) and in the United States. It may also face costly repairing works or modifications to be made on these units or events which could have impacts on their performance, output or availability. Despite maintenance work carried out by the EDF Group on its power plants, it is possible that the output availability of certain units will be limited, particularly due to the ageing of equipment and component obsolescence.

Such events may have a negative impact on the EDF Group's financial results and its activities.

### **The EDF Group may not be able to operate its nuclear power plants over a period at least equal to the period used for the calculation, in particular, of amortization and provisions**

In the context of studies in relation with the third 900 MW level Ten-year Inspections, the French NSA publicly indicated at the beginning of July 2009 that it had not identified any generic problem calling into question EDF's ability to control the safety of its 900 MW reactors for 40 years. As provided for by the regulations, the NSA's position will be completed subsequently by a reactor-by-reactor position following each of the third Ten-year Inspections. However, the EDF Group cannot guarantee that it will obtain the necessary authorizations at the appropriate time, or that such authorizations will be obtained, or that it

## Risk Factors

---

will not be subject to conditions requiring the EDF Group to carry out significant expenses or investments.

Nonetheless, the EDF Group has based its assumptions for calculating accounting impacts linked to the operating life of its nuclear fleet in France on an operating life of 40 years (including depreciation and amortization on fixed assets, provisions, etc.). If the safety authorities opted for the closure of some units or power plants before 40 years, this would require accelerated replacement of the corresponding generation capacity by additional investments or recourse to electricity purchases on the market. It would also be necessary to review the depreciation and amortization plan to reappraise the residual operating life of the power plants in question. This would have a material adverse impact on the EDF Group's financial results and financial situation.

In the United Kingdom, the currently provided operating life of the power stations in EDF Energy's existing nuclear fleet ranges between 30 to 40 years, depending on the power plant (see section 6.3.1.1.2.3 ("Existing nuclear business unit")). However, taking into account the safety rules applicable in the United Kingdom (see section 6.3.1.1.2.3 ("Existing nuclear business' unit")), the EDF Group cannot guarantee that EDF Energy will obtain the necessary authorizations at the relevant time to operate its existing nuclear power plants until the end of the current operating life, or that these authorizations will not be obtained subject to conditions that entail significant expenditure or investments for the EDF Group.

EDF Energy has nevertheless used the current operating lives as a hypothetical basis for the calculation of accounting assumptions (depreciation and amortisation on fixed assets, provisions etc.) related to the operating life of the nuclear fleet in the United Kingdom (see section 6.3.1.1.2.3 ("Existing nuclear business unit")).

In the United States, an operating life of 60 years<sup>1</sup> was granted by the Nuclear Regulatory Commission ("NRC") for all CENG nuclear plants (the commissionings of which ranged between 1970 and 1988 (see section 6.3.2.3.3 ("Operations of CENG (nuclear generation and operation business)")), the joint venture created by EDF and Constellation Energy EDF Group ("CEG") now holding the nuclear assets of CEG. However, the EDF Group cannot guarantee, notably in the case of an incident affecting the safety or availability of facilities, that these power plants will actually be operated for such period.

If any power stations had to be closed before the end of their accounting operating lives, this may require accelerated replacement of the corresponding generation capacity by additional investments or recourse to electricity purchases on the market. It would also be necessary to review the depreciation and amortization profile and associated decommissioning provisions to take into account the reduced operating lifetime of the power stations. This could have a material adverse impact on the EDF Group's financial results and financial position.

**The EDF Group might not obtain the authorizations necessary in order to extend the operating life of its power plants beyond the terms currently provided for.**

In order to postpone the commissioning of replacement units and the related investments, and to continue to benefit from the cash flows from its existing fleet, the EDF Group aims to lengthen the functioning life of its nuclear fleet beyond 40 years in France. In 2009, EDF

---

<sup>1</sup> Except for Nine Mile Point 2: 58 years.

## Risk Factors

---

submitted to the French NSA its proposed safety improvements for a fleet functioning life beyond 40 years. The corresponding investments are staggered over a period of about 20 years starting from the next ten-year period. The French NSA plans to have these improvements examined at the beginning of 2011 by the Permanent Experts EDF Group (made up of experts *intuitu personae* appointed by the French NSA). In the United Kingdom, EDF Energy is also attempting to extend the operating life of its nuclear fleet beyond the declared period, and has already announced and taken into account the extension of the operating life of certain power plants (see section 6.3.1.1.2.3 (“Existing nuclear business unit”)).

The EDF Group cannot guarantee that it will obtain such extensions or that these extensions will only be obtained under certain conditions, which would have a negative impact on the EDF Group’s capacity to achieve its investment strategy.

### **Construction of the EPRs could encounter problems or not be completed.**

The EDF Group is involved in the carrying out of the construction of the European Pressurized water Reactor (“EPR”) in Flamanville (see section 6.2.1.1.3.5 (“Preparing for the future of the nuclear fleet in France”)) in order to renew its fleet of nuclear generating facilities in France and to serve as a model for the construction of new facilities internationally.

However:

- the EDF Group might not obtain or see called into question by court rulings, the necessary authorizations required for the construction, commissioning and operation of the EPR;
- with regards, in particular for the Flamanville EPR, to a first-of-a-kind reactor, technical difficulties or other difficulties could occur during the development and construction and during the early stages of the operation of the EPR. These difficulties could slow or hinder the construction of the EPR and their commissioning or affect their performance;
- the global construction cost and the total cost of production of the EPR reactors could be higher than the estimates of EDF, because, among others, of increased raw materials prices, the evolution of exchange rates, the impact of price index provided in the contracts, technical and regulatory developments and the adjustment of provisions for risks.

The EPR program for renewal of the fleet of generation facilities is strategic for the EDF Group’s future. Any event leading to delay or clogging of this program, or affecting, the construction, of the first-of-a-kind EPR or subsequent units would thus have a material adverse impact on the EDF Group’s activity and financial situation.

### **The EDF Group remains liable for most spent fuel and radioactive waste from its nuclear power plants, especially long life, high-level waste from spent fuels.**

The nuclear fuel cycle is described in section 6.2.1.1.3.4 (“The nuclear fuel cycle and related issues”). In France, as described herein, as an operator and producer of waste, EDF is legally responsible for spent fuels from the moment they leave the power plant, during their processing operations and during their long-term management, and it assumes this

## Risk Factors

---

responsibility in accordance with guidelines set forth by public authorities and under their control.

In particular, as a nuclear operator or producer, the EDF Group may incur liability resulting from applicable regulation of waste in the event of an accident and damage to a third party or the environment through these burnt fuels or waste, even if they are handled, shipped, owned, warehoused or stored by operators other than the EDF Group (especially, in France, the AREVA group and ANDRA), in particular in the event of failure of such operators. If the EDF Group were acknowledged as responsible for damages caused to third parties and/or the environment, the specific civil strict liability scheme applicable to nuclear operators would apply, within the ceilings specified by this scheme (see section 6.5.4.2 (“Special regulations applicable to nuclear facilities”)).

In France, long-term radioactive waste management was the subject to several initiatives undertaken in the framework of the French “Bataille” law, and the passing of program law n° 2006-739 dated 28 June 2006 relating to the sustainable management of radioactive materials and waste (see section 6.2.1.1.3.4 (“The nuclear fuel cycle and related issues”)). The EDF Group cannot guarantee that all long-life high and medium activity waste will constitute “ultimate radioactive waste” in the sense of Article 6 of the law n° 2006-739, and that as a consequence this waste will be able to be directly stored in deep geological layers. The EDF Group also cannot guarantee how long it may take for the public authorities to authorize such storage, which continues to result in ongoing uncertainties with respect to waste, liability and the costs that could result for EDF.

In the United Kingdom, British Energy has entered into agreements with the authorities concerning the management of certain radioactive waste from the nuclear power plants that it operates (see section 6.3.1.1.2.3 (“Existing nuclear business unit – restructuring agreements – costs relating to radioactive waste management and decommissioning”)). According to the terms of these agreements, the responsibility and certain costs related to the management of certain radioactive waste is transferred to the British government. However, British Energy retains financial responsibility, and also technical and legal responsibility for the management, storage and elimination of waste that does not fall within the scope of the aforementioned agreements.

In the United States, in accordance with the Nuclear Waste Policy Act (“NWPA”), CENG is a party to the contracts entered into with the Department of Energy (“DoE”). As such, CENG has paid since November 6, 2009 the contributions provided by the NWPA to finance the cost of construction by the DoE of a federal storage for final disposal of spent fuel (CEG having paid contributions up to November 6, 2009). Given that the DoE declared that it could not take possession of spent fuel before 2020 (instead of 1998 as originally planned), CEG has been forced to undertake additional actions and incur costs to provide on-site fuel storage, allowing the operation of its plants until the availability of a federal storage. The funds reimbursed by the DoE until the closing of the transaction with EDF were received by CEG. CENG will receive the subsequent reimbursements (see section 6.3.2.3.5 (“The nuclear fuel - Storage of spent nuclear fuel - federal facilities”)).

The EDF Group cannot guarantee that it will have at its disposal, in due course and under acceptable financial conditions, long term storage and treatment solutions for the radioactive waste resulting from the operation of power plants located in the relevant countries.

## Risk Factors

---

This could have a negative impact on the EDF Group's financial results and financial situation.

### **The provisions made by the EDF Group for spent fuel processing operations and long-term radioactive waste management could prove insufficient.**

EDF has made provisions for management operations (transportation, processing, conditioning for recycling) of spent nuclear fuel (see note 35 to the 2009 Consolidated Financial Statements) using the price and volume conditions in the agreement signed with AREVA in December 2008 which covered the period from 2008 to 2012. The amount of provisions to cover the period beyond 2012 could prove insufficient if the renewal conditions of this agreement for such future period proved more onerous than those currently applicable.

EDF had made provisions for long-term waste management based on an assumption of geological storage, and the conclusions reached in 2006 by the working group comprising ANDRA, public authorities and producers of nuclear waste (see note 35 to the 2009 Consolidated Financial Statements, and section 6.2.1.1.3.4 ("The nuclear fuel cycle and related issues")). If the program law n° 2006-739 of 28 June 2006 relating to the sustainable management of radioactive materials and waste reinforces, without excluding other fields of complementary research, that the "ultimate radioactive waste" must be stored in deep geological layers, the EDF Group cannot guarantee that all long-life high and medium waste will be considered as such and nor the length of time in which this type of storage, if it was held, could be carried out. In consequence, the final cost of long-term waste management of the EDF Group could exceed the provisions made in its accounts.

EnBW and CENG have also made provisions for their long-term nuclear waste management commitments.

The EDF Group cannot guarantee that the amount of these provisions will be sufficient.

The evaluation of these provisions is sensitive to the assumptions made in terms of costs, inflation rate, long-term discount rate and payment schedules. Given these sensitivity factors, changing the parameters may lead to a significant revision of the provisions accounted for.

If such was the case, the inadequacy of the provisions for these commitments may have a material negative impact on the EDF Group's financial results and financial situation.

### **Decommissioning of the existing fleet of nuclear facilities may present currently unforeseen difficulties or be much more costly than currently expected.**

The decommissioning of the EDF nuclear fleet in France, and of the British Energy, CENG and EnBW nuclear fleets is described in section 6.2.1.1.3.6 ("Decommissioning of nuclear power plants") and 6.3.1.2.3.1 ("Electricity businesses"). Given the size of the EDF Group's nuclear fleet, its decommissioning represents a highly technical and financial challenge.

While the EDF Group has evaluated the challenges, in particular technical, which this decommissioning brings (particularly the decommissioning of first generation power plants in France) and has identified the solutions to be developed, it has never dismantled nuclear power plants similar to those currently in service.

## Risk Factors

---

The EDF Group has made provisions to cover the forecasted costs associated with decommissioning and last cores, including EnBW and CENG. The evaluation of these provisions is sensitive to the assumptions made in terms of costs, inflation rate, long-term discount rate and payment schedules. Given these sensitivity factors, changing the parameters may lead to significant revision of the provisions accounted for.

The EDF Group cannot guarantee that the provisions made will be equivalent to the costs actually recorded in time, which would have a negative impact on the EDF Group's financial results and financial situation.

In the United Kingdom, under British Energy's restructuring arrangements, the decommissioning costs from the British Energy's existing nuclear power stations will be paid for from the Nuclear liabilities Fund and, should the Fund be insufficient, these costs will be underpinned by UK Government (see section 6.3.1.1.2.3 ("Existing nuclear business unit - restructuring agreements - costs relating to radioactive waste management and decommissioning")).

**Dedicated assets reserved by the EDF Group to cover the costs of the EDF Group's long-term commitments in the nuclear business (such as radioactive waste and decommissioning) may prove insufficient and result in additional disbursements.**

As of 31 December 2009, the market value of the EDF's portfolio of dedicated assets was approximately €11,436 million against €8,658 million at 31 December 2008 (see section 6.2.1.1.3.7 ("Assets available to cover long-term nuclear power-related commitments (outside the operating cycle)"). These assets are built up gradually on the basis of spending estimates and the timeframe which the EDF Group will have to meet.

EDF's dedicated assets may be judged insufficient according to the 28 June 2006 law's implementation regulations (see section 6.5.4.2 "Specific regulations applicable to nuclear facilities") or by the administrative authority, and lead to adjustment measures (in particular complementary allocations for the dedicated assets). These dedicated assets can also prove to be insufficient at the moment of actual payment, if actual costs are different or if the decommissioning and storage costs schedule is modified. This would have a material, negative impact on the EDF's financial situation. Moreover, stricter national (in particular those which could have an impact of the basis of the dedicated assets to be constituted by EDF) or European regulatory constraints may lead to increasing demands for the constitution of dedicated assets and have an effect on EDF's financial situation.

Finally, although these assets are constituted and managed in accordance with strict prudential rules (see section 6.2.1.1.3.7 "Assets available to cover long-term nuclear power-related commitments (outside the operating cycle)"), the EDF Group cannot guarantee that variations in the financial markets prices will not have a material, negative impact on the value of these assets (see section 9.9.1.6 "Management of financial risk on EDF's dedicated asset portfolio" for a sensitivity analysis)) which could lead EDF to make further disbursements in order to restore the value of these assets.

In Germany, EnBW established funds reserved for covering the cost of its long-term commitments, particularly with regard to nuclear power. However, their value might be

## Risk Factors

---

insufficient for covering the corresponding costs, principally due to variations in financial market prices, and this could lead EnBW to make further disbursements.

In the United States, in accordance with the NRC regulations and conditions imposed by the states concerned, CENG established funds strictly dedicated to cover the costs of plants decommissioning. The strategy of establishment of these funds is based on the estimated costs necessary to deconstruction and relating installments. The estimate by CENG of the income generated by these funds was based on various factors, including the strategy of assets allocation for investments, the rate of historical performance and market conditions. It is anticipated at this time that the activities of deconstruction will take place until 2083. Any changes affecting costs or deadlines for deconstruction, or any changes affecting the income generated by the funds, are likely to have an impact on the ability of funds to cover the costs of plants deconstruction, which could lead CENG to make further disbursements.

Such events could have a negative impact on the EDF Group's financial situation.

### **Risks related to the structure and changes within the EDF Group**

**It is possible that the EDF Group's development strategy cannot be implemented in accordance with the goals defined by the EDF Group.**

The EDF Group intends to continue its development in the electricity, gas and energy services industries, both in France and abroad, in line with its industrial project, depending on its business model in each area and in light of any relevant experience (upstream/downstream balance, commercial strategy, development of renewable energy sources or in other production methods: nuclear, hydropower, coal, gas combined-cycle, etc.). It is thus implementing programs for re-organization, increasing profitability, (see risk factor entitled "The EDF Group has implemented programs to improve its operating and financial performance and to reinforce its financial flexibility") and disposals.

The EDF Group may fail to implement international nuclear generation projects to which it is committed or may not be able to implement such projects under satisfactory economic, financial and legal conditions.

Indeed, the EDF Group is committed through partnerships or equity investments to international projects for the construction and operation of nuclear power plants (in the United States, the United Kingdom, China, etc.). During the development phase, these projects require obtaining administrative authorizations, licenses, permits and, in certain cases, the setting of additional partnerships. These are large-scale construction sites calling for substantial investment. The financing conditions have yet to be confirmed and, given the current economic context, such financing could be delayed. Furthermore, the regulatory framework in some countries is in the process of being updated, which could have an impact on the EDF Group's commitments and liability. Even with the benefit of protective contractual arrangements, the EDF Group cannot guarantee that any or all of these projects will be implemented in accordance with scheduled timeframes, under satisfactory economic, financial or legal conditions or that they will, in the long term, generate the profitability initially anticipated. This could have a negative impact on the EDF Group's image and financial situation.

## Risk Factors

---

Furthermore, the development of the EDF Group's gas business is an important issue, both with respect to the use of gas in electricity generation and the development of dual gas/electricity offers. The competitive environment of the gas segment is evolving in France and in Europe with the emergence of new players or mergers of energy companies.

Demand for gas in Europe is growing and there are significant quantities of untapped reserves throughout the world. However, sources of supply are remote and capacities for gas transportation (by gas pipeline or by liquefied natural gas (LNG) tanker), LNG terminals and capacities for storage are still limited. To implement its gas strategy, the EDF Group must not only have access to competitive sources of supply, but also to logistical infrastructures (such as storage, gas pipelines and LNG terminals) that allow it to transport its gas to areas close to points of consumption and to produce synergies between its different entities (including those which it does not control). The EDF Group cannot guarantee that it will be able to either access these gas assets, or acquire them or participate in their development, or achieve the expected synergies, under acceptable financial conditions. Any one of these factors could slow the development of the EDF Group's gas strategy, which would have a negative impact on its activities, its financial results and its outlook.

Finally, the EDF Group intends to develop and consolidate its offer of service integrated solutions, in particular its energy eco-efficiency services, to increase sales per customer as the energy market in Europe opens up to competition and to deal with issues relating to energy efficiency and Sustainable Development.

The energy-related services market is very competitive, and the energy efficiency market possesses a strong potential for development. The EDF Group cannot guarantee that its energy-related services offer will continue to grow successfully. If the EDF Group cannot implement its development policy in the area of energy-related services, this may have a negative impact on its financial results and outlook.

More generally, the EDF Group may be confronted with an unexpected change in the regulatory, economic and competition framework which may render its decisions inadequate, or may encounter difficulties in implementing or changing its strategy, which could have a negative impact on the EDF Group's financial results and outlook.

### **Risks related to acquisitions and disposals.**

In the context of its development strategy, the EDF Group has carried out and could be led to carry out transactions involving the acquisition of assets or interests, as well as mergers or the creation of joint venture companies, and more generally all types of external growth transactions.

External growth transactions involve in particular the following risks : (i) the assumptions used by the EDF Group for the evaluation of the acquisition could turn out to be unrealizable, particularly concerning anticipated market prices, cost savings, profits, synergies and profitability ; (ii) difficulties could arise concerning the quality and performance of acquired assets or underestimating the liabilities of acquired companies ; (iii) difficulties could arise with respect to the implementation of the integration of acquired activities or companies ; (iv) the EDF Group could be unable to retain certain key employees, clients or suppliers of acquired companies ; (v) the EDF Group could be obligated to or wish to terminate certain



## Risk Factors

---

pre-existing contractual relationships under costly and/or unfavourable financial conditions ; (vi) the EDF Group could increase its indebtedness with a view to financing these acquisitions, thus limiting its financial flexibility and possibilities of obtaining further loans in the future ; and (vii) vis-à-vis the anti-trust authorities, the EDF Group could be obligated to enter into commitments the implementation of which would be carried out under less favourable conditions than planned for the EDF Group.

Consequently, the benefits from future or completed acquisitions could be lower or less rapidly achieved than expected, which could have a negative impact on the EDF Group's financial results, financial situation and outlook.

The EDF Group has also carried out and could be led to carry out transactions involving the disposal of assets. In the context of these disposals, the EDF Group may provide guarantees concerning the assets sold, and consequently have to pay indemnities or price adjustments to the purchaser, which could have a negative impact on the EDF Group's financial results, financial situation and outlook.

The EDF Group may also find that it has been unable to carry out the external growth transactions and disposals that it expects to carry out, or that it has made them at a price different to that desired, due in particular to financial, regulatory or contractual constraints, or even political acts outside France. This may have a negative impact on the EDF Group's financial results, financial situation and outlook.

### **The various reorganizations rendered necessary by opening up of the market could have operational and financial consequences for EDF.**

Opening up of the market has in particular resulted in a transfer of mainly distribution activities to subsidiaries and the reorganization of the joint entities through which EDF and mainly GDF SUEZ (formerly Gaz de France) used to manage sales, billing, customer services and distribution networks.

The various reorganizations could have an impact on the operation of sales and distribution activities and on the relationships with local authorities.

Furthermore, they could generate substantial costs, associated in particular with adapting organizational structures and support functions, in particular, information systems.

### **Risks relating to information systems.**

The EDF Group operates multiple and highly complex information systems (such as servers, networks, applications and databases, etc.), which are essential for the everyday operations of its commercial and industrial business, and which must adapt to a rapidly changing environment. A problem with one of these systems may have material, negative consequences for the EDF Group. In particular, if the information systems put in place or still to be adapted following the total opening up of the market on 1 July 2007 are lacking in terms of reliability or performance, this may have material, negative consequences for the EDF Group.

Finally, as a general matter, the EDF Group cannot guarantee that the policy of reinforcing information back-up systems will not meet with technical difficulties and/or delays in

## Risk Factors

---

implementation, which could – in the event of a serious incident – have a material, negative impact on the activity, financial results and financial position of the EDF Group.

### **EDF is controlled by the French State, which is its principal shareholder.**

Pursuant to the law of 9 August 2004, the French State is EDF's principal shareholder and must remain the holder of more than 70% of its share capital. Under French law, a majority shareholder controls most corporate decisions relating to the company, including those that must be passed by the Shareholders' Meeting (in particular, appointment and dismissal of members of the Board of Directors, distribution of dividends and amendments to the by-laws). In addition, the legal dilution limit for the French State holding may limit EDF's capacity to resort to the capital markets or carry out external growth transactions.

### **Much of the EDF Group's workforce belongs to organizations common to EDF and GDF SUEZ; the EDF Group therefore depends in part on management mechanisms implemented in these common structures.**

A large portion of people employed by the EDF Group belongs to organizations common to EDF and GDF SUEZ (almost all belonging to ERDF and GrDF's common service, distribution subsidiaries of EDF Group and GDF SUEZ group). Some decisions made in the context of these common organizations may accordingly have an impact on EDF, in particular on costs and on the conditions of management of its resources. Moreover, in consequences, EDF and GDF SUEZ may have divergent interests and views concerning these common organizations, which may have a negative impact on the EDF Group's labor relations climate, financial results and financial structure.

### **The EDF Group does not own a controlling majority of some of its strategic subsidiaries and holdings, or shares control of these entities with other shareholders.**

As described in section 6.3.1.2.2 ("Detail of EDF's holding in EnBW"), the EDF Group shares control of EnBW with OEW. This shared control is exercised through a shareholders' agreement. The EDF Group cannot, however, guarantee that it will always be in agreement with OEW on its policy towards EnBW.

This may also be the case with respect to Edison, where the two shareholders, EDF and A2A (formerly AEM Milan) and its partners, have joint control, and whose relationships are governed by a shareholders' agreement (see section 6.3.1.3.1.2 ("Joint takeover of Edison by EDF and A2A")). In addition, advantages which must result from the joint takeover of Edison by EDF and A2A, in particular as regards the EDF Group's gas strategy, depend, in part, on the possibility to combine successfully and effectively Edison's activities with those of the EDF Group.

Furthermore, in November 2009 the EDF Group finalized the acquisition of almost half of CEG's nuclear power generation and operation activities, via an equity stake of 49.99% in CENG (see section 6.3.2.3 ("Acquisition of 49.99% of CEG nuclear assets")). The EDF Group shares the control of CENG with Constellation Energy EDF Group (CEG) and this control is exercised in the context of a shareholders' agreement (see section 6.3.2.3.2 ("Organization and governance rules of CENG")). The EDF Group cannot guarantee that it will always be in agreement with CEG, particularly with respect to the strategy to be

## Risk Factors

---

implemented concerning CENG, which could notably limit the benefits expected from the transaction.

Other EDF Group businesses are, or will be in the future, exercised within other entities in which the EDF Group shares control, or in which the EDF Group is a minority shareholder. In these situations, the EDF Group may find itself confronted with an impasse when partners disagree or decisions are made which are contrary to its interests.

This may limit the EDF Group's ability to implement defined strategies and may have a material adverse impact on its business, financial situation or prospects.

**Shareholders in some of the EDF Group's subsidiaries and holdings have put options allowing them to require a buyback of their shares or assets by the EDF Group, which, accordingly, may be forced into re-purchasing these shares at an unfavorable time or under unfavorable conditions.**

The structure and conditions of the put options that CEG concerning its non-nuclear generation assets, the shareholders of SPE, EnBW and EDF Énergies Nouvelles, have over the EDF Group are described in sections 6.3.2.3.1 ("Creation of the new joint venture with CEG"), 6.3.1.4.2 ("Benelux"), 6.3.1.2 ("Germany – EnBW") and 6.4.1.1.2 ("EDF Énergies Nouvelles").

If put options are exercised, the EDF Group may be forced to purchase the underlying securities or assets at prices, set by the terms of the agreements in force, which could exceed their market value. In addition, the financing of these purchases could interfere with other EDF Group acquisition or investment expenses, delay them, or oblige the EDF Group to seek financing under less favourable conditions, which could have a negative financial impact on the EDF Group.

**The EDF Group may find itself forced to launch a tender offer for the acquisition of listed companies in which it has holdings.**

The EDF Group has holdings in a number of listed companies for which current legislation may require, under certain conditions, a shareholder exceeding certain thresholds to launch a tender offer to purchase all of the existing share capital. The EDF Group may, therefore, be forced to launch such an offer under unfavourable conditions, especially with respect to price, which may have a negative impact on its financial situation.

**Risks due to the international dimension of the EDF Group's activities.**

Some EDF Group investments and commitments are exposed to the risks and uncertainties associated with doing business in countries which may have, or have recently had, a period of political or economic instability. Several countries in which the EDF Group operates have less developed regulations providing less protection, maintain or could initiate controls or restrictions on repatriation of profits and capital invested, fix or could fix taxation and fees affecting the EDF Group's activities, and impose or could impose restrictive rules with regards to the business of international groups. In these countries, the electricity sector is also subject to sometimes rapidly changing regulations which could be influenced by political, social or other considerations, which may have an effect on activities or financial results of the EDF Group's subsidiaries and thus not be in its interest. The occurrence of any

## Risk Factors

---

of these events may have a negative impact on the EDF Group's activities, financial results and financial situation.

Finally, the EDF Group has developed or built a portfolio of "Independent Power Plants" ("IPP") in different parts of the world, especially in Brazil, Vietnam, Laos and China, in which it plays one or more roles (engineering, project management, project manager, investor or operator). In these different capacities, the EDF Group may find itself liable or the EDF Group's financial performance may be affected, especially if the return on capital employed for the IPP is lower than expected, if long-term electricity contracts or "pass-through" clauses are questioned, or in the event of major changes to electricity market rules in the country concerned.

### **The EDF Group must continually adapt its skills in a rapidly changing environment and renew much of its workforce while transferring experience and skills to new employees.**

The challenges associated with achieving the EDF Group's strategic objectives in a rapidly changing environment (in particular, the total opening up of markets to competition, international expansion of electricity generation (nuclear or clean coal), development of renewable energy sources etc.) require a continuous adaptation and anticipation of its areas of competence, in particular functional and geographic.

In France, a large number of EDF employees is each year at the retirement age, despite the impact the reform of the special retirement program for gas and electricity industry employees has on the average retirement age. For example, in nuclear generation and network maintenance, approximately 40% to 45% of the workforce could retire during the next ten years. Although this situation may represent an opportunity to adapt the expertise of employees to the EDF Group's new challenges, the renewal of this workforce requires anticipating the knowledge transfer and managing competition to recruit skilled talent.

The EDF Group considers the development of skills as a major challenge and will therefore do its utmost to recruit, retain, redeploy or renew these staff and skills in time and under satisfactory conditions. However, it cannot guarantee the measures adopted will always prove totally sufficient, which may have an impact on its business and financial results.

### **EDF Group may be required to satisfy significant obligations related to pensions and other employee benefits.**

The retirement systems applicable in the various countries in which the EDF Group operates involve long-term commitments related to the payment of funds to the EDF Group's employees (see note 36 to the 2009 Consolidated Financial Statements). In France, in addition to these pension obligations, there are also commitments related to post-employment benefits and long-term benefits for employees currently in service.

In order to cover these commitments, the EDF Group has put into place reserved funds or pension funds as applicable, these assets at the end of 2009 only providing partial coverage of these commitments, which maturities, however, are relatively staggered.

The amounts of these obligations, the provisions and the additional contributions to compensate for the shortage of funding for its pension scheme are calculated on an

## Risk Factors

---

estimated basis using certain hypotheses, in particular, actuarial forecasts and a discount rate, which may be modified in relation to market conditions as well as by regulations governing retirement benefits paid out by the general system and those paid out by the EDF Group. These hypotheses and rules may be adjusted in the future and may increase the current commitments of the EDF Group in respect of pensions and other employee benefits and therefore require corresponding provision increases.

Furthermore, if the value of the reserved funds or the pension funds were to prove insufficient with regard to the corresponding commitments, principally due to calculation assumptions or developments in the financial markets (this could be the case notably in the United Kingdom (see section 6.3.1.1.2.7 (“Pension schemes”)) and the United States (see section 6.3.2.3.6 (“Pension”))), this could involve the EDF Group being obligated to make additional contributions to the relevant funds and have a negative impact on its financial situation and financial results.

### **Employee conflicts could have a negative impact on the EDF Group’s activity.**

The EDF Group cannot ensure that its employee relationships will not deteriorate or that employee unrest will not occur. Strikes, stoppages, claims or other social problems may harm its business. The EDF Group has not taken out any insurance for losses due to interruptions to business caused by employee demonstrations. As a result, its financial situation and operating results may be adversely affected by employee unrest.

### **The EDF Group has implemented programs to improve its operating and financial performance and to reinforce its financial flexibility. The objectives set for these programs may not be achieved.**

The EDF Group has implemented programs to improve its operating and financial performance and to reinforce its financial flexibility. After the achievement of the *Altitude* program in 2007, the EDF Group implemented a new program, the program *Excellence Opérationnelle* (see section 12.1 (“Performance improvement: “*Excellence Opérationnelle*” program”)). The implementation of such program within the EDF Group was initiated in 2008 on a long-term basis. It aims to improve the EDF Group’s results by achieving synergies and continuous progress on its operational processes and supports, its purchasing methods, its conversion and expansion programs.

The EDF Group cannot guarantee that these programs will produce the expected results within the established timeframe. This may have a material adverse impact on the EDF Group’s financial results, financial situation and outlook.

### **Risks due to changes to the IFRS standards applicable to the EDF Group.**

2009 Consolidated Financial Statements have been prepared, as for the two previous years, in accordance with international accounting standards published by the IASB as approved by the European Union on 31 December 2009 (see note 1 to the 2009 Consolidated Financial Statements).

These references are evolving and new standards and interpretations are currently in the process of being drafted and/or approved by the qualified international bodies. The EDF Group is studying the potential impact of standards or interpretations in the process of being

## **Risk Factors**

---

approved or authorized by the qualified international bodies on its financial situation. In relation to standards or interpretations in the process of being drafted by the qualified international bodies, the EDF Group cannot predict the possible evolutions that these standards or interpretations could entail, or the impact that they could have on its consolidated financial statements.

### **Risks related to the capital structure of EDF and the listing of its shares**

#### **Significant volatility of the market price of shares.**

Stock markets have experienced significant fluctuations in recent years, which have not always been related to the performance of the specific companies whose shares are traded. Such fluctuations may materially affect EDF share price.

EDF share price may also be materially affected by a number of factors, including factors relating to the EDF Group, its competitors, general economic conditions and, in particular, the energy industry.

#### **Fluctuation in exchange rates.**

The EDF shares are quoted only in Euros and any future payments of dividends on the shares will be denominated in Euros. The share price and any dividends paid to an EDF shareholder in other currencies could be adversely affected by a depreciation of the euro.

#### **Risks related to future sales of EDF shares by the French State.**

As of 31 December 2009, the French State was holding 84.48% of EDF's share capital. If the French State decided to reduce further its holding in EDF capital, such sales by the French State, or the perception that such sales could occur, could adversely affect EDF share price.

## DOCUMENTS INCORPORATED BY REFERENCE

The following document which has previously been published and has been approved by the AMF or filed with it (i) is hereby incorporated by reference in, and forms part of, this Base Prospectus, (ii) with the exception of the items mentioned below as being excluded from this Base Prospectus: the *Document de Référence* filed with the AMF under No. D.10-0227 on 8 April 2010 prepared by the Issuer (hereafter the "**Document de Référence**") which contains, *inter alia*, the audited annual consolidated financial statements of the Issuer for the period ended 31 December 2009 and which incorporates by reference the annual consolidated financial statements of the Issuer for the periods ended 31 December 2007 and 2008, with the full exception of the following items (originally included in the *Document de Référence*), which are hereby explicitly excluded from the scope of incorporation to this Base Prospectus:

- Chapter 1 of the *Document de Référence* relating to EDF Chairman's declaration of responsibility regarding the content of the *Document de Référence*; and
- Chapter 13 of the *Document de Référence* relating to the financial outlook announced for 2010 (and included in the 2009 *Document de Référence* filed with the AMF on 8 April 2010).

The attention of international investors is drawn to the fact that the *Document de Référence* filed with the AMF on 8 April 2010 under No. D.10-0227 includes (i) the statutory auditors' special report on agreements involving members of the Board of Directors for the financial year ended 31 December 2009 in Section 15.5.2 and (ii) the statutory auditors' report prepared in accordance with article L.225-235 of the French commercial code in Appendix B.

Both of these reports correspond to French law specific requirements and are addressed to EDF's shareholders only. In addition, the procedures and practices followed by the statutory auditors in France in respect to such reports may differ from those generally accepted and applied by auditors in other countries on issues that could appear to be similar as those covered by such reports.

Attention is also drawn to the statutory auditors' report included in Section 20.2 of the *Document de Référence*. The statutory auditors' report includes for the information of the reader explanatory paragraphs discussing their assessment of significant accounting matters performed for purpose of issuing their audit opinion on the consolidated financial statements taken as a whole as required under French law in any auditors' report, whether qualified or not. Such report shall be construed in accordance with French law and French auditing professional standards.

Any statement contained in this Base Prospectus or in a document which is incorporated by reference herein shall only be modified or superseded for the purpose of this Base Prospectus to the extent that it is modified or incorporated by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive.

For as long as the Programme remains in effect or any Notes are outstanding, copies of this Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Notes will be available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)), on the Issuer's website ([www.edf.fr](http://www.edf.fr)) and may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France

## **Documents incorporated by reference**

---

and at the specified offices of each of the Paying Agents. An English translation of the *Document de Référence* is available on the website of the Issuer for information purposes only.

In addition, if the Notes are listed and admitted to trading on a Regulated Market other than the Paris Stock Exchange (Euronext Paris), the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

The relevant page references for the information incorporated herein by reference are set out below:

### **Statutory Auditors**

Please refer to Chapter 2, Sections 2.1 and 2.2 of the *Document de Référence* (page 9).

### **Selected Financial Information**

Please refer to Chapter 3 of the *Document de Référence* (pages 10-11) for details of selected financial information relating to the Issuer.

### **Information about the Issuer**

Please refer (i) to Chapter 5 (pages 35-36), Chapter 7 (pages 148-150) and Chapter 21 (pages 381-387) of the *Document de Référence*, (ii) to Chapter 18 (pages 235-237) and Chapter 19 (pages 238-239) of the *Document de Référence*, (iii) to Chapter 20, Section 20.4 (page 372) of the *Document de Référence*, and (iv) to Chapter 24, Section 24.1 (page 390) of the *Document de Référence* for details of the history and development of the Issuer.

Please refer also (i) to Chapter 9, Paragraph 9.2.2 (pages 159-163) and to Chapter 20, Paragraph 20.1 (page 366) of the *Document de Référence*, (ii) to Chapter 20, Section 20.5 (pages 373-380) and Section 20.6 (page 380) of the *Document de Référence* for details about any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

Please refer to Chapter 6 of the *Document de Référence* (pages 38-147) for details of the Issuer's investments.

### **Business Overview**

Please refer to Chapter 6 of the *Document de Référence* (pages 38-147) for details of the Issuer's principal activities and the principal markets in which the Issuer competes. Please also refer to Chapter 4, Paragraph 4.1.3 of the *Document de Référence* (pages 17-18) for a complete description of Insurance issues relating to the Issuer's activity.

### **Organisational Structure**

Please refer to Chapter 7 of the *Document de Référence* (pages 148-150) for details of the Issuer's organisational structure.

### **Administrative, Management and Supervisory Bodies**

Please refer to Chapter 14 (pages 200-211) and Chapter 16 (pages 218-223) of the *Document de Référence* for details of the administrative, management, and supervisory



## Documents incorporated by reference

---

bodies of the Issuer.

### **Board Practices**

Please refer to Chapter 14 (pages 200-211) and Chapter 16 (pages 218-223) of the *Document de Référence* for details of the Issuer's board practices, as well as Appendixes A, B, C, and D of the *Document de Référence*.

### **Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses**

Please refer to Chapter 9 (pages 152-193) of the *Document de Référence* and Chapter 20 (pages 240-380) of the *Document de Référence* for details of selected financial information relating to the Issuer.

In respect of legal arbitration and proceedings relating to the Issuer, please refer to Chapter 20, Section 20.5 (pages 373-380) of the *Document de Référence*.

### **Additional Information**

Please refer (i) to Chapter 21, Sections 21.2.1 (page 384-385) and 21.1 (pages 381-384) of the *Document de Référence* for details of the Issuer's share capital and constitutional documents.

### **Material Contracts**

Apart from the agreements described in Chapter 6 of the *Document de Référence*, the public service contract described in Section 6.4.3.4 "*Public service in France*" of the *Document de Référence*, the contracts entered into with AEM Milan (now A2A) relating to the joint takeover of Edison mentioned in Section 6.3.1.3.1.2 ("*Joint takeover of Edison by EDF and AEM Milan (now A2A)*") of the *Document de Référence*, the industrial partnership agreement entered into with Exeltium and detailed in Section 6.2.1.2.2.2 ("*Activity by market*") of the *Document de Référence*, the cooperation agreement entered into with Enel relating to the nuclear field mentioned in Section 6.2.1.1.3.5 ("*Preparing for the future of the nuclear fleet*") of the *Document de Référence* and the Memorandum of Understanding relating to fossil-fixed generation means mentioned in Section 6.2.1.1.5 ("*Fossil-fired generation ('THF')*") of the *Document de Référence*, the partnership agreement entered into with Constellation Energy mentioned in Section 6.3.2.2 ("*UniStar Nuclear Energy*") of the *Document de Référence*, the agreement entered into with Constellation Energy in respect of the acquisition of 49.99% of the nuclear activities of Constellation Energy described in section 6.3.2.3 ("*Acquisition of 49.99% of CEG's nuclear assets*") of the *Document de Référence*, and the joint-venture agreement entered into with China Guangdong Nuclear Power Holding Co., Ltd mentioned in Section 6.3.3.1 ("*The EDF Group's activities in China*") of the *Document de Référence*, EDF has not entered into any major contract except for those of its daily business within the last two years preceding the *Document de Référence*. For information relating to the contracts concluded by the EDF Group during the 2009 financial year, see notes 12 and 46 to the consolidated financial statements for the year ended 31 December 2009 included in the *Document de Référence*.

Investors should when reading the information incorporated by reference take into account the "Recent Events" section of this Base Prospectus which may modify or supersede the

## **Documents incorporated by reference**

---

information incorporated by reference.

## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to the provisions of Article 16 of the Prospectus Directive and article 212-25 of the General regulations (*Règlement général*) of the AMF and any legislation in any Member State of the European Economic Area that implements the Prospectus Directive and subordinated legislation hereto, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus which in respect of any subsequent issue of Notes shall amend or supplement this Base Prospectus. Such supplement to this Base Prospectus will be submitted to the AMF for the purposes of obtaining its visa thereon.

## **TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED BEARER NOTES**

### **Temporary Global Certificates**

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream, Luxembourg (the "**Common Depository**"), Euroclear or Clearstream, Luxembourg will credit the accounts of each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### **Exchange**

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicate that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Summary — Selling Restrictions"), in whole, but not in part, for the Definitive Materialised Bearer Notes; and
- (ii) otherwise, in whole but not in part upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised Bearer Notes.

### **Delivery of Definitive Materialised Bearer Notes**

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes.

In this Base Prospectus, "**Definitive Materialised Bearer Notes**" means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal and Regulated Market requirements. Forms of such Definitive Bearer Materialised Notes shall be available at the specified offices of any of the Paying Agent(s).

**Exchange Date**

"**Exchange Date**" means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and as supplemented in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by Part A of the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed or supplemented (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed or attached on Definitive Materialised Bearer Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued by Electricité de France (the "**Issuer**") with the benefit of an agency agreement dated 18 May 2009 between the Issuer, Société Générale as fiscal agent and the other agents named in it (as amended or supplemented from time to time, the "**Agency Agreement**"). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Redenomination Agent**", the "**Consolidation Agent**" and the "**Calculation Agent(s)**".

References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.

A copy of the Agency Agreement is available for inspection during normal business hours at the specified offices of each of the Paying Agents.

For the purpose of these Conditions, "**Regulated Market**" means any regulated market situated in a Member State of the European Economic Area ("**EEA**") as defined in the Markets in Financial Instruments Directive 2004/39/EC and as listed on the website of Europa ([http://ec.europa.eu/internal\\_market/securities/isd/mifid\\_fr.htm#reg\\_markets](http://ec.europa.eu/internal_market/securities/isd/mifid_fr.htm#reg_markets)).

### 1. Form, Denomination(s), Title, Redenomination

- (a) **Form:** Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").
  - (i) Title to Dematerialised Notes will be evidenced in accordance with Article L.211-3 of the French *Code monétaire et financier* by book entries (*inscriptions en compte-titres*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer and as specified in the relevant final terms ("**Final Terms**"), in either bearer dematerialised form (*au porteur*), which will be inscribed in the books

## Terms and Conditions of the Notes

---

of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these Conditions, "**Account Holder**" means any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

- (ii) Materialised Notes are issued in bearer form ("**Materialised Bearer Notes**"). Materialised Bearer Notes are serially numbered and are issued with coupons (each, a "**Coupon**") and, where appropriate, a talon (a "**Talon**") attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more receipts attached (the "**Receipt**").

*In accordance with Article L.211-3 of the French Code monétaire et financier, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.*

- (b) **Denomination(s)**: Notes shall be issued in the specified denomination(s) set out in the relevant Final Terms (the "**Specified Denomination(s)**") subject to compliance with the regulations of the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note listed and admitted to trading on a regulated market, or offered to the public, in a Member State of the European Economic Area ("**EEA**") in circumstances which require the publication of a prospectus under the Prospectus Directive will be Euro 1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date). Dematerialised Notes shall be issued in one Specified Denomination only.
- (c) **Title**:
  - (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered

## Terms and Conditions of the Notes

---

form (*au nominatif pur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or of the Registration Agent.

- (ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons, Receipt(s) and/or a Talon attached thereto on issue ("**Definitive Materialised Bearer Notes**"), shall pass by delivery.
  - (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
  - (iv) In these Conditions, "**holder of Notes**" or "**holder of any Note**", or "**Noteholder**" means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Receipts, Coupons ("**Receiptholder**" and "**Couponholder**" being construed accordingly), or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.
- (d) **Redenomination**
- (i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holder of any Note, Receipt, Coupon or Talon, by giving at least 30 days' notice in accordance with Condition 15 (*Notices*) and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "**EC**"), as amended from time to time (the "**Treaty**")), or events have occurred which have substantially the same effect, redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".
  - (ii) Unless otherwise specified in the relevant Final Terms, the redenomination of the Notes pursuant to Condition 1(d)(i)



## Terms and Conditions of the Notes

---

(*Redenomination*) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 15 (*Notices*). Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.

- (iii) Upon redenomination of the Notes, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.
  - (iv) Unless otherwise specified in the relevant Final Terms, the Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14 (*Further Issues and Consolidation*), without the consent of the holder of any Note, Receipt, Coupon or Talon, make any changes or additions to these Conditions or Condition 14 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Receipts, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.
  - (v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Receipt, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.
- (e) **Method of Issue:** The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each

## Terms and Conditions of the Notes

---

Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.

### 2. Conversion and Exchanges of Notes

#### (a) **Dematerialised Notes**

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such Noteholder.

#### (b) **Materialised Notes**

Materialised Bearer Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

### 3. Status of the Notes

The Notes and, where applicable, any related Coupons and Receipts, constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

### 4. Negative Pledge

- (a) So long as any of the Notes remains outstanding, the Issuer has agreed that it will not create or have outstanding any mortgage, charge, pledge or other security interest upon the whole or any part of its undertaking, revenues or assets, present or future, in order to secure any Indebtedness (as defined

## Terms and Conditions of the Notes

---

below), or any guarantee or indemnity in respect of any Indebtedness, without at the same time according to the Notes the same security.

- (b) For the purposes of this Condition 4 and Condition 9 (*Events of Default*), "**Indebtedness**" means any indebtedness of the Issuer which, in each case, is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

For the avoidance of doubt, the Indebtedness shall include any obligations of the Issuer under dematerialised debt securities that may be issued from time to time by the Issuer and are traded under a book-entry transfer system.

### 5. Interest and other Calculations

- (a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below. Certain defined terms contained in the 2007 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules published by the *Fédération Bancaire Française* ("**FBF**") (together the "**FBF Master Agreement**") and in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), have either been used or reproduced in this Condition 5.

"**Business Day**" means:

- (i) in the case of Euro, a day on which TARGET2 (as defined below) is operating (a "**TARGET Business Day**"); and/or
- (ii) in the case of a specified currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; and/or
- (iii) in the case of a specified currency and/or one or more Business Centre(s) specified in the relevant Final Terms (the "**Business Centre(s)**"), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Accrual Period or Interest Period, the "**Calculation Period**"):

- (i) if "**Actual/365 – FBF**" is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during the Calculation Period and whose denominator is 365. If part

## Terms and Conditions of the Notes

---

of that Calculation Period falls in a leap year, Actual /365 – FBF shall mean the sum of (i) the fraction whose numerator is the actual number of days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual days elapsed during the leap year and whose denominator is 366;

- (ii) if "**Actual/Actual – FBF**" is specified in the relevant Final Terms in respect of each calculation, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period);
- (iii) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iv) if "**Actual/Actual – ICMA**" is specified in the relevant Final Terms:
  - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (B) if the Calculation Period is longer than one Determination Period, the sum of:
    - the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

## Terms and Conditions of the Notes

---

in each case where:

**"Determination Period"** means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

**"Determination Date"** means the date specified in the relevant Final Terms or, if none is so specified, the Interest Payment Date;

- (v) if **"Actual/365 (Fixed)"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (vi) if **"Actual/360"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (vii) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**"Y<sub>1</sub>"** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**"Y<sub>2</sub>"** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**"M<sub>1</sub>"** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

**"M<sub>2</sub>"** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**"D<sub>1</sub>"** is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**"D<sub>2</sub>"** is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.

- (viii) if **"30E/360"** or **"Eurobond Basis"** is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

## Terms and Conditions of the Notes

---

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30.

- (ix) if "**30E/360 (ISDA)**" is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

## Terms and Conditions of the Notes

---

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"**Euro-zone**" means the region comprised of member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**FBF Definitions**" means the definitions set out in the FBF Master Agreement, (a copy of which may be obtained at the registered office of the Issuer during usual business hours), unless otherwise specified in the relevant Final Terms.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount as specified in the relevant Final Terms, as the case may be.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

"**Interest Payment Date**" means the date(s) specified in the relevant Final Terms.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

## Terms and Conditions of the Notes

---

**"Interest Period Date"** means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

**"ISDA Definitions"** means the 2006 ISDA Definitions (a copy of which may be obtained at the registered office of the Issuer during usual business hours), as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms.

**"Page"** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 ("**Reuters**") and Telerate ("**Telerate**")) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

**"Rate of Interest"** means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions of the relevant Final Terms.

**"Reference Banks"** means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone).

**"Relevant Financial Centre"** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, Paris.

**"Relevant Rate"** means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

**"Relevant Time"** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 am in the Relevant Financial Centre and for the purpose of this definition, "**local time**" means, with respect to Europe and the Euro zone as a Relevant Financial Centre, Brussels time.



## Terms and Conditions of the Notes

---

**"Representative Amount"** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

**"Specified Currency"** means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

**"Specified Duration"** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii) (*Business Day Convention*).

**"TARGET2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.

- (b) ***Interest on Fixed Rate Notes:*** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date except as otherwise provided in the relevant Final Terms. The amount of interest payable shall be determined in accordance with Condition 5(i) (*Calculations*).

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

- (c) ***Interest on Floating Rate Notes and Index Linked Interest Notes***
- (i) ***Interest Payment Dates:*** Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(i) (*Calculations*). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment

## Terms and Conditions of the Notes

---

Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

(A) the "**Floating Rate Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;

(B) the "**Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day;

(C) the "**Modified Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(D) the "**Preceding Business Day Convention**", such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and, unless otherwise specified in the relevant Final Terms, the provisions below relating to either FBF Determination or ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) **FBF Determination for Floating Rate Notes**

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction

## Terms and Conditions of the Notes

---

under the terms of an agreement incorporating the FBF Definitions and under which:

- (a) the Floating Rate is as specified in the relevant Final Terms; and
- (b) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**" (*Taux Variable*), "**Calculation Agent**" (*Agent*), "**Floating Rate Determination Date**" (*Date de Détermination du Taux Variable*) and "**Transaction**" (*Transaction*) have the meanings given to those terms in the FBF Definitions, provided that "**Euribor**" means the rate calculated for deposits in euro which appears on Reuters Page EURIBOR 01, as more fully described in the relevant Final Terms.

### (B) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub paragraph (B), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms;
- (b) the Designated Maturity is a period specified in the relevant Final Terms; and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (B), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

**(C) Screen Rate Determination for Floating Rate Notes**

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
  - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
  - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub paragraph (a)(i) or (a)(ii) applies and the Page is not available at the Relevant Time on the Interest Determination Date, or if sub paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant time on the Interest Determination Date, as determined by the Calculation Agent; and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of

the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-Zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

- (iv) **Rate of Interest for Index Linked Interest Notes:** The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to an Index or Formula as specified in the relevant Final Terms.
- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon and is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(e)(i) (*Zero Coupon Notes*)).
- (e) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.
- (f) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.

## Terms and Conditions of the Notes

---

- (g) **Accrual of interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8(b) (*Additional Amounts*)).
- (h) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**
- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (i) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

- (j) ***Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Instalment Amounts:*** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Issuer, the Fiscal Agent, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii) (*Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (k) ***Calculation Agent:*** The Issuer shall use its best efforts to procure that there shall at all times one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined below). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely

connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 15 (*Notices*).

For the purpose of these Conditions:

"**outstanding**" means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form and in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 7(a) (*Dematerialised Notes*), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the relevant account with, or, by check drawn on, a Bank as provided in Condition 7(b) (*Materialised Bearer Notes*) and remain available for payment against presentation and surrender of Bearer Materialised Notes, Receipts and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Bearer Materialised Notes that have been surrendered in exchange for replacement Bearer Materialised Notes, (ii) (for the purpose only of determining how many such Bearer Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Bearer Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Bearer Materialised Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Bearer Materialised Notes, pursuant to its provisions.

### 6. **Redemption, Purchase and Options**

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.
- (b) **Redemption by Instalments:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on



each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- (c) ***Redemption at the Option of the Issuer and Partial Redemption:*** If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 (*Notices*) to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), redeem all, or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market requirements.

In the case of a partial redemption in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the *French Code monétaire et financier* and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and Regulated Market requirements.

So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General

## Terms and Conditions of the Notes

---

Regulations (*Règlement Général*) of the *Autorité des marchés financiers* and on the website of any other competent authority and/or Regulated Market of the EEA Member State where the Notes are admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

- (d) **Redemption at the Option of Noteholders:** If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the Noteholder must deposit with any Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the "**Exercise Notice**") in the form obtainable during usual business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. Such notice shall, in the case of Materialised Bearer Notes, have attached to it such Note (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paris Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

- (e) **Early Redemption:**

(i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(f) (*Redemption for Taxation Reasons*) or Condition 6(j) (*Illegality*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) shall be the Amortised Nominal Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue

## Terms and Conditions of the Notes

---

price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or Condition 6(j) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d) (*Zero Coupon Notes*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

- (ii) *Other Notes:*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(f) or Condition 6(j), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption unless otherwise provided in the relevant Final Terms.

- (f) ***Redemption for Taxation Reasons:***

- (i) If, by reason of any change in French law or published regulations becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8(b) (*Additional Amounts*) below, the Issuer may, at its option, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index-Linked Note) or, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note), subject to having given not more than 60 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption

## Terms and Conditions of the Notes

---

provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.
- (g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Final Terms.
- (h) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price, subject to the applicable laws and/or regulations.
- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer must be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering to the Fiscal Agent the Temporary Global Certificate and the Definitive Materialised Bearer Notes in question together with all unmatured Receipts and Coupons and all unexchanged Talons and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes

## Terms and Conditions of the Notes

---

and, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

- (j) **Illegality:** If, by reason of any change in French law or published regulations becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

### 7. Payments and Talons

- (a) **Dematerialised Notes:** Payments of principal and interest in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank (as defined below) designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.
- (b) **Materialised Bearer Notes:** Payments of principal and interest in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi) (*Unmatured Coupons and Receipts and unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to TARGET2 (a "**Bank**").
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make

## Terms and Conditions of the Notes

---

payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain:
  - (i) a Fiscal Agent;
  - (ii) one or more Calculation Agent(s) where the Conditions so require;
  - (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require;
  - (iv) Paying Agents having specified offices in at least two major European cities (including Paris so long as Notes are admitted to trading on Euronext Paris and, in either case, so long as the rules of, or applicable to, the relevant Regulated Market so require);
  - (v) in the case of Materialised Notes, a Paying Agent with a specified office in a European Union Member State (which may be any of the Paying Agents referred to in (iv) above) that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income;
  - (vi) in the case of Dematerialised Notes, in fully registered form, a Registration Agent; and

## Terms and Conditions of the Notes

---

- (vii) such other agents as may be required by any other Regulated Market on which the Notes may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer Notes denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) (*Redenomination*) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 14 (*Further Issues and Consolidation*), the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15 (*Notices*).

- (f) ***Unmatured Coupons and Receipts and unexchanged Talons***
  - (i) Upon the due date for redemption, Materialised Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index-Linked Notes) should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10 (*Prescription*)).
  - (ii) Upon the due date for redemption of any such Materialised Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index-Linked Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Materialised Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Upon the due date for redemption of any Materialised Bearer Note that is redeemable in instalments, all Receipts relating to such

## Terms and Conditions of the Notes

---

Materialised Bearer Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

- (v) Where any Materialised Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10), provided that, in respect of Notes listed and admitted to trading on Euronext Paris, such exchange shall always take place at the specified office of the Fiscal Agent or of the Paying Agent, as a case may be, in Paris.
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" in the relevant Final Terms and (B) (i) (in the case of a payment in a currency other than Euro), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro), which is a TARGET Business Day.



### 8. Taxation

- (a) **Tax exemption:** unless otherwise specified in the Final Terms, all payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- (b) **Additional Amounts:** If French law should require that payments of principal or interest in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:
- (i) *Other connection:* to, or to a third party on behalf of, a Noteholder or, if applicable, a Receiptholder or Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or
  - (ii) *Presentation more than 30 days after the Relevant Date:* in the case of Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder or, if applicable, a Receiptholder or Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
  - (iii) *Payment to individuals:* where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC of 3 June 2003 or any EU Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (iv) *Payment by another Paying Agent:* in respect of Definitive Materialised Notes in bearer form, presented for payment by or on behalf of a holder of any Note, Receipt or Coupon, as the case may be, who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the EU.

## Terms and Conditions of the Notes

---

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

- (c) **Supply of Information:** Each Noteholder shall be responsible for supplying to the relevant Paying Agent, in a reasonable and timely manner, any information as may be required in a reasonable and timely manner in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any European Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

### 9. Events of Default

The Representative (as defined in Condition 11 (*Representation of Noteholders*)), upon request of any Noteholder, may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause all the Notes (but not some only) to become immediately due and payable at their principal amount, together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent without further formality, if any of the following events (each an "**Event of Default**") shall occur:

- (i) the Issuer (a) fails to pay principal in respect of the Notes of the relevant Series or any of them within 15 days following the Maturity Date or date of redemption thereof or (b) fails to pay interest in respect of the Notes of the relevant Series or any of them within 15 days of the due date for payment thereof; or

## Terms and Conditions of the Notes

---

- (ii) the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes of the relevant Series which default is continuing (except in any case where such default is incapable of remedy when no such continuation or notice, as is hereinafter mentioned, will be required) for a period of 30 days after the Issuer receives written notice specifying such default at the specified office of the Fiscal Agent by the Holder of any such Note; or
- (iii) (a) any Indebtedness (as defined in Condition 4 (*Negative Pledge*)) of the Issuer (being Indebtedness having an outstanding aggregate principal amount in excess of €100,000,000 or its equivalent in any other currency) is not paid within 30 days after its stated maturity or earlier redemption date, as the case may be, or within any longer applicable grace period, as the case may be, (b) any Indebtedness of the Issuer (being Indebtedness having an outstanding aggregate principal amount in excess of €100,000,000 or its equivalent in any other currency) becomes due and payable prior to its stated maturity as a result of a default thereunder which is not remedied within the relevant grace period or (c) the Issuer fails to pay when due any amount payable by it under any guarantee of Indebtedness (being Indebtedness having an outstanding aggregate principal amount in excess of €100,000,000 or its equivalent in any other currency) unless, in each case, the Issuer is contesting in good faith its obligations to make payment or repayment of any such amount; or
- (iv) the Issuer enters into a conciliation (*procédure de conciliation* in accordance with Articles L. 611-4 to L. 611-15 of the French *Code de commerce*) with creditors, or a judgment is issued for judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of its business (*cession totale de l'entreprise à la suite d'un plan de cession*) pursuant to a judicial reorganisation (*redressement judiciaire*), or the Issuer is subject to equivalent legal proceedings, or in the absence of legal proceedings the Issuer makes a voluntary conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors or the Issuer is voluntarily wound up or dissolved (*dissolution or liquidation amiable*).

### 10. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years (in the case of both principal and interest) from the appropriate Relevant Date in respect of them.

### 11. Representation of Noteholders

Except as otherwise provided by the relevant Final Terms, Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the "**Masse**").

The Masse will be governed by the provisions of the French *Code de commerce* and, in the case only of Notes which are issued outside the Republic of France, with the

## Terms and Conditions of the Notes

---

exception of Articles L.228-48, L.228-59, the second sentence of Articles L.228-65 II, R.228-63, R.228-67 and R.228-69, subject to the following provisions:

(a) **Legal Personality**

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the Noteholders (the "**General Meeting**").

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(b) **Representative**

The office of Representative may be conferred on a person of any nationality who agrees to perform such function. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Executive Board (*Directoire*), the members of its Supervisory Board (*Conseil de surveillance*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Executive Board (*Directoire*), or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of

## Terms and Conditions of the Notes

---

appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(c) ***Powers of Representative***

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

(d) ***General Meeting***

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 15 (*Notices*).

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence, or if the *statuts* of the Issuer so specify, by videoconference or by any other means of telecommunications allowing the identification of participating Noteholders<sup>1</sup>. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

---

<sup>1</sup> At the date of this Base Prospectus, the *statuts* of the Issuer do not contemplate the right for a Noteholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Noteholders.

(e) ***Powers of the General Meetings***

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the obligations (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R. 228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in the General Meetings must be evidenced by entries in the books of the relevant Account Holder of the name of such Noteholder on the third business day in Paris preceding the date set for the relevant General Meeting at 0.00, Paris time.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15 (*Notices*).

(f) ***Information to Noteholders***

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours and at any other place specified in the notice of the General Meeting.

(g) ***Expenses***

The Issuer will pay all the reasonable and duly documented expenses relating to the operation of the Masse, including the reasonable and duly documented expenses relating to the calling and holding of General Meetings and, more generally, all reasonable and duly documented administrative expenses

## Terms and Conditions of the Notes

---

resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(h) **Single Masse**

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14 (*Further Issues and Consolidation*), shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

12. **Modifications**

These Conditions may be completed in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

13. **Replacement of definitive Notes, Receipts, Coupons and Talons**

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Bearer Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14. **Further Issues and Consolidation**

- (a) **Further Issues:** Unless otherwise specified in the relevant Final Terms, the Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest in the relevant Final Terms) and that the terms of such further notes provide for such assimilation and references in these Conditions to "Notes" shall be construed accordingly.
- (b) **Consolidation:** The Issuer may, with the prior approval (which shall not be unreasonably withheld) of the Redenomination and Consolidation Agent,

## Terms and Conditions of the Notes

---

from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

### 15. Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the mailing, or (ii) at the option of the Issuer, they are published in a leading daily newspaper with general circulation in Europe (which is expected to be the *Financial Times*) and, so long as such Notes are listed and admitted to trading on any Regulated Market and the rules of, or applicable to, such Regulated Market so require, in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located, which in the case of Euronext Paris is expected to be *La Tribune* or *Les Echos*.
- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a daily leading newspaper with general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed and admitted to trading on any Regulated Market, in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located, which in the case of Euronext Paris is expected to be *La Tribune* or *Les Echos*.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as



## Terms and Conditions of the Notes

---

required by Conditions 15(a), (b) and (c) above; except that notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11 (*Representation of Noteholders*) shall also be published in a leading daily newspaper of general circulation in Europe.

### 16. **Governing Law and Jurisdiction**

#### 16.1 **Governing Law**

The Notes (and, where applicable, the Receipts, the Coupons and the Talons) and any non-contractual obligations arising out of or in connection with the Notes (and, where applicable, the Receipts, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.

#### 16.2 **Jurisdiction**

- (a) The Paris Commercial Court (*Tribunal de Commerce de Paris*) has jurisdiction to settle any disputes arising out of or in connection with the Notes (and, where applicable, the Receipts, the Coupons and the Talons) (including a dispute relating to the existence, validity or termination of the Notes (and, where applicable, the Receipts, the Coupons and the Talons) or any non-contractual obligation arising out of or in connection with the Notes (and, where applicable, the Receipts, the Coupons and the Talons)) and accordingly, any legal action or proceedings arising out of or in connection therewith may be brought in such courts.
- (b) Any claim against the Issuer in connection with the Notes (and, where applicable, the Receipts, the Coupons and the Talons) will be brought before the said Paris Commercial Court (*Tribunal de Commerce de Paris*).

## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche will be applied by the Issuer to meet part of its general financing requirements.

## DESCRIPTION OF THE ISSUER

Detailed information in relation to the Issuer is contained in the documents referred to in the section headed "Documents incorporated by reference" in this Base Prospectus.

### Information regarding the EDF Group's activities

#### General introduction to the EDF Group

The EDF Group is an integrated energy company with a presence in a wide range of electricity-related businesses: generation, transmission, distribution, supply and energy trading. It is France's leading electricity operator and has a strong position in the three other main European markets (Germany, the United Kingdom and Italy), making it one of Europe's leading electrical players as well as a recognised player in the gas industry. With worldwide installed power capacity totalling 136.3 GW<sup>1</sup> as of 31 December 2009 (134.0 GW<sup>1</sup> in Europe) and global energy generation of 618.5 TWh<sup>1</sup>, it has the largest generating capacity of all the major European energy corporations with the lowest level of CO<sub>2</sub> emissions due to the significant proportion of nuclear and hydroelectric power in its generation mix. The EDF Group supplies gas, electricity, and associated services to more than 37.9 million<sup>1</sup> customers' accounts<sup>2</sup> worldwide (including approximately 27.7 million in France).

The EDF Group's businesses reflect its adoption of a model aimed at finding the best balance between French and international activities, competitive and regulated operations and based on an upstream-downstream integration. In 2009, the EDF Group's consolidated revenues were €66.3 billion, the net income (EDF Group share) was €3.9 billion, and earnings before interest, tax, depreciation and amortization was €17.5 billion.

The table below presents the breakdown of the EDF Group's fleet and electricity generation for France in 2009:

|                               | <b>Installed<br/>Capacity:<br/>96,792 MW<sup>(1)(6)</sup></b> | <b>Electricity<br/>Generated:<br/>447.7 TWh<sup>(5)</sup></b> |
|-------------------------------|---|---|
| Nuclear power                 | 65%   | 87.1%   |
| Hydropower <sup>(2) (4)</sup> | 21%   | 9.4%  |
| Fossil-fired <sup>(3)</sup>   | 14%   | 3.6%  |

---

(1) Expressed in MW of power connected to the network.

(2) Excluding Corsica and the French overseas departments: 400 MW of installed capacity and 1.3 TWh generated in 2009.

(3) Excluding Corsica and the French Overseas departments, 1.487 MW in 2009 and including 2.195 MW of units under guaranteed multi-year shutdown.

(4) Total hydraulic generation: the electricity consumption needed for the operation of pumped storage plants amounted to 6.8 TWh in 2009, resulting to a net hydraulic generation (given the pumped storage consumption) of 35.1 TWh.

(5) These values correspond to the sum of the precise values, corrected to one decimal place.

(6) This value also includes 12 MW of capacity of wind generation.

#### Deregulated and regulated operations in France

---

<sup>1</sup> Figures calculated according to the rules of accounting consolidation.

<sup>2</sup> A customer may have two customer's accounts: one for electricity and one for gas.

## Description of the Issuer

---

The deregulated activities of EDF in France (activities open to competition), include the generation and supply of electricity. EDF is implementing an integrated model for the joint operational management of its portfolio of assets upstream (generation and procurement of energy and fuels) and downstream (wholesale and retail) to guarantee supply to its customers through the best possible management of operational and market risks and with a view to maximizing gross margin.

In France, EDF's regulated operations consist of the following:

- transmission, handled by RTE-EDF Transport;
- distribution, handled by ERDF and the joint operator with GDF SUEZ;
- EDF activities in Island Energy Systems (Corsica, French Overseas departments and Saint-Pierre-et-Miquelon), which are managed by the Island Energy Systems Division (*Systèmes Energétiques Insulaires*, or "SEI").

The tariffs for these regulated operations are established on the basis of the tariffs for using the public electricity transmission and distribution networks (*Tarif d'Utilisation des Réseaux Publics de transport et de distribution d'électricité*, or "TURPE") and on the basis of compensating the additional generation costs in zones that are not interconnected with the network in metropolitan France (*Compensation des Surcoûts de Production dans les Zones Non Interconnectées au réseau métropolitain continental*, or "CSPE ZNI").

### *The EDF Group's international activities*

The EDF Group is positioned as an energy leader, with a priority aim of investing for sustainable and profitable industrial growth, based on the development of our skills and the promotion of our technical expertise. The EDF Group intends to continue to strengthen its international businesses, as a complement to its activities in France. In 2009, the sales and earnings before interest, taxes, depreciation and amortization (EBITDA) of International and Other Activities represented 48.7% of the sales and 46% of the EBITDA of the EDF Group.

The international activities of the EDF Group develop the core strategies of the group on an operational level. These strategies involve the reinforcement of our European positions, and the international deployment of our nuclear activities and projects and other key projects.

### *European context*

The economic crisis has resulted in a fall in electricity and gas consumption in Europe.

The trend towards increased integration of the electricity and gas markets was maintained during 2009:

- consolidation of electric commodities exchanges with the creation of EPEX, resulting from the merger of the spot operations of Powernext in France and EEX in Germany;
- pursuit of the regional initiatives launched by the European Commission with the aim of harmonizing and improving methods of managing congestion on the

## Description of the Issuer

---

interconnections; the harmonization of market transparency; the development of cross-border energy adjustment exchanges;

- adoption of regulations instituting the creation of a European Agency for the Cooperation of Energy Regulators (ACER), a European network of electricity transmission network managers (REGRT) and a European network of gas transmission network managers (REGRT for gas) in order to ensure optimal management of transmission networks.

2009 ended with the UN conference at Copenhagen and the signature of an international agreement recognizing the scientific consensus, which called for the increase in global temperature to be limited to a maximum of 2 degrees in order to curb the worst effects of climate change. The Copenhagen Agreement thus calls for a reduction in worldwide emissions of greenhouse gases.

In this context, the intention of the EDF Group is to remain a major player in the development of a fluid European energy market by participating actively in its construction (interconnections, harmonization of practices etc.), while maintaining a special commitment to sustainable development.

### *The EDF Group's ambitions in Europe*

The EDF Group's ambition is to consolidate a coherent industrial group with its current main positions in Europe and it will review any new opportunity of profitable development in Europe which is its "core market".

Besides, the EDF Group intends to continue building its gas assets, which are necessary to its ambition of becoming an active energetician in the gas and electricity sector in Europe, in order to secure its offer, to provide its customers with a multi-energy offer and to ensure a competitive supply of means of Group's electricity generation through gas.

The EDF Group is also implementing operational synergies among its various entities in France and Europe with the following actions:

- to improve the operational performances by sharing the best practices observed within the EDF Group;
- to use the opportunity of construction projects of generation assets in the various subsidiaries in order to standardize the conception and to group the purchase orders to equipment manufacturer; and
- to coordinate the gas supplies and investments in order to further the EDF Group's ambitions in the gas market.

### **Key information regarding the EDF Group's financial data**

Pursuant to European regulation n° 1606/2002 of 19 July 2002 on the adoption of international accounting standards, the Group's consolidated financial statements for the year ended 31 December 2009, are prepared under the international accounting standards published by the IASB and approved by the European Union for application at 31 December

## Description of the Issuer

2009. These international standards are IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and interpretations (SIC and IFRIC).

The selected financial information is taken from the EDF Group's consolidated financial statements at 31 December 2009, which have been audited by EDF's statutory auditors.

The selected financial information below must be read in conjunction with (i) the consolidated financial statements included in section 20.1 ("Historical Financial Information") of the 2009 *Document de Référence*, and (ii) the operating and financial review contained in Chapter 9 of the 2009 *Document de Référence*.

### Extracts from the consolidated income statements

| <i>(in millions of Euros)</i>                                  | 2009 <sup>(2)</sup> | 2008 <sup>(1)</sup> |
|--|---------------------|---------------------|
| Sales  | 66,336              | 63,847              |
| Operating profit before depreciation and amortization (EBITDA) | 17,466              | 14,240              |
| Operating profit (EBIT)  | 10,107              | 7,910               |
| Income before taxes of consolidated companies <sup>(3)</sup>   | 5,582               | 4,860               |
| <b>EDF NET INCOME</b>  | <b>3,905</b>        | <b>3,484</b>        |

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

(2) Figures for 2009 include the effects of consolidation of:

- British Energy from 5 January 2009;
- Constellation Energy Nuclear Group, LLC ("CENG") from 6 November 2009;
- SPE from 26 November 2009.

(3) The income before taxes of the consolidated companies is EDF Group's net income before income taxes, share in income of companies accounted for under the equity method, net income from discontinued operations and minority interests.

### Extracts from the consolidated balance sheets

| <i>(in millions of Euros)</i>                             | 31 December<br>2009 <sup>(2)</sup> | 31 December<br>2008 <sup>(1)</sup> |
|---|------------------------------------|------------------------------------|
| Non-current assets  | 180,435                            | 141,336                            |
| Current assets  | 60,214                             | 59,154                             |
| Assets classified as held for sale                        | 1,265                              | 2                                  |
| <b>TOTAL ASSETS</b>                                       | <b>241,914</b>                     | <b>200,492</b>                     |
| Equity (EDF's share)                                      | 27,952                             | 23,197                             |
| Minority interests  | 4,773                              | 1,801                              |
| Non-current provisions                                    | 52,134                             | 43,415                             |
| Other non-current liabilities                             | 98,016                             | 73,862                             |
| Current liabilities                                       | 58,628                             | 58,217                             |
| Liabilities related to assets classified as held for sale | 411                                | 0                                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       | <b>241,914</b>                     | <b>200,492</b>                     |

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

(2) Figures for 2009 include the effects of consolidation of:

- British Energy from 5 January 2009;
- CENG from 6 November 2009;
- SPE from 26 November 2009.

### Extracts from the consolidated cash flow statements

## Description of the Issuer

| <i>(in millions of Euros)</i>                               | 2009 <sup>(2)</sup> | 2008 <sup>(1)</sup> |
|---|---------------------|---------------------|
| Net cash flow from operating activities                     | 12,374              | 7,572               |
| Net cash flow used in investing activities                  | (24,944)            | (16,665)            |
| Net cash flow used from financing activities                | 13,910              | 8,811               |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b> | <b>1,340</b>        | <b>(282)</b>        |

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

(2) Figures for 2009 include the effects of consolidation of:

- British Energy from 5 January 2009;
- CENG from 6 November 2009;
- SPE from 26 November, 2009.

## Information concerning net indebtedness

| <i>(in millions of Euros)</i>   | 31 December<br>2009    | 31 December<br>2008    |
|---|------------------------|------------------------|
| Loans and other financial liabilities   | 53,868                 | 37,451                 |
| Derivatives used to hedge liabilities   | 373                    | (381)                  |
| Cash and cash equivalents   | (6,982)                | (5,869)                |
| Liquid assets   | (4,735) <sup>(1)</sup> | (6,725) <sup>(2)</sup> |
| Net financial liabilities from companies disclosed in non-current liabilities related to assets classified as held for sale | (28)                   | -                      |
| <b>NET INDEBTEDNESS</b>   | <b>42,496</b>          | <b>24,476</b>          |

(1) Available-for-sale financial assets: €4,538 million, financial assets carried at fair value: €197 million.

(2) Available-for-sale financial assets: €6,651 million, financial assets carried at fair value: €74 million.

## Members of the Board of Directors as at 16 April 2010

### *Representatives of the French State*

Pierre-Marie Abadie  
Philippe Van De Maele  
Bruno Bézard  
Yannick d'Escatha  
Philippe Josse  
Pierre Sellal

### *Directors appointed by the General Shareholders' Meeting*

Henri Proglio (Chairman and CEO)  
Bruno Lafont  
Mireille Faugère  
Philippe Crouzet  
Michaël Jay of Ewelme  
Pierre Mariani

### *Employee Representatives*

Christine Chabauty  
Philippe Maissa  
Alexandre Grillat  
Philippe Pesteil  
Jean-Paul Rignac  
Maximo Villota

## DESCRIPTION DE L'EMETTEUR (DESCRIPTION OF THE ISSUER IN FRENCH)

Des informations détaillées relatives à l'Emetteur sont disponibles dans les documents indiqués dans la section intitulée "Documents incorporés par référence" dans ce Prospectus de Base.

### Informations concernant l'activité du Groupe EDF

#### *Présentation générale du Groupe EDF*

Le Groupe EDF est un énergéticien intégré, présent sur l'ensemble des métiers de l'électricité : la production, le transport, la distribution, la commercialisation et le négoce d'énergies. Il est l'acteur principal du marché français de l'électricité et détient des positions fortes sur les trois autres principaux marchés européens (Allemagne, Royaume-Uni, Italie) qui en font l'un des électriciens leader en Europe et un acteur gazier reconnu. Avec une puissance installée de 136,3 GW<sup>1</sup> dans le monde au 31 décembre 2009 (134,0<sup>1</sup> GW en Europe) pour une production mondiale de 618,5 TWh<sup>1</sup>, il dispose, parmi les grands énergéticiens européens, du parc de production le plus important et le moins émetteur de CO<sub>2</sub> grâce à la part du nucléaire et de l'hydraulique dans son mix de production. Le Groupe EDF fournit de l'électricité, du gaz et des services associés à plus de 37,9 millions<sup>1</sup> de comptes clients<sup>2</sup> dans le monde (dont près de 27,7 millions en France).

Les activités du Groupe EDF traduisent le choix d'un modèle équilibré entre France et international, opérations concurrentielles et régulées et reposant sur une intégration amont-aval. En 2009, le Groupe EDF a réalisé un chiffre d'affaires consolidé de 66,3 milliards d'euros, un résultat net part du Groupe EDF de 3,9 milliards d'euros et a dégagé un excédent brut d'exploitation de 17,5 milliards d'euros.

Le tableau ci-dessous présente la répartition du parc et de la production d'électricité du Groupe EDF en France en 2009:

|                               | <b>Puissance installée:<br/>96 792 MW<sup>(1)(6)</sup></b> | <b>Electricité Produite:<br/>447,7 TWh<sup>(5)</sup></b> |
|-------------------------------|--|--|
| Nucléaire                     | 65%  | 87.1%  |
| Hydraulique <sup>(2)(4)</sup> | 21%  | 9.4%   |
| Thermique <sup>(3)</sup>      | 14%  | 3.6%   |

---

(1) Exprimé en MW de puissance couplée au réseau.

(2) Hors Corse et DOM, soit 400 MW de puissance installée et 1,3 TWh d'électricité produite en 2009.

(3) Hors Corse et DOM, soit 1 487 MW de puissance installée et et y compris 2 195 MW de tranches en arrêt garanti pluriannuel.

(4) Production brute: la consommation d'électricité nécessaire au fonctionnement des stations de transfert d'énergie par pompage (STEP) s'élève à 6,8 TWh en 2009, ce qui conduit à une production hydraulique nette de la

---

<sup>1</sup> Chiffres calculés conformément aux règles de consolidations comptables.

<sup>2</sup> Un client peut avoir deux comptes clients : un pour l'électricité et un pour le gaz.



## Description de l'Emetteur

---

consommation liée au pompage de 35,1 TWh.

(5) Ces valeurs correspondent à l'expression à une décimale de la somme des valeurs précises, compte tenu des arrondis.

(6) Cette valeur inclut également 12 MW de capacité de production éolienne.

### *Opérations régulées et non régulées en France*

Les opérations non régulées d'EDF en France, activités en concurrence, comprennent la production et la commercialisation d'électricité. EDF met en œuvre un modèle intégré pour la gestion opérationnelle conjointe de ses portefeuilles d'actifs amont (production-achats d'énergies et de combustibles) et aval (ventes en gros - commercialisation) pour garantir la fourniture à ses clients avec la meilleure maîtrise possible des risques liés aux aléas physiques et de marché dans une optique de maximisation de la marge brute.

Les opérations régulées France d'EDF comportent:

- le transport, géré par RTE-EDF Transport;
- la distribution, gérée par ERDF et l'opérateur commun avec GDF Suez;
- les activités d'EDF dans les Systèmes Energétiques Insulaires (Corse, DOM et Saint-Pierre-et-Miquelon), gérées par la direction Systèmes Energétiques Insulaires ("SEI").

Les tarifs de ces opérations régulées sont fixés au travers des tarifs d'utilisation des réseaux publics de transport et de distribution d'électricité ("TURPE") ainsi qu'au travers de la compensation des surcoûts de production dans les zones non interconnectées au réseau métropolitain continental ("CSPE ZNI").

### *Les activités du Groupe EDF à l'international*

Le Groupe EDF se positionne comme un leader énergétique, avec l'objectif prioritaire d'investir pour une croissance industrielle durable et rentable, en s'appuyant sur le développement des compétences et la valorisation des savoir-faire techniques. Il entend poursuivre le renforcement de son implantation internationale, complémentaire de ses activités en France. En 2009, le chiffre d'affaires et l'excédent brut d'exploitation (EBITDA) de l'International et des Autres Activités représentent 48,7 % du chiffre d'affaires et 46 % de l'EBITDA du Groupe EDF.

Les activités internationales du Groupe EDF déclinent de façon opérationnelle les orientations stratégiques du Groupe EDF concernant le renforcement des positions européennes, le déploiement d'activités et de projets nucléaires à l'international et d'autres projets ciblés à l'international.

### *Eléments du contexte européen*

La crise économique a entraîné une baisse de la consommation d'électricité et de gaz en Europe.

La tendance à une plus grande intégration des marchés de l'électricité et du gaz s'est poursuivie durant l'année 2009 :

## Description de l'Emetteur

---

- consolidation des bourses de l'électricité avec la création d'EPEX, née de la fusion des opérations spot de Powernext en France et EEX en Allemagne ;
- poursuite des initiatives régionales lancées par la Commission européenne avec pour objectifs l'harmonisation et l'amélioration des méthodes de gestion des congestions aux interconnexions ; l'harmonisation de la transparence des marchés ; le développement des échanges d'énergie d'ajustement aux frontières ;
- adoption de règlements instituant la création d'une Agence européenne de coopération des régulateurs de l'énergie (ACER) ; d'un réseau européen des gestionnaires de réseau de transport pour l'électricité (REGRT) et d'un réseau européen des gestionnaires de réseau de transport pour le gaz (le REGRT pour le gaz) afin d'assurer une gestion optimale des réseaux de transport.

L'année 2009 s'est achevée sur la conférence onusienne de Copenhague et la signature d'un accord international reconnaissant le point de vue scientifique qui appelle à contenir l'augmentation de la température mondiale en dessous de 2 degrés afin de conjurer les pires effets du changement climatique.

L'"Accord de Copenhague" prévoit ainsi la réduction des émissions mondiales de gaz à effet de serre.

Dans ce contexte, la volonté du Groupe EDF est de rester un acteur majeur du développement d'un marché européen fluide de l'énergie en participant activement à la construction de ce nouveau marché (interconnexions, harmonisation des pratiques, etc.) particulièrement engagé dans le Développement Durable.

### *Ambition européenne du Groupe EDF*

Le Groupe EDF a pour ambition de consolider l'ensemble industriel cohérent dont il dispose en Europe et étudiera toute nouvelle opportunité de développement rentable en Europe, qui est son "Marché de référence".

En outre, le Groupe EDF entend poursuivre la construction de ses positions gazières, nécessaires à son ambition de devenir un énergéticien actif dans le gaz comme dans l'électricité en Europe, afin de sécuriser son offre, proposer à ses clients une offre multi-énergies et d'assurer l'approvisionnement compétitif des outils de production d'électricité du Groupe EDF utilisant le gaz.

Le Groupe EDF met également en œuvre des synergies opérationnelles entre ses différentes entités, en France et en Europe, au travers des actions suivantes :

- améliorer les performances opérationnelles par le partage des meilleures pratiques observées au sein du Groupe EDF ;
- utiliser l'opportunité des projets de construction d'actifs de production de différentes filiales pour standardiser la conception et grouper les commandes effectuées auprès des équipementiers ;
- coordonner les approvisionnements et les investissements gaziers pour servir les ambitions du Groupe EDF sur le marché du gaz.

## Description de l'Emetteur

### Informations de base concernant les états financiers du Groupe EDF

En application du règlement (CE) n° 1606/2002 du 19 juillet 2002 sur les normes internationales, les états financiers consolidés du Groupe EDF, au titre de l'exercice clos le 31 décembre 2009, sont préparés conformément aux normes comptables internationales telles que publiées par l'IASB et approuvées par l'Union européenne au 31 décembre 2009. Ces normes internationales comprennent les normes IAS (*International Accounting Standards*), IFRS (*International Financial Reporting Standards*) et les interprétations (SIC et IFRIC).

Les informations financières sélectionnées présentées ci-dessous sont extraites des comptes consolidés du Groupe EDF pour l'exercice clos le 31 décembre 2009 qui ont été audités par les Commissaires aux comptes d'EDF.

Les informations financières sélectionnées ci-après doivent être lues conjointement avec (i) les comptes consolidés figurant à la section 20.1 ("Informations financières historiques") du Document de Référence 2009 et (ii) l'examen de la situation financière et du résultat du Groupe EDF figurant au chapitre 9 du Document de Référence 2009.

#### Extraits des comptes de résultat consolidés

| Exercices clos au 31 décembre<br>(en millions d'euros) | 2009 <sup>(2)</sup> | 2008 <sup>(1)</sup> |
|--|---------------------|---------------------|
| Chiffre d'affaires                                     | 66 336              | 63 847              |
| Excédent brut d'exploitation (EBE)                     | 17 466              | 14 240              |
| Résultat d'exploitation                                | 10 107              | 7 910               |
| Résultat avant impôts des sociétés<br>intégrées (3)    | 5 582               | 4 860               |
| <b>Résultat net part du Groupe EDF</b>                 | <b>3 905</b>        | <b>3 484</b>        |

(1) Les données publiées au titre de l'exercice 2008 ont été retraitées de l'impact lié à l'application de la norme IAS 23 révisée "Coûts d'emprunts" et de l'évolution de la présentation du chiffre d'affaires trading d'Edison.

(2) Les données publiées au titre de l'exercice 2009 intègrent les effets de la consolidation :  
- de British Energy à compter du 5 janvier 2009 ;  
- de Constellation Energy Nuclear Group LLC ("CENG") à compter du 6 novembre 2009 ;  
- de SPE à compter du 26 novembre 2009.

(3) Le résultat avant impôts des sociétés intégrées correspond au résultat net du Groupe EDF avant prise en compte de l'impôt sur les résultats, de la quote-part de résultat des sociétés mises en équivalence, du résultat net des activités en cours d'abandon et des intérêts minoritaires.

#### Extraits des bilans consolidés

| (en millions d'euros)                 | 31 décembre<br>2009 (2) | 31 décembre<br>2008 <sup>(1)</sup> |
|---------------------------------------|-------------------------|------------------------------------|
| Actif non courant                     | 180 435                 | 141 336                            |
| Actif courant                         | 60 214                  | 59 154                             |
| Actifs détenus en vue de la vente     | 1 265                   | 2                                  |
| <b>Total de l'actif</b>               | <b>241 914</b>          | <b>200 492</b>                     |
| Capitaux propres - part du Groupe EDF | 27 952                  | 23 197                             |

## Description de l'Emetteur

|  |                |                |
|--|----------------|----------------|
| Intérêts minoritaires                              | 4 773          | 1 801          |
| Provisions non courantes                           | 52 134         | 43 415         |
| Autres passifs non courants                        | 98 016         | 73 862         |
| Passif courant                                     | 58 628         | 58 217         |
| Passifs liés aux actifs détenus en vue de la vente | 411            | 0              |
| <b>Total du passif</b>                             | <b>241 914</b> | <b>200 492</b> |

- (1) Les données publiées au titre de l'exercice 2008 ont été retraitées de l'impact lié à l'application de la norme IAS 23 révisée "Coûts d'emprunts" et de l'évolution de la présentation du chiffre d'affaires trading d'Edison.
- (2) Les données publiées au titre de l'exercice 2009 intègrent les effets de la consolidation :  
- de British Energy à compter du 5 janvier 2009 ;  
- de CENG à compter du 6 novembre 2009 ;  
- de SPE à compter du 26 novembre 2009.

### Extraits des tableaux de flux de trésorerie consolidés

| (en millions d'euros)  | 31 décembre<br>2009 <sup>(2)</sup> | 31 décembre<br>2008 <sup>(1)</sup> |
|--|------------------------------------|------------------------------------|
| Flux de trésorerie nets générés par les activités opérationnelles        | 12 374                             | 7 572                              |
| Flux de trésorerie nets liés aux activités d'investissement              | (24 944)                           | (16 665)                           |
| Flux de trésorerie nets liés aux activités de financement                | 13 910                             | 8 811                              |
| <b>Variation nette de la trésorerie et des équivalents de trésorerie</b> | <b>1 340</b>                       | <b>(282)</b>                       |

- (1) Les données publiées au titre de l'exercice 2008 ont été retraitées de l'impact lié à l'application de la norme IAS 23 révisée "Coûts d'emprunts" et de l'évolution de la présentation du chiffre d'affaires trading d'Edison.
- (2) Les données publiées au titre de l'exercice 2009 intègrent les effets de la consolidation :  
- de British Energy à compter du 5 janvier 2009 ;  
- de CENG à compter du 6 novembre 2009 ;  
- de SPE à compter du 26 novembre 2009.

### Informations relatives à l'endettement financier net

| (en millions d'euros)   | 31 décembre<br>2009    | 31 décembre<br>2008    |
|---|------------------------|------------------------|
| Emprunts et dettes financières  | 53 868                 | 37 451                 |
| Dérivés de couvertures des dettes   | 373                    | (381)                  |
| Trésorerie et équivalents de trésorerie   | (6 982)                | (5 869)                |
| Actifs liquides   | (4 735) <sup>(1)</sup> | (6 725) <sup>(2)</sup> |
| Dette financière nette des sociétés figurant dans les passifs non courants détenus en vue de la vente | (28)                   | -                      |
| <b>Endettement financier net</b>  | <b>42 496</b>          | <b>24 476</b>          |

(1) Dont actifs financiers disponibles à la vente pour 4 538 millions d'euros et actifs financiers à la juste valeur pour 197 millions d'euros.

## Description de l'Emetteur

---

(2) Dont actifs financiers disponibles à la vente pour 6 651 millions d'euros et actifs financiers à la juste valeur pour 74 millions d'euros.

### Membres du Conseil d'administration au 16 avril 2010

#### *Administrateurs représentant l'Etat*

Pierre-Marie Abadie  
Philippe Van De Maele  
Bruno Bézard  
Yannick d'Escatha  
Philippe Josse  
Pierre Sellal

#### *Administrateurs élus par l'Assemblée Générale des actionnaires*

Henri Proglio (Chairman and CEO)  
Bruno Lafont  
Mireille Faugère  
Philippe Crouzet  
Michaël Jay of Ewelme  
Pierre Mariani

#### *Administrateurs représentant les salariés*

Christine Chabauty  
Philippe Maissa  
Alexandre Grillat  
Philippe Pesteil  
Jean-Paul Rignac  
Maximo Villota

## RECENT EVENTS

### 1. EDF's Credit Ratings as of 16 April 2010

| Rating Agency       | Long term rating    | Short term rating |
|---------------------|---------------------|-------------------|
| Moody's             | Aa3, stable outlook | P-1               |
| Standard and Poor's | A+, stable outlook  | A-1               |
| Fitch Ratings       | A+, stable outlook  | F1                |

### 2. 16 April 2010 - The EDF Group's Board of Directors met on 16 April 2010 under the chairmanship of Henri Proglio

During this meeting, the Board of Directors was informed about the state of progress of the process for the disposal of the UK distribution networks and wished this process to continue. Any decision on the sale of these networks can only be examined by the Board of Directors once firm, fully-financed offers have been received.

### 3. 9 April 2010 - Enel, EDF and Ansaldo Energia (FINMECCANICA) sign an important memorandum for the development of nuclear power in Italy

- The aim is to enhance the role of Italian industry in the construction of the new nuclear power plants planned in Italy.
- The cooperation agreement could be extended to international EPR projects.

Thanks to the efforts of Fulvio Conti, Enel CEO and General Manager, Henri Proglio, EDF Chairman and CEO, and Pier Francesco Guarguaglini Finmeccanica Chairman and CEO, Enel, EDF and the Finmeccanica companies Ansaldo Energia and Ansaldo Nucleare, today signed a Memorandum of Understanding in Paris on the occasion of the Fifth French-Italian Dialogue Forum, chaired by Italian Prime Minister Silvio Berlusconi and French President Nicolas Sarkozy.

## Recent Events

---

The objective of the agreement is to specify areas of potential cooperation between Enel-EDF and Ansaldo Energia which holds 100% of Ansaldo Nucleare in the development and construction of at least four EPRs (Evolutionary Pressurised Reactor) that Enel and EDF, with Areva technology, intend to build in Italy. Enel and EDF will act as investors and architect engineers, with overall responsibility for the project management, design as well as construction and commissioning. They will intend to benefit from the experience of Ansaldo both in the study, design and commissioning activities of nuclear systems and for the licensing process.

In addition, Ansaldo Energia will participate in the qualification and tender process carried out by Enel and EDF for the supply of equipment, installation and engineering systems (packages).

The agreement, which has minimum duration of five years, leverages on the existing expertise of Ansaldo Energia in the nuclear power sector and sets out the scope for the future development of the company in this area, along with the construction of the Enel and EDF plants in Italy.

As envisaged in the agreement, Finmeccanica has undertaken to support Ansaldo Energia in the qualification process and in developing the activities with the necessary investments both in terms of production lines and human resources.

The agreement and the related qualification activities will also enable Ansaldo Energia and Ansaldo Nucleare, following the launch of a qualification process by Enel and EDF, to participate in the tenders for the engineering and supply activities of numerous EPR projects of EDF out of Italy.

This key agreement is a concrete first step towards maximising the involvement of the Italian industry in the construction of the nuclear power plants that Enel and EDF plan to build in Italy.

The nuclear renaissance is a worldwide trend: at present, there are as many as 55 new nuclear power plants under construction, based upon different technologies, in 14 different countries. These new facilities will add more than 50,000 MW to the existing installed nuclear generation capacity. Many other projects are also under development.

#### 4. **8 April 2010 - EDF Group appointments**

As announced when the Executive Committee was founded, the EDF Group has set up a new senior management structure with the creation of a **Group Steering Committee**.

The EDF Group Steering Committee consists of:

- all the **Executive Committee (ExCom) members**
- **Michèle Bellon**, Chief Executive Officer, ERDF

## Recent Events

---

- **Marianne Laigneau**, Senior Executive Vice President, Group Human Resources, reporting to the Group Senior Executive Vice President, Activities Coordination in France and Human Resources
- **Bruno Lescoeur**, Senior Executive Vice President reporting to the Group Senior Executive Vice President, Strategy and International Activities
- **Anne Le Lorier**, Senior Executive Vice President reporting to the General Secretary
- **Umberto Quadrino**, Chief Executive Officer, Edison
- **Vincent de Rivaz**, Chief Executive Officer, EDF Energy
- **Hans-Peter Villis**, Chief Executive Officer, EnBW
- **Gérard Wolf**, Senior Executive Vice President reporting to the Group Senior Executive Vice President, Strategy and International Activities.

**Denis LEPEE** is appointed Secretary of the Group Steering Committee.

**Alain TCHERNONOG** will chair the Committee in case of the Chairman & CEO absence.

5. **25 March 2010 - Partnership agreement between EDF and EXELTIUM scheduled to start on 1 May 2010**

The EDF Group and Exeltium, a consortium of electricity-intensive industrial consumers in France (for which electricity prices are an essential parameter of competitiveness), have finalised the conditions for the two-phase implementation of the partnership agreement concluded on 31 July 2008, whereby electricity supplies to about a hundred industrial sites in France at approximately half of the rights of their contract will start on 1 May 2010.

The result of an initiative by the French authorities launched in 2005, this agreement establishes a long-term industrial and commercial partnership, a partnership underpinned by a sharing of the risks associated with the performance, scheduling and development of EDF's electronuclear production facilities and one which meets European competition law.

This agreement will contribute to furthering EDF's investment drive in the renewal of its electronuclear installations and to secure part of the sourcing of electricity of its industrial customers – Exeltium shareholders for 24 years in total.

6. **8 March 2010 - EDF and Total sign an agreement in the planned Dunkirk LNG terminal**

EDF and Total announced the signature of an agreement whereby Total will reserve regasification capacity in the planned Dunkirk LNG terminal being developed by Dunkerque LNG, a wholly owned EDF subsidiary, and will also acquire an interest in



## Recent Events

---

the company. The agreement is part of EDF's global search for partners to reserve regasification capacity in the terminal.

With regasification capacity of between 10 billion and 13 billion cubic meters per year, the terminal being developed by Dunkerque LNG would be able to meet more than 20% of French natural gas demand. Dunkerque LNG will make the final investment decision in summer 2010, with a view to commissioning in 2014. The project remains subject to the necessary regulatory approvals, successful marketing and construction calls for tenders.

Up to 1,200 people will work on the project during the construction phase. Terminal operation would create at least 50 direct jobs, along with an estimated 150 indirect jobs. The partners would provide expertise and personnel during the construction and operating phases.

EDF Group is a major player in the European gas market with 29 billions cubic meters handled in 2008. Construction of an LNG terminal in Dunkirk is aligned with EDF's strategy of strengthening and securing gas capacity to supply its own power plants and to market electricity and natural gas.

Growth in liquefied natural gas is a cornerstone of Total's strategy. An interest in the Dunkirk LNG terminal would allow the EDF Group to expand its portfolio of LNG regasification capacity reservations and consolidate its ability to supply markets in France and Europe.

Like other LNG terminal projects in France, the Dunkirk facility will contribute to the security of natural gas supply in Europe.

7. **2 March 2010 - Fenice, an Italian company owned by EDF, and the Russian utility INTER RAO create together a new company in the energy efficiency field.**

During the official visit of Dmitrij Medvedev, the President of Russia, in France, Fenice, an EDF wholly-owned subsidiary, and the Russian utility Inter Rao signed on 2 March 2010 the foundation agreement of **Interenergoeffect**, a company equally owned by both parts.

The newborn company, based in Moscow, aims at developing energy saving projects dedicated to the Russian industrial market.

The company's foundation follows up the framework agreement signed by EDF and INTER RAO during the government summit held in Paris last November; and highlights EDF's commitment with INTER RAO regarding the energy efficiency program supported by the Russian government.

8. **18 February 2010 - EDF SA: 2010 salary increases**

EDF announced the signature with representatives of four unions (CFDT, CFE-CGC, CGT and CFTC) to a salary agreement for 2010 (applicable within EDF SA France).

The budget allocated to 2010 salary increases at EDF SA is broken down as follows:

## Recent Events

---

- 3.05% arising from statutory annual negotiations (1.2% for general increases and 1.85% for individual factors)
- 0.9% in application of various provisions relating to the branch of Electric and Gas Industries (seniority, reform of the retirement scheme)
- 0.45% for mobility and promotion.

This agreement will allow EDF to face the challenges posed by the pace of generation replacement: 50% of the French workforce is due to retire within 10 years and of these, 40% will depart within 5 years in the nuclear industry alone. Against this background, EDF welcomes this widely signed agreement, an agreement which demonstrates its determination to revive the social dialogue, particularly in relation to the challenges of skills and career path development.

9. **12 February 2010 - The EDF Group and the Dutch power company DELTA inaugurate the SLOE gas combined cycle thermal power station in the Netherlands**

The EDF Group and DELTA, the 4th largest Dutch power company, inaugurated an 870 MW gas combined cycle (GCC) power station at Vlissingen-Oost, in the south-west of the Netherlands. The power station was built and is owned and operated by Sloe Centrale B.V, a company 50% owned by EDF and Delta. Made up of two 435 MW units, this GCC produces the equivalent of the electricity consumption of about 2 million homes. EDF is relying on its EDF Trading subsidiary to sell on the wholesale market its 50 % share of the electricity generated by the power station.

Being flexible and responsive, the Sloe power station can start up and produce electricity within 30 to 40 minutes, which makes it a form of generation particularly suited to changes in the demand for electricity. This highly efficient power station also includes the latest technological advances to significantly reduce the effects of its operation on the environment, particularly by reducing atmospheric emissions of carbon dioxide (CO<sub>2</sub>) and nitrogen oxide (Nox).

Within the context of the partnership with Delta, the success of this project illustrates the engineering expertise and know-how of the EDF Group in designing and operating modern and innovative thermal electricity generation facilities. It adds to the GCC experience already acquired by the EDF Group with the construction of the power stations at Norte Fluminense in Brazil (780 MW) and Phu My in Vietnam (715 MW). These international projects are an asset for the new sites that are under construction: three GCCs in France, in Blénod-lès-Pont-à-Mousson (440 MW) and Martigues (930 MW in total) and three in Great Britain, in West Burton (1,300 MW in total).

The Sloe power station also allows EDF to diversify its energy mix in the Benelux countries by supplementing the generating facilities of the EDF Group in the region, in particular in Belgium, through its EDF Belgium subsidiary (owner of 50 % of the Tihange 1 nuclear power station) and its 51 % interest in SPE Luminus (a mix of generating facilities totalling 1,955 MW).

## Recent Events

---

10. **8 February 2010 - Henri Proglio new member of the Board of Directors of Edison and chairman of Transalpina Di Energia**

Henri Proglio was co-opted member of the Board of Directors of Edison and appointed new Chairman of Transalpina di Energia, the holding company jointly controlled by EDF and Delmi, which owns 61.3% of Edison.

Henri Proglio replaces the outgoing Director, Pierre Gadonneix.

The new Director and the Director Didier Calvez, co-opted in April 2009, will remain in office until the next meeting, which will resolve on the matter.

Henri Proglio is Chairman of EDF.

11. **5 February 2010 - AREVA and EDF reach agreement on used nuclear fuel management**

AREVA and EDF have reached an agreement covering the transportation, treatment and recycling of used nuclear fuel, for which a contract will be signed before the end of the first quarter of 2010.

The agreement lays down the conditions for applying the framework agreement of 19 December 2008, which sets the principles of a long-term partnership for operations of treatment-recycling of used fuel, and reprocessed fuel fabrication (MOX<sup>1</sup>). This guarantees both EDF and AREVA long-term visibility on their recycling partnership. It is agreed that, starting from 2010 on, EDF will increase the amounts of used fuel sent for treatment to La Hague from 850 tons to 1,050 tons per year and the amounts of MOX fuel fabricated at the Melox site from 100 to 120 tons per year.

As regards the enrichment of EDF uranium on AREVA's Eurodif site, AREVA and EDF are currently doing all they can to quickly reach an agreement.

12. **4 February 2010 - EDF Appointments**

The EDF Group has set up a new Senior Management team focused around Henri Proglio.

The EDF Group's Executive Committee (COMEX) now consists of:

- Henri Proglio, President 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,

---

<sup>1</sup> MOX: mixed-oxide (uranium and plutonium) fuel, fabricated by treating used fuel and reloaded into some EDF nuclear power plants

## Recent Events

---

- 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 is appointed Secretary of the Executive Committee.

The senior management structure will soon be finalised with the creation of a Group management committee, which will in particular include the Heads of main international affiliates.

13. **22 January 2010 - EDF has carried out a bond issue on the US market for a total amount of \$ 2.25 billion.**

This private placement to institutional investors, carried out under SEC Rule 144A, has two tranches:

- a 10-year tranche of USD 1.4 billion with a 4.60% coupon,
- a 30-year tranche of USD 850 million with a 5.60% coupon

In the context of the global management of its liquidity, EDF chose to come back on the US fixed-income market, which currently provides competitive conditions.

14. **5 January 2010 - EDF, EnBW and E.ON concluded final agreements on a swap of electric drawing rights and generation assets - EDF and Charbonnages de France completed the sell to E.ON of their stake in SNET**

EDF, EnBW, a German energy supplier jointly controlled by EDF, and E.ON today announced they have completed the agreements signed on September 30 on a swap of electric drawing rights and generation assets between France and Germany.

EDF and Charbonnages de France also completed the sell to EON of their stake in SNET, of respectively 18,75% and 16.25%.

As part of the transactions, EnBW acquires:

- drawing rights for 800 MW of nuclear energy in Germany from E.ON's nuclear portfolio,
- E.ON's majority shareholding in the Rostock coal-fired power station, for a capacity of 256 MW,
- a drawing right for 159 MW from E.ON's coal-fired power station of Buschhaus,

## Recent Events

---

in addition to the generation capacity that EnBW already acquired from E.ON in May 2009 in the Lippendorf (445 MW) and Bexbach (79 MW) power stations. In total, EnBW then has access to an additional 1,740 MW generation capacity in Germany.

In return, E.ON acquires drawing rights of 800 MW of nuclear power in France based on EnBW's historic drawing rights from EDF's nuclear generation. E.ON becomes the sole shareholder in SNET, the France's third largest electricity supplier.

### 15. **Legal proceedings regarding French state aid**

As mentioned in Section 20.5.1 of the 2009 *Document de référence*, the European Commission appealed to the Court of Justice of the European Union against the decision of the Court dated 15 December 2009.

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue.*

**Final Terms dated •**

**[Logo, if document is printed]**

**Electricité de France**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €20,000,000,000 Euro Medium Term Note Programme  
of **Electricité de France**

PR  
2.2.9  
and  
2.2.10

**SERIES NO: [•]  
TRANCHE NO: [•]**

### PART A – CONTRACTUAL TERMS

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:

(i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) in the Public Offer Jurisdiction mentioned in Paragraph 39 of Part A below, provided such person is one of the persons mentioned in Paragraph 39 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 20 April 2010 which received visa no 10-103 from the *Autorité des Marchés Financiers* (the "**AMF**") in France on 20 April 2010 [and the supplemental Base Prospectus dated [•] which received visa no [•] from the AMF in France on [•]]<sup>1</sup> which [together] constitute[s] a prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on

Art. 14.2  
PD  
Arts 26 and  
33 PR

---

<sup>1</sup> Delete if no supplement is published.

## Form of Final Terms

---

the basis of the combination of these Final Terms and the Base Prospectus. For so long as any Notes are outstanding, copies of the Base Prospectus [and the supplemental Base Prospectus] (i) may be inspected and obtained, free of charge, during normal business hours at the specified offices of each of the Paying Agents, (ii) are available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and on the Issuer's website ([www.edf.fr](http://www.edf.fr)) and (iii) may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France [In addition<sup>1</sup>, the Base Prospectus [and the supplement to the Base Prospectus] [is/are] available for viewing [at/on] [●]].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a [Base Prospectus] with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [original date] which received visa no [●] from the *Autorité des marchés financiers* (the "**AMF**") in France on [●] [and the supplemental Prospectus dated [●] which received visa no [●] from the AMF in France on [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated [current date] which received visa no. [●] from the AMF in France on [●] [and the supplement to the Base Prospectus dated [●] which received visa no [●] from the AMF in France on [●]], which [together] constitute[s] a prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Base Prospectus] dated [original date] which received visa no [●] from the AMF in France on [●] [and the supplement to the Base Prospectus dated [●] which received visa no [●] from the AMF in France on [●]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Base Prospectus] dated [original date] and the Base Prospectus dated [current date] [and the supplement(s) to the Base Prospectus dated [●]]. For so long as any Notes are outstanding, copies of the Base Prospectuses [and the supplement(s) to the Base Prospectuses] and the Base Prospectus [and the supplement(s) to the Base Prospectus] (i) may be inspected and obtained, free of charge, during normal business hours at the specified offices of each of the Paying Agents, (ii) are available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and on the Issuer's website ([www.edf.fr](http://www.edf.fr)) and (iii) may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France [In addition<sup>2</sup>, the Base Prospectus [and the supplement(s) to the Base Prospectus] [is/are] available for viewing [at/on] [●]].

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute a "significant new factor"*

---

<sup>1</sup> If the Notes are admitted to trading on a regulated market other than Euronext Paris.

<sup>2</sup> If the Notes are admitted to trading on a regulated market other than Euronext Paris.

## Form of Final Terms

---

and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]<sup>1</sup>

- |    |   |  |                                  |
|----|---|--|----------------------------------|
| 1. | [(i)] Issuer:   | Electricité de France  |                                  |
| 2. | [(i)] Series Number:  | [ ]  |                                  |
|    | [(ii) Tranche Number:   | [ ]  |                                  |
|    | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]</i> |  |                                  |
| 3. | Specified Currency or Currencies:   | [ ]  | Annex V, 4.4                     |
| 4. | Aggregate Nominal Amount:   | <i>[insert amount or, in case of public offer, manner [the Issuer's website and free availability at the Issuer's head office] in and date on which such amount to be made public]</i> | Annex V, 5.1.2                   |
|    | [(i) Series:  | [ ]  |                                  |
|    | [(ii) Tranche:  | [ ]  |                                  |
| 5. | Issue Price:  | [ ] per cent of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]  | Annex V, 5.3.1<br>Annex XII, 5.3 |
| 6. | Specified Denominations:<br>(Condition 1 (b))   | [ ] <sup>2</sup> (one denomination only for Dematerialised Notes)<br>[ ]   |                                  |
| 7. | [(i) Issue Date:  | [ ]  | Annex V, 4.12                    |
|    | [(ii) Interest Commencement Date:   | [Specify/Issue Date/Not Applicable]]   | Annex V, 4.7                     |
| 8. | Maturity Date:  | <i>[specify date or (for Floating Rate Notes) Interest</i>   | Annex V, 4.8                     |
- 

<sup>1</sup> Not applicable for issues of Notes the placement of which does not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive 2003/71/EC.

<sup>2</sup> Where multiple denominations above Euro 50,000 or equivalent are being used, the following sample wording should be followed: "[Euro 50,000] and integral multiples of [Euro 1,000] in excess thereof up to and including [Euro 99,000]. No Notes in definitive form will be issued with a denomination above [Euro 99,000]".

Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of S 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).



## Form of Final Terms

---

- Payment Date falling in or nearest to the relevant month and year*
9. Interest Basis: [• % Fixed Rate]  
[[*specify reference rate*] +/- • % Floating Rate] Annex V, 4.7  
[Zero Coupon]  
[Index Linked Interest]  
[Other (*specify*)]  
(further particulars specified below)
10. Redemption/Payment Basis:<sup>1</sup> [Redemption at par] Annex V, 4.8  
[Index Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Instalment]  
[Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis*]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. (i) Status of the Notes: [Unsubordinated] Annex V, 4.5  
(ii) [Date of corporate authorisations for issuance of Notes obtained: [ ] and [ ], respectively] Annex V, 4.11
14. Method of distribution: [Syndicated/Non-syndicated] Annex V, 5.4.1, 5.4.3

### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [ ] per cent. per annum [payable  
[annually/semi-annually/quarterly/monthly] in  
arrear]
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with  
*[specify Business Day Convention and any*

---

<sup>1</sup> If the Final Redemption Amount is less than 100 per cent of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

## Form of Final Terms

---

*applicable Additional Business Centre(s) for the definition of "Business Day"/not adjusted*

- (iii) Fixed Coupon Amount[(s)]: [ ] per [ ] in Nominal Amount
- (iv) Broken Amount(s): [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)]]
- (v) Day Count Fraction: [30/360/Actual/Actual([ICMA/ISDA)/other]
- (vi) Determination Dates: [ ] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA]))*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

**16. Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Interest Period(s): [ ] Annex V, 4.5
- (ii) Specified Interest Payment Dates/Interest Period Date: [ ] Annex XIII, 4.12
- (iii) Business Day Convention: [Floating Rate Business Day Convention/  
Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
- (iv) Business Centre(s): [ ]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/FBF Determination/ISDA Determination/other *(give details)*]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]): [ ]

## Form of Final Terms

---

- (vii) FBF Determination: [ ]
- Floating Rate: [ ]
  - Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [ ]
  - FBF Definitions (if different from those set out in the Conditions): [ ]
- (viii) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
  - ISDA Definitions (if different from those set out in the Conditions): [ ]
- (ix) Screen Rate Determination:
- Reference Time: [ ]
  - Interest Determination Date: [[ ] *[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]*]
  - Primary Source for Floating Rate: [*Specify relevant screen page or "Reference Banks"*]
  - Reference Banks (if Primary Source is "Reference Banks"): [*Specify four*]
  - Relevant Financial Centre: [*The financial centre most closely connected to the benchmark—specify if not London*]
  - Benchmark: [*LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark*]
  - Representative Amount: [*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notational amount*]

## Form of Final Terms

---

- Effective Date: [Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
- Specified Duration: [Specify period for quotation if not duration of Interest Accrual Period]
- (x) Margin(s): [+/-][ ] per cent per annum
- (xi) Minimum Rate of Interest: [ ] per cent per annum
- (xii) Maximum Rate of Interest: [ ] per cent per annum
- (xiii) Day Count Fraction: [ ]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- 17. Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Amortisation Yield: [ ] per cent per annum
- (ii) Day Count Fraction: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]
- 18. Index Linked Interest Notes/other variable-linked interest Note provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/formula/other variable: [give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: [ ]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or formula and/or other variable: [ ]
- (iv) Interest Determination Date(s): [ ]

## Form of Final Terms

---

- (v) Provisions for determining Coupon where calculation by reference to Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ] Annex V, 4.7
- (vi) Interest Period(s): [ ]
- (vii) Specified Interest Payment Dates: [ ]
- (viii) Business Day Convention: [Floating Rate Business Day Convention/  
Following Business Day Convention/Modified  
Following Business Day  
Convention/Preceding Business Day  
Convention/other *(give details)*]
- (ix) Additional Business Centre(s): [ ]
- (x) Minimum Rate of Interest: [ ] per cent per annum
- (xi) Maximum Rate of Interest: [ ] per cent per annum
- (xii) Day Count Fraction: [ ]
19. **Dual Currency Note Provisions**<sup>1</sup> [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [*give details*]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ] Annex V, 4.7

---

<sup>1</sup> If the Final Redemption Amount is less than 100 per cent of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

## Form of Final Terms

---

- (iv) Person at whose option  
Specified Currency(ies) is/are  
payable: [ ]

### PROVISIONS RELATING TO REDEMPTION

20. **Call Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption [ ]  
Date(s):

- (ii) Optional Redemption [•] per Note of [•] Specified Denomination  
Amount(s) of each Note  
and method, if any, of  
calculation of such  
amount(s):

(iii) If redeemable in part:

- (a) Minimum Redemption [ ]  
Amount:

- (b) Maximum Redemption [ ]  
Amount:

- (iv) Notice period (if other  
than as set out in the  
Conditions): [ ]

21. **Put Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption [ ]  
Date(s):

- (ii) Optional Redemption [•] per Note of [•] Specified Denomination  
Amount(s) of each Note  
and method, if any, of  
calculation of such  
amount(s):

- (iii) Notice period (if other  
than as set out in the  
Conditions): [ ]

## Form of Final Terms

---

### 22. Final Redemption Amount of each Note<sup>1</sup>

In cases where the Final Redemption Amount is index-linked or other variable-linked: [ ]

(i) Index/formula/variable: [give or annex details]

(ii) Calculation Agent responsible for calculating the Final Redemption Amount: [ ]

(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or formula and/or other variable: [ ]

(iv) Determination Date(s): [ ]

(v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]

(vi) Payment Date: [ ]

(vii) Minimum Final Redemption Amount: [ ]

(viii) Maximum Final Redemption Amount: [ ]

### 23. Early Redemption Amount

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of

---

<sup>1</sup> If the Final Redemption Amount is less than 100 per cent of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.

## Form of Final Terms

---

calculating the same (if required or if different from that set out in the Conditions): [ ]

### GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: [Dematerialised Notes/Materialised Notes] Annex V, 4.3  
*(Materialised Notes are only in bearer form)*  
*[Delete as appropriate]*
- (i) Form of Dematerialised Notes: [Not Applicable/if Applicable specify whether]  
[Bearer dematerialised form (*au porteur*)/  
[fully/administered]  
Registered dematerialised form (*au nominative*  
[*pur/administré*]]]
- (ii) Registration Agent: [Not Applicable/if applicable give names and details]  
*(Note that a Registration Agent must be appointed in relation to Registered Dematerialised Notes only)*
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [●] (the "**Exchange Date**"), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate]
25. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. *Note that this item relates to the date and place of payment, and not interest payment dates and interest period end dates, to which items 15 (ii), 16(iv) and 18(ix) relate*]
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes] [Not Applicable/give details]



## Form of Final Terms

---

and interest due on late payment]:

- |  |   |              |
|--|---|--------------|
| 28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | [Not Applicable/ <i>give details</i> (including whether Receipts will be attached   | Annex V, 4.8 |
| 29. Redenomination, renominalisation and reconventioning provisions:   | [Not Applicable/The provisions in Condition 1 apply]  |              |
| 30. Consolidation provisions:  | [Not Applicable/The provisions in Condition 14 apply/The provisions annexed to these Final Terms apply]   |              |
| 31. <i>Masse</i> (Condition 11):   | [Applicable/Not Applicable/Condition 11 replaced by the full provisions of the French <i>Code de commerce</i> relating to the <i>Masse</i> ] ( <i>Note that: (i) in respect of any Tranche issued outside France, Condition 11 may be waived, amended or supplemented, and (ii) in respect of any Tranche issued inside France, Condition 11 must be waived in its entirety and replaced by the provisions of French Code de commerce relating to the Masse. If Condition 11 (as it may be amended or supplemented) applies, or if the full provisions of the French Code de commerce apply, insert details of initial and alternate Representatives and remuneration, if any</i> ) |              |
| 32. Other final terms:   | [Not Applicable/ <i>give details</i> ]<br><br><i>(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)</i>  |              |
| 33. Tax regime <sup>1</sup> :  | [ <i>If the Notes do not benefit from the withholding tax exemption, set out the relevant tax regime</i> ]  |              |

---

<sup>1</sup> Please remove the item if the Notes benefit from the withholding tax exemption (see the section headed "Taxation" of the Base Prospectus)

## Form of Final Terms

---

### DISTRIBUTION

34. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/*give names, addresses and underwriting commitments*] Annex V, 5.4.1, 5.4.3  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (ii) Date of Subscription Agreement: [ ] Annex V, 5.4.4
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
35. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
36. Total commission and concession: [ ] per cent. of the Aggregate Nominal Amount Annex V, 5.4.3
37. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA C/TEFRA D/ TEFRA not applicable]
38. Additions or amendments to selling restrictions: [Not Applicable/*give details*] Annex V, 6.1
39. Non Exempt Offer: [Not applicable/*give details*]

### [LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €20,000,000,000 Euro Medium Term Note Programme of Electricité de France.] Annex V, 6.1

Annex V, 1

Annex V, 7.4

## Form of Final Terms

---

### RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*).The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....

Duly authorised

**PART B – OTHER INFORMATION**

**1. RISK FACTORS**

*[Insert any risk factors that are material to the Notes being offered and/or listed and admitted to trading in order to assess the market risk associated with these Notes and that may affect the Issuer's ability to fulfil its obligations under the Notes which are not covered under "Risk Factors" in the Base Prospectus or any Supplement(s) to the Base Prospectus or documents incorporated by reference. If any such additional risk factors need to be included consideration should be given as to whether they constitute a "significant new factor" and consequently triggers the need for a Supplement to the Base Prospectus under Article 16 of the Prospectus Directive.] [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]<sup>1</sup>*

**2. LISTING**

(i) Listing: Euronext Paris/other (specify)/None] Annex V, 6.1

(ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.] Annex V, 6.2

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

(iii) Estimate of total expenses related to admission to trading: *[insert amount or, if relevant, manner in and date on which such amount to be made public]*

**3. RATINGS**

Ratings: The Notes to be issued have been rated: Annex V, 7.5

[S & P: [ ]]  
[Moody's: [ ]]  
[[Other]: [ ]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

(The above disclosure should reflect the rating allocated to Notes of the type being issued under

---

<sup>1</sup> If the final redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purpose of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply.

the Programme generally or, where the issue has been specifically rated, that rating.)

**4. [NOTIFICATION]**

The AMF in France [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

**5. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Annex V, 3.1

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

**6. [THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST]**

Annex V, 3.2  
Annex XII,  
3.2

Where a statement or report attributed to a person as an expert is included in respect of the Issuer or the Notes, provide such person's name, business address, qualifications and material interest if any in the Issuer. If the report has been produced at the Issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part in respect of the Issuer or the Notes.

Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the Issuer shall identify the source(s) of the information.]

**7. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: [ ]  
(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds: *[insert amount or, if relevant, manner in and date on which such amount to be made public]*  
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: *[insert amount or, if relevant, manner in and date on which such amount to be made public]*  
[Include breakdown of expenses]

*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

**8. [FIXED RATE NOTES ONLY – YIELD]**

Annex V, 4.9

Indication of yield: ●  
*[yield gap of [•]% in relation to tax free government bonds of an equivalent duration]*  
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**9. [FLOATING RATE NOTES ONLY – HISTORIC INTEREST RATES]**

Annex V, 4.7

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

**10. [INDEX-LINKED OR OTHER VARIABLE-LINKED NOTES ONLY – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING<sup>1</sup>**

Annex V, 4.7  
Annex XII,  
4.1.2, 4.2.2

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident and any market disruption or settlement disruption events that affect the underlying. Include details of rules with relation to events concerning the underlying.] [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]\*]

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]

**11. [DUAL CURRENCY NOTES ONLY – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT<sup>2</sup>**

Annex V, 4.7  
Annex XII,  
4.1.2, 4.2.2

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained, the underlying on which it is based and of the method used to relate the two, a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident and any market disruption or settlement disruption events that affect the underlying. Include details of rules with relation to events concerning the underlying.]*

---

<sup>1</sup> For derivative securities to which Annex 12 to the Prospectus Directive Regulation applies, please complete instead paragraph 10 below relating to explanation of effect on value of investment, return on derivatives securities and information concerning the underlying.

<sup>2</sup> For derivative securities to which Annex 12 to the Prospectus Directive Regulation applies, please complete instead paragraph 10 below relating to explanation of effect on value of investment, return on derivatives securities and information concerning the underlying.

**12. [DERIVATIVES ONLY – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING<sup>1</sup>**

**EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

*Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying, the circumstances when the risks are most evident, and the risk that investors may lose part or all of their investment.*

**RETURN ON DERIVATIVES SECURITIES**

Return on derivative securities: [Description of how any return on derivative securities takes place]

Payment or delivery date: [•]

Method of calculation: [•]

**INFORMATION CONCERNING THE UNDERLYING**

The exercise price or the final reference price of the underlying: [•]

Annex XII, 4.2.1

A statement setting out the type of the underlying and details of where information on the underlying can be obtained:

- an indication where information about the past and the further performance of the underlying and its volatility can be obtained: [•]

- where the underlying is a security: [Applicable/Not Applicable]

the name of the issuer of the security:

Annex XII, 4.1.1  
Annex XII, 4.2.2

---

<sup>1</sup> Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote\*\* below.

\*\* If the Final Redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.



## Form of Final Terms

---

the ISIN (International Security Identification Number) or other such security identification code:

- where the underlying is an index: [Applicable/Not Applicable]

the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained:

- where the underlying is an interest rate: [Applicable/Not Applicable]

a description of the interest rate: [Applicable/Not Applicable]

- others:

where the underlying does not fall within the categories specified above the securities note shall contain equivalent information:

- where the underlying is a basket of underlyings: [Applicable/Not Applicable]

disclosure of the relevant weightings of each underlying in the basket:

A description of any market disruption or settlement disruption events that affect the underlying:

Annex XII, 4.2.3  
Annex XII, 4.2.4

## Form of Final Terms

---

|  |   |  |
|--|---|--|
| Adjustment rules with relation to events concerning the underlying:] <sup>1</sup>  |   | Annex XII, 4.2.4                                       |
| <b>13. [PLACING AND UNDERWRITING]<sup>2</sup></b>  |   | Annex V, 5.2.1   |
| Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:  | [•]   | Annex XII, 4.1.2<br>Annex V, 5.4.1<br>Annex XII, 5.4.1 |
| Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent):   | [•]   | Annex XII, 5.4.2<br>Annex V, 5.4.2                     |
| Names and addresses of entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements: <sup>3</sup> | [•]   | Annex XII, 5.4.3<br>Annex V, 5.4.3                     |
| When the underwriting agreement has been or will be reached:   | [•]   | Annex XII, 5.2.2<br>Annex V, 5.2.2                     |
| <b>14. OPERATIONAL INFORMATION</b>   |   |  |
| ISIN Code:   | [•]   | Annex V, 4.1   |
| Common Code:   | [•]   | Annex XII, 4.1.1                                       |
| Any clearing system(s) other   | [Not Applicable/give name(s) and number(s)] |  |

---

<sup>1</sup> Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote\*\* below.

\*\* If the Final Redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

<sup>2</sup> To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

<sup>3</sup> Where not all of the issue is underwritten, a statement of the portion not covered.

## Form of Final Terms

---

than Euroclear France,  
Euroclear Bank S.A./N.V. and  
Clearstream Banking, *société  
anonyme* and the relevant  
identification number(s):

Delivery:

Delivery [against/free of] payment

Names and addresses of initial  
Paying Agent(s) (if any):

[•]

Names and addresses of  
additional Paying Agent(s) (if  
any):

[•]

Annex V, 5.4.2

Name and address of the  
entities which have a firm  
commitment to act as  
intermediaries in secondary  
trading, providing liquidity  
through bid and offer rates and  
description of the main terms of  
their commitment:

[Not Applicable/give name(s), address(es) and  
description]

Annexe V, 6.3

[Common Depositary:

[•]]

Registrar:

[Principal Registrar/Alternative Registrar -  
Specify]

The aggregate principal amount  
of Notes issued has been  
translated into Euro at the rate  
of [•] producing a sum of:

[Not Applicable/give details]

## 15. TERMS AND CONDITIONS OF THE OFFER

Offer Price:

[Issue Price][*specify*]

Conditions to which the  
offer is subject:

[Not applicable/*give details*]

## Form of Final Terms

---

Description of the application process: [Not applicable/*give details*]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not applicable/*give details*]

Details of the minimum and/or maximum amount of application: [Not applicable/*give details*]

Details of the method and time limits for paying up and delivering the Notes: [Not applicable/*give details*]

Manner in and date on which results of the offer are to be made public: [Not applicable/*give details*]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not applicable/*give details*]

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Not applicable/*give details*]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not applicable/*give details*]

Amount of any expenses and taxes specifically charged to the subscriber or [Not applicable/*give details*]

## Form of Final Terms

---

purchaser:

Name(s) and address(es),  
to the extent known to the  
Issuer, of the placers in the  
various countries where the  
offer takes place:

[Not applicable/*give details*]

## TAXATION

*Payments of interest and repayment of principal on the Notes shall be subject only to the deduction of withholding tax and any other taxes that French law imposes or may impose on Noteholders.*

*The following summary sets out the tax regime that, under the current French legislation, may be applicable to Noteholders in relation to income tax. Investors are reminded that only the tax treatment applicable to persons subscribing to Notes at issue is described below and that the features of the issue may contain tax liabilities specific to them. The information provided below does not purport to be a complete summary of French tax law and practice currently applicable. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisers.*

*Payments of interest to Noteholders who are not French tax residents will be exempt from withholding tax to the extent described in paragraph 2 below (“Non-French tax residents”). Non-French residents should comply with the tax laws applicable in the jurisdiction or state in which they are resident.*

### 1. Residents in France for tax purposes

#### 1.1 Individuals domiciled in France for tax purposes

##### (a) Income

Under current legislation, interest and redemption premiums (the difference between amounts to be received on Notes and amounts paid on their acquisition or subscription) received by Individuals domiciled in France for tax purposes, are subject to:

- (i) a progressive scale of income tax (in this case, income subject to income tax is reduced by deductible expenses, such as custody and coupon-payment costs),
- (ii) or, optionally, a flat withholding income tax rate of 18% (Article 125 A of the French *Code Général des Impôts*). This option must be expressly specified by the beneficiary, at the very latest, when the income is received.

Whatever the taxpayer decides, interest and bond redemption premiums are subject to the following social security contributions (at a global rate of 12.1 % from 1 January 2009):

- (iii) general social security contribution (*contribution sociale généralisée*) at 8.2% (Article 1600-O D and O E of the *Code Général des Impôts*), of which up to 5.8% is deductible, in the absence of any standard withholding income tax exemption referred to above, from income that is subject to a progressive scale of income tax for the year of payment of the aforementioned general social security contribution (Article 154 *quinquies* II of the *Code Général des Impôts*),

- (iv) social security (*prélèvement social*) at 2% (Article 1600-0 F bis of the *Code Général des Impôts*),
- (v) an additional social security contribution (*contribution additionnelle au prélèvement social*) at 0.3% (Article L.14-10-4 of the *Code de l'action sociale et des familles*),
- (vi) an additional social security contribution at 1.1% to finance social welfare (*contribution additionnelle au prélèvement social destinée au financement du revenu de solidarité active*) (Article L.262-24 of the *Code de l'action sociale et des familles*),
- (vii) social security debt reimbursement contribution (*contribution pour le remboursement de la dette sociale*) at 0.5% (Article 1600-0 J and O L of the *Code Général des Impôts*).

(b) **Capital Gains**

Under current legislation, capital gains (calculated to include accrued interest at the date of sale) made by individuals domiciled in France for tax purposes on the sale of Notes are taxable when the annual total amount of sales of listed or non-listed securities, shares, rights relating to these securities or shares, or instruments representing such securities, realised by those within the same household for tax purposes exceed a 2010 fixed threshold of Euro 25,830 (Article 150-0A *et seq.* of the *Code Général des Impôts*).

Capital gains are taxed at a rate of 18% (Article 200 A 2 of the *Code Général des Impôts*) to which is added:

- (i) general social security contribution (*contribution sociale généralisée*) at 8.2% (Article 1600-OC and OE of the *Code Général des Impôts*),
- (ii) social security (*prélèvement social*) at 2% (Article 1600-0 F bis of the *Code Général des Impôts*),
- (iii) an additional social security contribution (*contribution additionnelle au prélèvement social*) at 0.3% (Article L.14-10-4 of the *Code de l'action sociale et des familles*),
- (iv) an additional social security contribution at 1.1 % to finance social welfare (*contribution additionnelle au prélèvement social destinée au financement du revenu de solidarité active*) (Article L.262-24 of the *Code de l'action sociale et des familles*),
- (v) social security debt reimbursement contribution (*contribution pour le remboursement de la dette sociale*) at 0.5% (Article 1600-0 J and O L of the *Code Général des Impôts*).

Capital losses on sales are only deductible from capital gains of the same kind realised during the year of sale or the next ten years, subject to a

threshold (Euro 25,830 for sales occurred in 2010) being exceeded in the year the capital loss was realised.

As from 1 January 2010, capital gains on the disposal of transferable securities will be subject to social contributions and will no longer be exempt when the overall value of disposals for the year remains below an annual threshold (fixed at EUR 25,830 for 2009). Capital losses on sales are deductible from capital gains of the same kind realised during the year of sale or the next ten years for the computation of the social contributions (even if the EUR 25,830 threshold is not being exceeded).

### 1.2 Legal entities liable to corporation tax

#### (a) Income

Interest on Notes held by legal entities liable to corporation tax is included in taxable income for the year.

The bond redemption premium is the difference between amounts or securities to be received and those paid out when the Notes are acquired. They are taxable at the time of redemption. However, if the premium exceeds 10% of the cost of acquiring the Notes and the average issue price of the Notes does not exceed 90% of the redemption value, the bond redemption premium will be spread out over the life of the Notes under the following conditions.

The fraction of premium and interest to be applied to taxable income up to the date of redemption of a Note is determined by applying to the acquisition cost (increased if necessary by the fraction of the capitalised premium and interest on the anniversary of the borrowing thus allowing the progressive taxation of annuities), the actuarial rate of interest determined at the acquisition date.

Interest and redemption premiums are taxable at a rate of 33.33% (or at a reduced rate of 15% under certain conditions and within certain limits for companies specified in Article 219 I b) of the *Code Général des Impôts*) to which is added a social security contribution at 3.3% calculated on the amount of corporate tax, with an allowance of Euro 763,000 for each 12-month period.

#### (b) Capital Gains

Under current legislation, capital gains (exclusive of accrued interest made) realised when Notes are sold by legal entities domiciled in France for tax purposes are taken into account in order to determine a legal entity's taxable income under the general regime.

Under the general regime, capital losses are deductible from taxable income.



### 1.3 Companies and legal entities liable to income tax

#### (a) Income

The rules for the affectation and taxation of interest and redemption premiums are identical to those described above concerning legal entities liable to corporation tax.

When Notes are held by a corporation subject to income tax, owned by a private individual or an individual company (*entreprise individuelle*), the interest and redemption premiums may be deducted from the net income of the company and are declared as interest and dividends by the partner or manager. They will then be subject to tax under the conditions stipulated above in paragraph 1.1 (although the standard withholding tax income exemption referred to above in paragraph 1.1 will not be an option if the activity of the company is industrial, commercial, non-commercial, craft or agricultural).

When the partner of a legal entity liable to income tax is a legal entity subject to corporation tax, the interest and redemption premiums are taken into account in calculating the net income of the company liable to income tax, taxed as corporation tax for the partner, under the conditions stipulated above in paragraph 1.2.(a).

#### (b) Capital Gains

If the Notes have been held for more than two years, the capital gain on a sale is defined as a long-term capital gain on a sale subject to tax at a rate of 16% to which is added social security contributions (which translates as a global rate of 28.1%).

If they have not been held for more than two years, the short-term capital gain will be taken into account in determining the taxable net income under the general regime.

Net long-term capital losses can be affected to the losses for the (tax) year and/or offset against long-term capital gains realised within the course of either the (tax) year or next 10 (tax) years.

When the partner of a legal entity liable to income tax is a legal entity subject to corporation tax, capital gains are taken into account in calculating the net income of the company liable to income tax, imposed as corporation tax for the partner, under the conditions stipulated above in paragraph 1.2.(b).

## 2. Non-French tax residents

### 2.1 EU Taxation

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the "**Directive**").

Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, premiums or other debt income) made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State (the "**Disclosure of Information Method**").

For these purposes, the term "paying agent" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax equals 15 per cent. during the first three years, 20 per cent. during the subsequent three years and 35 per cent. until the end of the transitional period.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the "**OECD Model Agreement**") with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

The European Commission has proposed a number of changes to the Directive which have been adopted by the European Parliament. The European Parliament adopted an amended version of this proposal on 24 April 2009. If any of these proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above. Investors who are in doubt as to their position should consult their professional advisors.

## 2.2 France — Taxation

### **Notes issued from 1 March 2010**

Following the introduction of the French *Loi de finances rectificative pour 2009* No.3 (n° 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other

revenues made by the Issuer with respect to Notes issued as from 1 March 2010 (other than Notes which are assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the French General Tax Code) will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 50 per cent. withholding tax will be applicable (subject to certain exceptions and potentially to the more favourable provisions of an applicable tax treaty), by virtue of Article 125 A III of the French General Tax Code.

Furthermore, interest and other revenues on such Notes will no longer be deductible from the Issuer's taxable income, as from the fiscal years starting on or after 1 January 2011, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French General Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 bis of the French general tax code, at a rate of 25 per cent. or 50 per cent.

Notwithstanding the foregoing, the Law provides that neither the 50 per cent. withholding tax set out under Article 125 A III of the French General Tax Code nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exemption**"). Pursuant to the ruling (*rescrit*) n°2010/11 (FP and FE) of the French tax authorities dated 22 February 2010, an issue of Notes will benefit from the Exemption without the Issuer having to provide any proof of the purpose and effect of such issue of Notes if such Notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State which is not a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Code Monetary and Financial

## Taxation

---

Code, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

***Notes issued from 1 March 2010 which are assimilated (assimilables for the purpose of French law) and form a single series with Notes issued before 1 March 2010***

Payments of interest and other revenues with respect to Notes issued from 1 March 2010 which are assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010 with the benefit of Article 131 *quater* of the French General Tax Code, will be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code.

In addition, interest and other revenues paid by the Issuer on Notes issued from 1 March 2010 and which are to be assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010 will not be subject to the withholding tax set out in Article 119 bis of the French General Tax Code solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

The tax regime applicable to the Notes which do not benefit from the Exemption will be set out in the relevant Final Terms.

See "Terms and Conditions of the Notes – Condition 8 – Taxation".

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 20 April 2010 (as amended or supplemented from time to time, the "**Amended and Restated Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, as determined by the relevant Dealer, at the time of such resale. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Amended and Restated Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for their expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Amended and Restated Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### **United States of America**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Materialised Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Amended and Restated Dealer Agreement, it will not offer, sell or, in the case of Materialised Bearer Notes, deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of any identifiable Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

## Subscription and Sale

---

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

### Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

## Subscription and Sale

---

- (d) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer; or
- (e) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### **Selling Restrictions Addressing Additional United Kingdom Securities Laws**

Each Dealer has represented and agreed that:

- (f) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;
- (g) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (h) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## Subscription and Sale

---

### The Republic of France

Each Dealer has represented and agreed that:

(i) **Offer to the public in France:**

it has only made and will only make an offer of Notes to the public (*offre au public de titres financiers*) in France and it has distributed or caused to be distributed and will distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes in the period beginning on the date of publication of the Base Prospectus in relation to those Notes which has been approved by the *Autorité des Marchés Financiers* ("**AMF**") in France or, where appropriate, when approved in another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC on the date of notification to the AMF in France, and ending at the latest on the date which is 12 months after the date of approval of the Base Prospectus all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

(j) **Private placement**

It has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*) and to a restricted circle of investors (*cercle restreint d'investisseurs*), provided that such investors are acting for their own account and to persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined and in accordance with Articles L. 411-1, L.411-2, D.411-1 to D. 411-4, D.734-1, D.744-1, D.754-1 and D. 764-1 of the French *Code monétaire et financier*.

As specified in the relevant Final Terms, an offer of Notes to the public in France referred to in (a) above may or may not exclude specific categories of investors.

If necessary, these selling restrictions will be amended in the relevant Final Terms.

### Japan

The Notes have not been and will not be registered under the Financial Notes and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Law**"). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan except in circumstances



## Subscription and Sale

---

which will result in compliance with the Financial Instruments and Exchange Law and all applicable other laws, regulations and ministerial guidelines in Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification or supplement will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a Supplement to the Base Prospectus.

Save as stated herein, no action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither any of the Issuer nor any other Dealer shall have responsibility therefor.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.

## GENERAL INFORMATION

1. Application has been made to the *Autorité des marchés financiers* ("**AMF**") to approve this document as a base prospectus. Application will be made in certain circumstances to Euronext Paris for Notes issued under the Programme to be admitted to trading on Euronext Paris.

This Base Prospectus received the visa No. 10-103 on 20 April 2010 from the AMF. Euronext Paris is a regulated market for the purposes of the Directive 2004/39/EC. The Final Terms applicable to each Series of Notes admitted to trading on Euronext Paris will be filed with the AMF. If the Final Terms in relation to a Series of Notes do not specify the aggregate nominal amount of Notes admitted to trading on Euronext Paris, the relevant Final Terms will indicate the manner in and date on which such amount will be made public in accordance with Article 212-27 of the general regulations of the AMF.

2. No authorisation procedures are required of Electricité de France by French law for the establishment or update of the Programme. However, to the extent that Notes issued under the Programme may constitute *obligations* under French law, the issue of such Notes will be authorised in accordance with French law. A resolution of the *conseil d'administration* dated 21 January 2010 authorises the issue of Notes up to a maximum aggregate amount of Euro 12 billion.
3. Save as disclosed in this Base Prospectus, neither the Issuer nor any of its fully consolidated subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or any of its fully consolidated subsidiaries.
4. Since the date of the last published audited consolidated financial statements of the Issuer, and save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Issuer and no significant change in the financial or trading position of the Issuer and its fully consolidated subsidiaries.
5. The consolidated financial statements of the Issuer have been audited by Deloitte & Associés and KPMG SA for the years ending 31 December 2008 and 31 December 2009. The audit report relating to the 2009 consolidated financial statements draws attention to certain notes to the financial statements relating to the valuation of long-term provisions relating to nuclear electricity production, as well as the approach adopted by EDF to present in its balance sheet its obligation to renew property plant and equipments used for the French public distribution of electricity. KPMG SA and Deloitte & Associés are members of the *Compagnie Nationale des Commissaires aux Comptes*.
6. There are no potential conflicts of interest between any duties to Electricité de France of the directors of Electricité de France and their private interests and/or other duties.

## General Information

---

7. Notes will be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems which are entities in charge of keeping the records. The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

8. Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) will be also inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 115, rue Réaumur, 75081 Paris Cedex 02, France.

9. For so long as any Notes may be issued under the Programme or are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent, the Paying Agents and the Issuer:

- (i) the *statuts* of the Issuer;
- (ii) the Agency Agreement;
- (iii) the audited non-consolidated and consolidated financial statements of the Issuer for the periods ended 31 December 2008 and 2009;
- (iv) Final Terms for Notes that are admitted to trading on Euronext Paris and/or any other Regulated Market;
- (v) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus; and
- (vi) any reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

In addition, for as long as the Programme remains in effect or any Notes remain outstanding, copies of this Base Prospectus, any Supplement to this Base Prospectus and the Final Terms related to the Notes and any document incorporated by reference therein will be available for viewing on the Issuer's website ([www.edf.fr](http://www.edf.fr)) and may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France.

For so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)):

## General Information

---

- (a) the Final Terms for Notes that are listed on Euronext Paris or any other regulated market (for the purposes of the Markets in Financial Instruments Directive 2004/39/EC) in the European Economic Area; and
- (b) this Base Prospectus and any Supplement to this Base Prospectus and any document incorporated by reference therein.

In addition, if the Notes are listed and admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

## PERSONS RESPONSIBLE FOR THE BASE PROSPECTUS

### *Individual assuming responsibility for the Base Prospectus*

*In the name of the Issuer*

Having taken all reasonable measures for this purpose, I declare that the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

The consolidated financial statements for the financial year ended 31 December 2009, prepared in accordance with IAS-IFRS standards, as adopted by the European Union, and included in the *Document de Référence* filed with the *Autorité des marchés financiers* (hereafter the "**AMF**") on 8 April 2010 under number D.10-0227, were subject to a report by the statutory auditors set forth in section 20.2 of such 2009 *Document de Référence* and which included comments in relation to such statements.

The consolidated financial statements for the financial year ended 31 December 2008, prepared in accordance with IAS-IFRS standards, as adopted by the European Union, and included in the *Document de Référence* filed with the **AMF** on 14 April 2009 under number D.09-0243, were subject to a report by the statutory auditors set forth in section 20.2 of such 2008 *Document de Référence* and which included comments in relation to such statements.

Issued in Paris, on 20 April 2010

---

Henri Proglia  
Chief Executive Officer  
Electricité de France

## VISA OF THE AUTORITÉ DES MARCHÉS FINANCIERS



*In accordance with Articles L.412-1 and L.621-8 of the French Code monétaire et financier and with the General Regulations (Règlement général) of the Autorité des marchés financiers (the "AMF"), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa No. 10-103 on 20 April 2010. It was prepared by the Issuer and its signatories assume responsibility for it.*

*In accordance with Article L.621-8-1-I of the French Code monétaire et financier, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent".*

*It does not imply that the AMF has verified the accounting and financial data set out in it. In accordance with Article 212-32 of the Règlement général of the AMF, all Notes issued or admitted pursuant to this Base Prospectus will result in the publication of the applicable Final Terms.*

## RESPONSABILITE DU PROSPECTUS DE BASE

### *Personne qui assume la responsabilité du présent Prospectus de Base*

*Au nom de l'Émetteur*

Après avoir pris toute mesure raisonnable à cet effet, j'atteste que les informations contenues dans le présent Prospectus de Base sont, à ma connaissance, conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

Les comptes consolidés de l'exercice clos le 31 décembre 2009, préparés conformément au référentiel IAS-IFRS, tel qu'adopté par l'Union Européenne, et inclus dans le Document de Référence déposé auprès de l'Autorité des marchés financiers (ci-après l'"AMF") en date du 8 avril 2010 sous le numéro D.10-0227, ont fait l'objet d'un rapport des contrôleurs légaux figurant à la section 20.2 dudit Document de Référence 2009, qui contient des observations.

Les comptes consolidés de l'exercice clos le 31 décembre 2008, préparés conformément au référentiel IAS-IFRS, tel qu'adopté par l'Union Européenne, et inclus dans le Document de Référence déposé auprès de l'AMF en date du 14 avril 2009 sous le numéro D.09-0243, ont fait l'objet d'un rapport des contrôleurs légaux figurant à la section 20.2 dudit Document de Référence 2008, qui contient des observations.

*A Paris, le 20 avril 2010*

---

Henri Proglia  
*Président-Directeur Général*  
*Electricité de France*

## VISA DE L'AUTORITE DES MARCHES FINANCIERS



*En application des articles L. 412-1 et L. 621-8 du Code monétaire et financier et de son règlement général, notamment de ses articles 212-31 à 212-33, l'Autorité des marchés financiers (l'"AMF") a apposé le visa n° 10-103 en date du 20 avril 2010 sur le présent Prospectus de Base. Ce Prospectus de Base a été établi par l'Emetteur et engage la responsabilité de ses signataires.*

*Le visa, conformément aux dispositions de l'Article L. 621-8-1-I du Code monétaire et financier, a été attribué après que l'AMF a vérifié "si le document est complet et compréhensible, et si les informations qu'il contient sont cohérentes". Il n'implique ni approbation de l'opportunité de l'opération, ni authentification des éléments comptables et financiers présentés.*

*Conformément à l'article 212-32 du règlement général de l'AMF, toute émission ou admission de titres réalisée sur la base de ce Prospectus de Base donnera lieu à la publication de conditions définitives.*



**REGISTERED OFFICE OF THE ISSUER**

**Electricité de France**  
22-30, avenue de Wagram  
75008 Paris

**ARRANGER FOR THE PROGRAMME**

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA

**DEALERS**

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA

**Crédit Agricole Corporate and  
Investment Bank**  
9, Quai du President Paul Doumer  
92920 Paris La Defense Cedex

**Société Générale**  
Tour Société Générale  
17, cours Valmy  
92987 Paris-La Défense Cedex

**Fiscal Agent, Principal Paying Agent, Paris Paying Agent,  
Redenomination Agent, Consolidation Agent and Calculation Agent**

**Société Générale**  
BP 81236  
32, rue du Champ de Tir  
43312 Nantes Cedex 3

**AUDITORS OF THE ISSUER**

**Deloitte & Associés**  
185, avenue Charles de Gaulle  
92200 Neuilly-sur-Seine

**KPMG S.A.**  
Immeuble le Palatin  
3, cours du Triangle  
92 923 Paris La Défense Cédex

**LEGAL ADVISERS**

*To the Issuer*

**Lovells LLP**  
6, avenue Kléber  
75116 Paris  
France

*To the Dealers*

**Clifford Chance Europe LLP**  
9, place Vendôme  
CS 50018  
75038 Paris Cedex 01  
France