BOARD OF DIRECTORS' MEETING OF JULY 28, 2011

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT JUNE 30, 2011

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Consolidated Income Statements

(in millions of Euros)	Notes	H1 2011	H1 2010[1]
Sales		33,464	33,538
Fuel and energy purchases		(14,964)	(13,273)
Other external expenses		(4,483)	(4,734)
Personnel expenses		(5,479)	(5,707)
Taxes other than income taxes		(1, 511)	(1,702)
Other operating income and expenses		1,589	1,700
Prolongation of the transition tariff system (TaRTAM) – Law of June 7, 2010		-	(265)
Operating profit before depreciation and amortization	**7**	**8,616**	**9,557**
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities		(28)	61
Net depreciation and amortization		(3,131)	(3,621)
Net increases in provisions for renewal of property, plant and equipment operated under concession		(208)	(251)
(Impairment) / reversals	**8**	(269)	(1)
Other income and expenses	**9**	276	(1,060)
Operating profit		**5, 256**	**4,685**
Cost of gross financial indebtedness		(1,107)	(1,295)
Discount effect	**10.1**	(1,524)	(1,573)
Other financial income and expenses		821	641
Financial result	**10**	**(1,810)**	**(2,227)**
Income before taxes of consolidated companies		**3,446**	**2,458**
Income taxes	**11**	(977)	(1,111)
Share in income of associates	**14**	259	93
Net income of discontinued operations		-	386
Group net income		**2,728**	**1,826**
Net income attributable to non-controlling interests		**174**	**167**
Net income of continuing operations		174	148
Net income of discontinued operations		-	19
EDF Net income		**2,554**	**1,659**
Net income of continuing operations		2,554	1,292
Net income of discontinued operations		-	367

Earnings per share in Euros :

Earnings per share in Euros	**1.38**	**0.90**
Diluted earnings per share in Euros	**1.38**	**0.90**
Earnings per share of continuing operations, in Euros	**1.38**	**0.70**
Diluted earnings per share of continuing operations, in Euros	**1.38**	**0.70**

(1) Figures for the first half of 2010 have been restated for the impact of IFRS 5 "Non-current assets held for sale and discontinued operations" and the change in presentation of SPE's optimization activities (see note 2).

Statements of net income and gains and losses recorded directly in equity

(in millions of Euros)	Notes	H1 2011	H1 2010 [1]
Group net income		**2,728**	**1,826**
Changes in the fair value of available-for-sale financial assets [2]	**18.4.1**	(172)	31
Changes in the fair value of available-for-sale financial assets transferred to income on sale[3]		(194)	(75)
Changes in the fair value of hedging instruments [4]	**18.4.2**	161	(478)
Changes in the fair value of hedging instruments transferred to income on sale		309	20
Translation adjustments		(1,227)	2,716
Taxes[5]		76	(150)
Gains and losses recorded directly in equity		**(1,047)**	**2,064**
Net income and gains and losses recorded directly in equity		**1,681**	**3,890**
Attributable to EDF		***1,628***	***3,484***
- From continuing operations		1,628	3,018
- From discontinued operations		-	466
Attributable to non-controlling interests		***53***	***406***
- From continuing operations		53	387
- From discontinued operations		-	19

(1) Figures for the first half of 2010 have been restated for the impact of application of IFRS 5 (see note 2).

(2) EDF's share amounts to €(172) million for the first half of 2011 (€29 million for the first half of 2010).

(3) Including €(147) million attributable to the sale of EnBW in the first half of 2011.

(4) EDF's share amounts to €130 million for the first half of 2011 (€(448) million for the first half of 2010).

(5) Taxes break down as follows:

(in millions of Euros)	H1 2011	H1 2010
Taxes on changes in the fair value of available-for-sale financial assets	66	(1)
Taxes on changes in the fair value of hedging instruments	10	(149)
Total	**76**	**(150)**

Consolidated Balance Sheets

ASSETS (in millions of Euros)	Notes	06.30.2011	12.31.2010
Goodwill	12	11,171	12,028
Other intangible assets		4,290	4,616
Property, plant and equipment operated under French public electricity distribution concessions	13	44,464	43,905
Property, plant and equipment operated under concessions for other activities	13	6,043	6,027
Property, plant and equipment used in generation and other tangible assets owned by the Group	13	56,826	57,268
Investments in associates	14	7,903	7,854
Non-current financial assets	15	24,387	24,921
Deferred tax assets		1,782	2,125
Non-current assets		**156,866**	**158,744**
Inventories		12,723	12,685
Trade receivables		18,430	19,524
Current financial assets	15	17,923	16,788
Current tax assets		507	525
Other receivables	16	10,944	9,319
Cash and cash equivalents		5,693	4,829
Current assets		**66,220**	**63,670**
Assets classified as held for sale	17	**152**	**18,145**
TOTAL ASSETS		**223,238**	**240,559**

EQUITY AND LIABILITIES (in millions of Euros)	Notes	06.30.2011	12.31.2010
Capital	18	930	924
EDF net income and consolidated reserves		30,387	30,393
Equity (EDF share)		**31,317**	**31,317**
Non-controlling interests		4,086	5,586
Total equity		**35,403**	**36,903**
Provisions for back-end nuclear cycle		16,964	17,000
Provisions for decommissioning and last cores		19,626	19,383
Provisions for employee benefits		11,964	11,745
Other provisions		1,399	1,337
Non-current provisions	19.1	**49,953**	**49,465**
Grantors' rights in existing assets operated under French public electricity distribution concessions	20	20,449	20,318
Grantors' rights in assets to be replaced operated under French public electricity distribution concessions	20	21,303	20,843
Non-current financial liabilities	21.1	39,303	40,646
Other liabilities	22	4,961	4,965
Deferred tax liabilities		4,308	4,894
Non-current liabilities		**140,277**	**141,131**
Provisions	19.1	3,903	5,010
Trade payables		10,990	12,805
Current financial liabilities	21.1	12,958	12,766
Current tax liabilities		635	396
Other liabilities	22	19,056	18,674
Current liabilities		**47,542**	**49,651**
Liabilities related to assets classified as held for sale	17	**16**	**12,874**
TOTAL EQUITY AND LIABILITIES		**223,238**	**240,559**

Consolidated Cash Flow Statements

(in millions of Euros)	Notes	H1 2011	H1 2010 (1)
Operating activities:			
Income before taxes of consolidated companies		**3,446**	**2,458**
Impairment (reversals)		269	1
Accumulated depreciation and amortization, provisions and change in fair value		3,297	5,207
Financial income and expenses		661	863
Dividends received from associates		290	58
Capital gains/losses		(409)	1
Change in working capital		(1,519)	836
Net cash flow from operations		**6,035**	**9,424**
Net financial expenses disbursed		(1,007)	(1,124)
Income taxes paid		(582)	(1,135)
Net cash flow from operating activities		**4,446**	**7,165**
Investing activities:			
Acquisition/disposal of companies, net of cash acquired/transferred (2)		3,708	137
Purchases of property, plant and equipment and intangible assets		(4,883)	(5,728)
Net proceeds from sale of property, plant and equipment and intangible assets		78	77
Changes in financial assets		(1,132)	(3,045)
Net cash flow used in investing activities		**(2,229)**	**(8,559)**
Financing activities:			
Transactions with non-controlling interests (3)		(1,233)	(185)
Dividends paid by parent company	**18.3**	(1,068)	(1,109)
Dividends paid to non-controlling interests		(171)	(84)
Purchases / sales of treasury shares	**18.2**	(6)	(9)
Cash flows with shareholders		***(2,478)***	***(1,387)***
Issuance of borrowings		2,228	5,484
Repayment of borrowings		(1,943)	(4,154)
Increase in special concession liabilities		93	105
Investment subsidies		22	51
Cash flows from other financing activities		***400***	***1,486***
Net cash flow from financing activities		**(2,078)**	**99**
Cash flows from continuing operations		139	(1,295)
Cash flows from discontinued operations		-	477
Net increase/(decrease) in cash and cash equivalents		**139**	**(818)**
Cash and cash equivalents - opening balance		**5,567**	**6,982**
Net increase/(decrease) in cash and cash equivalents		139	(818)
Effect of currency fluctuations		(76)	182
Financial income on cash and cash equivalents		17	12
Effect of other reclassifications		46	17
Cash and cash equivalents - closing balance (4)		**5,693**	**6,375**

(1) In application of IFRS 5, the net change in cash for discontinued operations is reported on a separate line in the cash flow statements for the periods presented. The impact of application of IFRS 5 on the figures published in 2010 is presented in note 2.

(2) The impact of disposal of the investment in EnBW in the first half of 2011 amounts to €3.8 billion (payment received of €4.5 billion, net of €0.7 billion cash transferred in the sale).

(3) Contributions in the form of capital increases or reductions and acquisitions of additional interests in controlled companies.

In the first half of 2011, acquisitions of additional interests through the simplified alternative public cash or exchange offer for shares of EDF Energies Nouvelles account for €1,292 million, comprising €1,045 million for the cash component and €247 million for the share exchange component, via the associated EDF share repurchase program (see notes 4.2 and 18.2).

(4) The net change in cash and cash equivalents breaks down as follows:

(in millions of Euros)	Continuing operations	Discontinued operations	Total
Cash and cash equivalents at January 1, 2010	**6,429**	**553**	**6,982**
Net cash flow from operating activities	7,165	634	7,799
Net cash flow used in investing activities	(8,559)	(152)	(8,711)
Net cash flow from financing activities	99	(5)	94
Net increase/(decrease) in cash and cash equivalents	**(1,295)**	**477**	**(818)**
Effect of currency fluctuations	179	3	182
Financial income on cash and cash equivalents	10	2	12
Effect of other reclassifications	(15)	32	17
Dividends paid by discontinued operations	170	(170)	-
Cash and cash equivalents at June 30, 2010	**5,478**	**897**	**6,375**
Cash and cash equivalents at January 1, 2011	**4,829**	**738**	**5,567**
Net cash flow from operating activities	4,446	-	4,446
Net cash flow used in investing activities	(2,229)	-	(2,229)
Net cash flow from financing activities	(2,078)	-	(2,078)
Net increase/(decrease) in cash and cash equivalents	**139**	**-**	**139**
Effect of currency fluctuations	(76)	-	(76)
Financial income on cash and cash equivalents	17	-	17
Effect of other reclassifications	46	-	46
Cash transferred in the sale of discontinued operations	738	(738)	-
Cash and cash equivalents at June 30, 2011	**5,693**	**-**	**5,693**

Changes in Consolidated Equity

The changes in equity between January 1 and June 30, 2011 are as follows:

(in millions of Euros)	Capital	Consolidated reserves and net income	Treasury shares	Translation adjustments	Impact of restatement to fair value of financial instruments (1)	Equity (EDF share)	Non-controlling interests	Total Equity
Equity at December 31, 2010	**924**	**29,469**	**(19)**	**543**	**400**	**31,317**	**5,586**	**36,903**
Gains and losses recorded directly in equity	-	-	-	(1,074)	148	(926)	(121)	(1,047)
Net income	-	2,554	-	-	-	2,554	174	2,728
Net income and gains and losses recorded directly in equity	**-**	**2,554**	**-**	**(1,074)**	**148**	**1,628**	**53**	**1,681**
Increase in share capital of EDF (2)	6	300	-	-	-	306	-	306
Dividends paid	-	(1,068)	-	-	-	(1,068)	(189)	(1,257)
Purchases / Sales of treasury shares	-	-	(252)	-	-	(252)	-	(252)
Other changes (3)	-	(614)	-	-	-	(614)	(1,364)	(1,978)
Equity at June 30, 2011	**930**	**30,641**	**(271)**	**(531)**	**548**	**31,317**	**4,086**	**35,403**

(1) These changes correspond to the effects of fair value measurement of available-for-sale financial assets and amounts transferred to income following changes in their fair value, and the effects of fair value measurement of hedging instruments and amounts transferred to income in respect of terminated contracts. For details see the statements of net income and gains and losses recorded directly in equity.

(2) EDF's capital increase and the higher treasury share purchases during the first half of 2011 relate to the simplified alternative public cash or exchange offer for shares of EDF Energies Nouvelles (see note 4.2).

(3) Other changes (EDF's share and the share attributable to non-controlling interests) include €(688) million and €(764) million respectively reflecting the effects of acquisition of minority shareholdings in EDF Energies Nouvelles. Other changes in equity attributable to non-controlling interests also include the effects of deconsolidation of EnBW, amounting to €(519) million.

The changes in equity between January 1 and June 30, 2010 are as follows:

(in millions of Euros)	Capital	Consolidated reserves and net income	Treasury shares	Translation adjustments	Impact of restatement to fair value of financial instruments (1)	Equity (EDF share)	Non-controlling interests	Total Equity
Equity at January 1, 2010	**924**	**30,627**	**26**	**(1,320)**	**(366)**	**29,891**	**4,776**	**34,667**
Gains and losses recorded directly in equity	-	-	-	2,449	(624)	**1,825**	239	**2,064**
Net income	-	1,659	-	-	-	**1,659**	167	**1,826**
Net income and gains and losses recorded directly in equity	**-**	**1,659**	**-**	**2,449**	**(624)**	**3,484**	**406**	**3,890**
Dividends paid	-	(1,109)	-	-	-	**(1,109)**	(108)	**(1,217)**
Purchases / Sales of treasury shares	-	-	(9)	-	-	**(9)**	-	**(9)**
Other changes(2)	-	73	(36)	(10)	(6)	**21**	500	**521**
Equity at June 30, 2010	**924**	**31,250**	**(19)**	**1,119**	**(996)**	**32,278**	**5,574**	**37,852**

(1) These changes correspond to the effects of fair value measurement of available-for-sale financial assets and amounts transferred to income following changes in their fair value, and the effects of fair value measurement of hedging instruments and amounts transferred to income in respect of terminated contracts. For details see the statements of net income and gains and losses recorded directly in equity.

(2) Other changes attributable to non-controlling interests include an amount of €595 million relating to minority shareholdings in SPE.

Notes to the condensed consolidated financial statements

Electricité de France (EDF or "the Company") is a French s*ociété anonyme* governed by French Law, and registered in France.

The EDF group is an integrated energy company operating in all types of energy businesses: generation, transmission, distribution, supply and trading of energies.

The Company's condensed consolidated half-year financial statements at June 30, 2011 include the accounts of companies directly or indirectly under the exclusive control of the Company and its subsidiaries, which are fully consolidated, the accounts of jointly-controlled companies (joint ventures), which are proportionally consolidated, and the accounts of companies in which the Company exercises significant influence (associates), which are accounted for under the equity method. All these economic entities are collectively referred to as the "Group".

The Group's condensed consolidated financial statements at June 30, 2011 were prepared under the responsibility of the Board of Directors and approved by the Directors at the Board meeting held on July 28, 2011.

The comparative figures reported in the notes to the financial statements at June 30, 2010 and at December 31, 2010 have been restated for the application of IFRS 5 (sale of the Group's investment in EnBW) and the change in presentation of SPE's optimization activities (see note 2).

2010 was also marked by three major operations concerning the Group's scope of activity, which in addition to changes of accounting method and presentation, affect financial statement comparability between 2010 and 2011:

- the sale of the British regulated and deregulated distribution networks, completed on October 29, 2010.
- the sale of EnBW, approved by the Board of Directors on December 6, 2010 and finalized on February 17, 2011.
- application of the equity method for RTE from December 31, 2010.

The effects of these operations on comparability in the condensed consolidated financial statements at June 30, 2011 are identical to those described in the notes to the consolidated financial statements at December 31, 2010.

1 Group accounting principles and methods

1.1 Declaration of conformity and Group accounting policies

Pursuant to European regulation 1606/2002 of July 19, 2002 on the adoption of international accounting standards, the EDF group's condensed consolidated financial statements at June 30, 2011 are prepared using the presentation, recognition and measurement rules prescribed by the international accounting standards published by the IASB and approved by the European Union for application at June 30, 2011. These international standards are IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and interpretations issued by the SIC and IFRIC.

The condensed consolidated half-year financial statements comply with standard IAS 34 on interim financial reporting and the IAS/IFRS international accounting standards released at June 30, 2011, in the form in which they should be mandatory at December 31, 2011. These financial statements do not include all the information required for full annual financial statements, and are to be read in conjunction with the consolidated financial statements at December 31, 2010 with reference to the principal accounting and valuation methods described in note 1 to those financial statements.

1.2 Accounting methods for the first half-year of 2011

The accounting and valuation methods applied by the Group in these consolidated half-year financial statements are identical to those used in the consolidated financial statements for the year ended December 31, 2010, with the exception of the valuation methods specific to interim financial statements as described in note 1.3 and standards endorsed by the European Union in 2009 and 2010 that became mandatory from January 1, 2011.

Application of the following standards and interpretations endorsed by the European Union became mandatory as of January 1, 2011:

- Revised IAS 24, “Related Party Disclosures”;
- IFRIC 19, “Extinguishing Financial Liabilities with Equity Instruments”;
- The amendment on “Classification of Rights Issues” to IAS 32, “Financial Instruments: Presentation”;
- Amendments on “Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters” to IFRS 1;
- Amendments on “Prepayments of a minimum funding requirement” to IFRIC 14;
- Annual improvements to IFRS (2008-2010).

The EDF group has not identified any significant impact on its consolidated financial statements arising from application of these standards, interpretations and amendments.

The Group has not opted for early application of any standards, amendments or interpretation.

1.3 Valuation methods specific to interim financial statements

The following valuation methods specific to interim financial statements have been applied:

1.3.1 Employee benefits

The amount of the obligation corresponding to post-employment benefits and other long-term benefits at June 30, 2011 was calculated by projection of the obligation at December 31, 2010 over one half-year, taking into account the benefits paid out and the changes in fund assets.

The actuarial assumptions used to calculate employee benefits for interim financial statements are identical to those used for the previous annual financial statements, unless significant developments arise for certain parameters.

1.3.2 Income taxes

For interim financial statements, income tax (current and deferred) is generally calculated by applying the last known estimated effective tax rate for the prevailing fiscal year for each entity or tax group to the consolidated companies' pre-tax income.

1.3.3 Greenhouse gas emission quotas

When a Group entity’s estimated emissions are higher than the quotas allocated for the period less any spot or forward transactions, a provision is established to cover the excess emissions. For interim financial statements, the amount of the provision is calculated pro rata to the emission output during the half-year.
The provision is equivalent to the acquisition cost up to the amount acquired on the spot or forward markets, and based on market prices for the balance.

1.4 Management judgment and estimates

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

The principal sensitive accounting methods involving use of estimates and judgments are the same as those described in note 1.3.2 to the consolidated financial statements at December 31, 2010.

1.5 Seasonal nature of the business

Interim sales and operating profit before depreciation and amortization are affected by significant seasonal factors in the calendar year, principally in France. The variations observed are mainly associated with weather conditions and the tariff structures of the period.

To illustrate this, the table below shows the sales and operating profit before depreciation and amortization for the first half and second half of 2010, and for the year 2010:

(in millions of Euros)	H1 2010(1)	H2 2010(1)	2010(1)
Sales	33,538	31,782	65,320
Operating profit before depreciation and amortization	9,557	7,066	16,623

(1) Published figures for 2010 have been restated for the impact of IFRS 5 “Non-current assets held for sale and discontinued operations” and the change in presentation of SPE’s optimization activities.

2 Comparability

2.1 IFRS 5 “Non-current assets held for sale and discontinued operations”

The impacts of application of IFRS 5 on the 2010 financial statements relate to the sale of the Group’s investment in EnBW.

In application of IFRS 5, the net income of discontinued operations is reported on a separate line in the income statement for the periods presented, and the net change in cash of discontinued operations is reported on a separate line in the cash flow statement for the periods presented.

2.2 Presentation of SPE’s energy sale and purchase optimization activities

In 2010, SPE recorded energy purchases undertaken as part of its optimization activities as a deduction from sales for the year. For compliance with Group presentation rules, these energy purchases are no longer deducted from sales for 2011 and the comparative periods presented. This change leads to a €71 million increase in sales and an equivalent increase in fuel and energy purchases for the first half of 2010. Operating profit before depreciation and amortization and net income are unaffected.

2.3 Impact on the consolidated income statement for the first half-year of 2010

(in millions of Euros)	H1 2010 as published	IFRS 5 impacts	SPE Optimization impacts	H1 2010 restated
Sales	37,513	(4,046)	71	33,538
Fuel and energy purchases	(15,743)	2,541	(71)	(13,273)
Other external expenses	(5,170)	436	-	(4,734)
Personnel expenses	(6,082)	375	-	(5,707)
Taxes other than income taxes	(1,708)	6	-	(1,702)
Other operating income and expenses	1,828	(128)	-	1,700
Prolongation of the transition tariff system (TaRTAM) – Law of June 7, 2010	(265)	-	-	(265)
Operating profit before depreciation and amortization	**10,373**	**(816)**	**-**	**9,557**
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities	58	3	-	61
Net depreciation and amortization	(3,824)	203	-	(3,621)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(251)	-	-	(251)
(Impairment) / reversals	(7)	6	-	(1)
Other income and expenses	(1,060)	-	-	(1,060)
Operating profit	**5,289**	**(604)**	-	**4,685**
Cost of gross financial indebtedness	(1,379)	84	-	(1,295)
Discount effect	(1,690)	117	-	(1,573)
Other financial income and expenses	700	(59)	-	641
Financial result	**(2,369)**	**142**	**-**	**(2,227)**
Income before taxes of consolidated companies	**2,920**	**(462)**	-	**2,458**
Income taxes	(1,241)	130	-	(1,111)
Share in income of associates	147	(54)	-	93
Net income of discontinued operations	**-**	386	-	386
Group net income	**1,826**	**-**	-	**1,826**
Net income of continuing operations	1,659	(367)	-	1,292
Net income of discontinued operations	-	367	-	367
EDF net income	**1,659**	**-**	**-**	**1,659**
Net income of continuing operations	167	(19)	-	148
Net income of discontinued operations	-	19	-	19
Net income attributable to non-controlling interests	**167**	**-**	-	**167**

2.4 Impact on the consolidated cash flow statement for the first half-year of 2010

(in millions of Euros)	H1 2010 as published	IFRS 5 impacts	H1 2010 restated
Operating activities:			
Income before taxes of consolidated companies	**2,920**	**(462)**	**2,458**
Impairment (reversals)	7	(6)	1
Accumulated depreciation and amortization, provisions and change in fair value	5,490	(283)	5,207
Financial income and expenses	882	(19)	863
Dividends received from associates	94	(36)	58
Capital gains/losses	(71)	72	1
Change in working capital	783	53	836
Net cash flow from operations	**10,105**	**(681)**	**9,424**
Net financial expenses disbursed	(1,129)	5	(1,124)
Income taxes paid	(1,177)	42	(1,135)
Net cash flow from operating activities	**7,799**	**(634)**	**7,165**
Investing activities:			
Acquisition/disposal of companies, net of cash acquired/transferred	357	(220)	137
Purchases of property, plant and equipment and intangible assets	(5,993)	265	(5,728)
Net proceeds from sale of property, plant and equipment and intangible assets	90	(13)	77
Changes in financial assets	(3,165)	120	(3,045)
Net cash flow used in investing activities	**(8,711)**	**152**	**(8,559)**
Financing activities:			
Transactions with non-controlling interests	(185)	-	(185)
Dividends paid by parent company	(1,109)	-	(1,109)
Dividends paid to non-controlling interests	(96)	12	(84)
Purchases/Sales of treasury shares	(9)	-	(9)
Cash flows with shareholders	***(1,399)***	***12***	***(1,387)***
Issuance of borrowings	5,559	(75)	5,484
Repayment of borrowings	(4,222)	68	(4,154)
Increase in special concession liabilities	105	-	105
Investment subsidies	51	-	51
Cash flows from other financing activities	***1,493***	***(7)***	***1,486***
Net cash flow from financing activities	**94**	**5**	**99**
Cash flows from continuing operations	(818)	(477)	(1,295)
Cash flows from discontinued operations	-	477	477
Net increase/(decrease) in cash and cash equivalents	**(818)**	**-**	**(818)**
Cash and cash equivalents - opening balance	**6,982**	**-**	**6,982**
Net increase/(decrease) in cash and cash equivalents	(818)	-	(818)
Effect of currency fluctuations	182	-	182
Financial income on cash and cash equivalents	12	-	12
Effect of other reclassifications	17	-	17
Cash and cash equivalents - closing balance	**6,375**	**-**	**6,375**

3 Regulatory changes in France

3.1 “NOME” Law on the new electricity market organization

The French “NOME” (Nouvelle organisation du marché de l’électricité) law on the new electricity market organization was enacted on December 7, 2010 and the principal implementation decrees were issued during the first half of 2011.

The basic principles of this law, which is intended to encourage greater competition on the electricity market in France, are:
- development of competition, by allowing other suppliers temporary access to a portion of EDF’s baseload nuclear energy output until 2025. This is the principle of regulated access to historical nuclear energy (ARENH – *Accès Régulé à l’Électricité Nucléaire Historique*);
- the obligation for every supplier to have direct or indirect guarantees of its demand response capacity for consumption or generation, to encourage peak consumption management;
- continuation of the “blue” tariff for residential and small business customers, with the right to return to EDF for customers having opted for a different supplier. The calculation method will be modified from 2015 to reflect the ARENH principle;
- discontinuation of the “yellow” and “green” tariffs for business customers from 2015;
- deferral by 5 years, to June 29, 2016, of the deadline for building up the dedicated asset portfolio, provided certain criteria are met.

The ARENH principle came into force on July 1, 2011, and the volumes of energy sold to competitors under this principle must go to their customers in France. No more than 100 TWh can be sold in this way each year; this limit will be raised in August 2013 by the quantities supplied to network managers to compensate for network losses.
The decisions setting the price of the ARENH under the NOME law at €40/MWh for the second half of 2011 and €42/MWh from January 1, 2012 for the first half of 2012 were published in May 2011. This initial price has been established in coherence with the average price under the TaRTAM transition tariff system, which ended on June 30, 2011.

On June 15, 2011 the French energy regulator CRE notified EDF of the volumes to be delivered for the period running from July 1, 2011 to June 30, 2012 (61.3 TWh).

The capacity obligation system should come into force by 2015.

3.2 CSPE

The Contribution to the Public Electricity Service (*Contribution au Service Public de l’Électricité* or CSPE) is intended to compensate for certain public service charges assigned to EDF in particular. This contribution is collected directly from the end-user and applies to electricity consumption.
It was raised by €3/MWh on January 1, 2011 to €7.5/MWh for the first half of 2011. The amended Finance Law for 2011 has set the CSPE at €9/MWh until June 30, 2012, then €10.50/MWh from July 1 to December 31, 2012.

4 Significant events and transactions of the first half-year of 2011

4.1 Sale of the investment in EnBW

The disposal of EnBW was completed on February 17, 2011. On that date, in application of the agreements signed by the two parties on December 6, 2010, the sum of €4.5 billion was paid to the EDF group in addition to the €169 million downpayment received on December 16, 2010. The net gain on the sale is €263 million (€276 million before taxes, included in "Other income and expenses").

Disposal of EDF's stake in EnBW also had the following consequences:

- a change in the percentage interest and the EDF group's control in Kogeneracja and Zielona Gora: the Group's ownership of these entities now stands at 33.4% and 32.9% respectively (from 40.6% and 39.9% at December 31, 2010). Kogeneracja and Zielona Gora are proportionally consolidated from February 17, 2011. In application of IAS 27 (amended), the change to proportional consolidation for these entities generated a €28 million gain on deconsolidation;
- a change in the EDF group's percentage interest in ERSA (Rybnik), in which the Group now owns 64.9% (79.8% at December 31, 2010).

This operation also led to cancellation of the €2.3 billion off-balance sheet commitment recorded by the EDF group in respect of OEW's put option to sell EDF part or all of its 25% stake in EnBW.

4.2 Simplified alternative public cash or exchange offer for EDF Energies Nouvelles

On April 8, 2011 the EDF group, which already owned 50% of EDF Energies Nouvelles, launched a simplified alternative public offer to acquire all the shares in EDF Energies Nouvelles not held by the Group, for a cash consideration or in exchange for shares.
EDF's Board of directors approved this offer at its meeting of April 8, 2011. The operation is supported by the Mouratoglou group, a longstanding partner of EDF and 25.1% shareholder in EDF Energies Nouvelles, which made an irrevocable commitment to tender its entire holding in EDF Energies Nouvelles to the offer, half for shares and half for cash.

When the offer closed on June 16, 2011, the Group acquired the shares tendered for the sum of €1,351 million, raising its ownership of EDF Energies Nouvelles to 96.71%. This sum comprises:

- 33.7% or €1,045 million for the cash component of the offer;
- 13.0% or €306 million for the share exchange component of offer.

On July 21, 2011, EDF requested the approval of the French market regulator AMF for a compulsory squeeze-out of shares not tendered to the offer, at the price of €40 per share. In parallel, a liquidity contract was set up to enable EDF to purchase shares covered by employee share plans. A €94 million liability corresponding to these purchase commitments is thus recognized in the Group's consolidated financial statements.

EDF also carried out share repurchases in order to neutralize this operation's dilutive effect on EDF shareholders' percentage control. This neutralization will be effective once all the shares have been acquired to cover the share exchange component of the offer, and after finalization of the capital reduction through cancellation of treasury shares.

In application of IAS 27 (amended), this operation is considered as a transaction with minority shareholders. It is reflected in the consolidated financial statements by a €688 million decrease in equity (EDF's share), corresponding to the difference between the acquisition price and the net book value of the minority interests acquired. EDF Energies Nouvelles is still fully consolidated after this operation, with the Group's ownership percentage at 100% from June 29, 2011.

4.3 Provision established at December 31, 2010 in respect of the Group's operations in Italy

At December 31, 2010, the Group established a provision of €750 million on the Italy segment in response to various indicators and uncertainties. This provision was recorded in the income statements under "Other income and expenses".

The EDF Group's consolidated financial statements at June 30, 2011 include impairment and provisions recognized in the 2010 annual accounts (established in March 2011) and the 2011 half-year accounts of Edison and TDE, via allocation to the extent of €504 million of the provision recorded at December 31, 2010.

The provision concerning the Group’s operations in Italy will be fully allocated at December 31, 2011.

4.4 Nuclear accident at the Fukushima power plant in Japan

Following the nuclear accident at the Fukushima reactor in Japan in the wake of the earthquake and tsunami of March 11, 2011, the administrative authorities of various countries where the Group operates have responded with measures concerning plants already in operation and proposed new plants.

Nuclear power plants operated by the EDF group comply with the safety standards issued by the administrative authorities in their respective countries of location. These standards are raised during periodic inspections (10-year or other inspections) in order to conform to current best practices, and the necessary investments are made to attain the required levels.

The experience gained from the nuclear accident in Japan has led the nuclear authorities in the various countries where the Group operates to conduct inspections that could result in higher compulsory safety requirements to continue to operate, although it is impossible at this stage to measure the economic impact of such action.

5 Changes in the scope of consolidation

Apart from the changes associated with the sale of EDF's stake in EnBW and the increase in its ownership of EDF Energies Nouvelles, both described in note 4, there were no significant changes in the scope of consolidation during the first half of 2011.

6 Segment reporting

Segment reporting presentation complies with IFRS 8, “Operating segments”.
Segment reporting is determined before consolidation adjustments and inter-segment eliminations. Inter-segment transactions take place at market prices.

In accordance with IFRS 8, the breakdown used by the EDF group corresponds to the operating segments as regularly reviewed by the Management Committee. The segments used by the Group are identical to those described in note 6.1 to the consolidated financial statements at December 31, 2010.

6.1 At June 30, 2011

(in millions of euros)	France	United Kingdom	Italy	Other international	Other activities	Eliminations	Total
External sales	19,495	4,390	3,052	3,800	2,727	-	33,464
Inter-segment sales	249	-	-	73	314	(636)	-
TOTAL SALES	**19,744**	**4,390**	**3,052**	**3,873**	**3,041**	**(636)**	**33,464**
OPERATING PROFIT BEFORE DEPRECIATION and AMORTIZATION	**5,688**	**1,172**	**218**	**638**	**900**	**-**	**8,616**
OPERATING PROFIT	**3,520**	**709**	**(30)**	**620**	**437**	**-**	**5,256**

6.2 At June 30, 2010

(in millions of Euros)	France	United Kingdom	Italy	Other international	Other activities	Eliminations	Total
External sales	18,965	5,640	2,766	3,530	2,637	-	33,538
Inter-segment sales	269	4	-	94	296	(663)	-
TOTAL SALES	**19,234**	**5,644**	**2,766**	**3,624**	**2,933**	**(663)**	**33,538**
OPERATING PROFIT BEFORE DEPRECIATION and AMORTIZATION	**6,031**	**1,601**	**365**	**602**	**958**	**-**	**9,557**
OPERATING PROFIT	**3,672**	**802**	**147**	**(633)**	**697**	**-**	**4,685**

7 Operating profit before depreciation and amortization

(in millions of Euros)		H1 2011	H1 2010
Sales of energy and energy-related services		30,918	30,929
Other sales of goods and services		2,068	2,166
Trading		478	443
Sales		**33,464**	**33,538**
Fuel and energy purchases		(14,964)	(13,273)
Other external expenses		(4,483)	(4,734)
Personnel expenses		(5,479)	(5,707)
Taxes other than income taxes		(1,511)	(1,702)
Other operating income and expenses	7.1	1,589	1,700
Prolongation of the transition tariff system (TaRTAM) – Law of June 7, 2010	7.2	-	(265)
Operating profit before depreciation and amortization		**8,616**	**9,557**

These changes are mainly explained by changes in the scope of consolidation that occurred in the second half of 2010 (sale of networks in the United Kingdom and application of the equity method to RTE EDF Transport).

7.1 Other operating income and expenses

Other operating income and expenses comprise the Contribution to the Public Electricity Service (CSPE) introduced by the French Law of January 3, 2003. This contribution is payable by end-users (both eligible and non-eligible) and collected by network operators or electricity suppliers, which then pay it to the State.
In the financial statements, the CSPE system is reflected through recognition of income of €1,721 million in the first half of 2011 (€1,399 million in first-half 2010).

In the first half-year of 2011, other operating income and expenses also include:

- €201 million corresponding to reversals of negative fair value on British Energy commodity sales contracts recognized at the acquisition date of January 5, 2009 following their settlement (€266 million in the first half year of 2010);
- €(118) million relating to the TaRTAM transition tariff system: €(170) million resulting from the decision of July 4, 2011 issued after re-estimation of the cost by the CRE (Commission de Régulation de l’Energie) based on information provided by the suppliers concerned, and €52 million reversed from residual provisions.

7.2 Prolongation of the transition tariff system (TaRTAM) – Law of June 7, 2010

Following the decision to prolong the transition tariff system to December 31, 2010, a charge of €265 million was recorded on a specific line at June 30, 2010 in respect of EDF's contribution to electricity supplier compensation in the second half of 2010.

8 Impairment

Impairment amounting to €(269) million is recognized at June 30, 2011, including €(174) million concerning the Dalkia group’s operations in Italy and Spain, and €(60) million in respect of Edison generation assets.

9 Other income and expenses

Other income and expenses for first-half 2011 include the gain on the sale of EnBW, amounting to €276 million (see note 4.1).

Other income and expenses for the first half-year of 2010 include an expense of €1,060 million related to the Group’s activities in the United States.

10 Financial result

10.1 Discount effect

The discount effect primarily concerns provisions for back-end nuclear cycle, decommissioning and last cores, and provisions for long-term and post-employment employee benefits.

Details of this effect are as follows:

(in millions of Euros)	H1 2011	H1 2010
Provisions for long-term and post-employment employee benefits	(670)	(728)
Provisions for back-end nuclear cycle, decommissioning and last cores	(775)	(757)
Other provisions and advances	(79)	(88)
Discount effect	**(1,524)**	**(1,573)**

11 Income taxes

Income taxes amount to €(977) million for the first half of 2011, corresponding to an effective tax rate of 28.4% (compared to an expense of €(1,111) million corresponding to an effective tax rate of 45.2% for the first half of 2010). They are calculated by applying the forecast effective tax rate for 2011 to the pre-tax income at June 30, 2011.

The increase in the effective tax rate observed in the first half of 2010 related to the provision associated with the Group's activities in the US. Excluding this factor, the effective tax rate for first-half 2010 was 31.6%.

12 Goodwill

Goodwill on consolidated companies comprises the following:

(in millions of Euros)	06.30.2011	12.31.2010
Net book value at opening date	**12,028**	**13 526**
Acquisitions	10	200
Disposals	(5)	(116)
Impairment	(140)	(274)
Translation adjustments	(374)	306
Other movements (1)	(348)	(1,614)
Net book value at closing date	**11,171**	**12,028**
Gross value at closing date	12,784	13,140
Accumulated impairment at closing date	(1,613)	(1,112)

(1) Including €(361) million of impairment on Edison's goodwill following partial allocation of the provision recorded in 2010 in respect of the Italy segment.

The changes observed over first-half 2011 primarily relate to impairment amounting to €(501) million (mainly concerning Edison and Dalkia) and translation adjustment effects of €(374) million, largely due to the rise of the pound sterling against the Euro.

13 Property, plant and equipment

(in millions of Euros)	06.30.2011	12.31.2010
Property, plant and equipment	43,303	42,836
Property, plant and equipment in progress	1,161	1,069
Property, plant and equipment operated under French public electricity distribution concessions	**44,464**	**43,905**
Property, plant and equipment	5,358	5,432
Property, plant and equipment in progress	685	595
Property, plant and equipment operated under concessions for other activities	**6,043**	**6,027**
Property, plant and equipment	45,158	46,730
Property, plant and equipment in progress	11,240	10,101
Leased property, plant and equipment	428	437
Property, plant and equipment used in generation and other tangible assets owned by the Group	**56,826**	**57,268**

The net value of property, plant and equipment, excluding construction in progress and finance-leased assets, breaks down as follows:

(in millions of Euros)	Property, plant and equipment operated under French public electricity distribution concessions (1)	Property, plant and equipment operated under concessions for other activities	Property, plant and equipment used in generation and other tangible assets owned by the Group (2)
Gross values at 06.30.2011	**75,802**	**12,290**	**100,079**
Depreciation and impairment at 06.30.2011	(32,499)	(6,932)	(54,921)
Net values at 06.30.2011	**43,303**	**5,358**	**45,158**
Net values at 12.31.2010	**42,836**	**5,432**	**46,730**

(1) Network assets account for most of these amounts: €70,620 million gross value and €41,329 million net value at June 30, 2011 (€69,445 million gross value and €40,864 million net value at December 31, 2010).

(2) The net value of property, plant and equipment used in generation and other tangible assets owned by the Group breaks down as follows:

(in millions of Euros)	Land & Buildings	Nuclear power plants	Fossil-fired & hydropower plants	Networks	Other installations, plant, machinery & equipment & other	Total
Net values at 06.30.2011	**5,223**	**26,570**	**6,206**	**370**	**6,789**	**45,158**
Net values at 12.31.2010	**5,304**	**27,639**	**6,585**	**411**	**6,791**	**46,730**

14 Investments in associates

(in millions of Euros)	Principal activity (1)	% voting rights held	06.30.2011 Share of net equity	06.30.2011 Share of net income	12.31.2010 Share of net equity	12.31.2010 Share of net income
RTE EDF Transport	T	100.00	4,658	185	4,649	-
Alpiq	G	25.00	1,785	36	1,746	107
Taishan Nuclear Power JV Co	G	30.00	578	-	541	-
Dalkia Holding	S	34.00	435	15	470	24
Nam Theun Power Company	G	40.00	136	13	133	29
Other investments in associates			311	10	315	(26)
Total			**7,903**	**259**	**7,854**	**134**

(1) S = services, G = generation, D = distribution, T= transmission

14.1 RTE EDF Transport

14.1.1 RTE EDF Transport - financial indicators

The main financial indicators for RTE EDF Transport for the first half of 2011 are shown below:

(in millions of Euros)	
Operating profit before depreciation and amortization	740
Net income	185
Equity at June 30, 2011	4,658
Balance sheet total at June 30, 2011	14,497
Net indebtedness at June 30, 2011	6,083

14.1.2 Transactions between the EDF group and RTE EDF Transport

At June 30, 2011, the main transactions between the EDF group and RTE EDF Transport are as follows.

Sales

ERDF uses RTE EDF Transport's high-voltage and very high-voltage networks to convey energy from its point of generation to the distribution networks. This service generated €1,566 million in sales revenues for RTE EDF Transport from ERDF during the first half of 2011.

In executing its responsibility to ensure balance in the electricity system, over the first half of 2011 RTE EDF Transport also undertook:

- Energy purchases and sales with EDF, amounting to €98 million and €170 million respectively;
- System service purchases from EDF amounting to €145 million.

Other transactions

The EDF group contributes to financing of RTE EDF Transport through loans amounting to a total of €1,422 million at June 30, 2011 (€1,914 million at December 31, 2010). The interest expenses recorded by RTE EDF Transport in connection with these loans amount to €42 million over the first half of 2011.
RTE EDF Transport is also included in the EDF tax group, under a tax consolidation agreement between the two companies.

15 Current and non-current financial assets

15.1 Breakdown between current and non-current financial assets

Current and non-current financial assets break down as follows:

(in millions of Euros)	06.30.2011			12.31.2010		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets carried at fair value with changes in fair value included in income	4,518	14	**4,532**	4,534	13	**4,547**
Available-for-sale financial assets	11,193	15,091	**26,284**	9,748	15,287	**25,035**
Held-to-maturity investments	3	23	**26**	2	23	**25**
Positive fair value of hedging derivatives	1,213	1,175	**2,388**	1,401	1,180	**2,581**
Loans and financial receivables	996	8,084	**9,080**	1,103	8,418	**9,521**
Current and non current Financial assets[(1)]	**17,923**	**24,387**	**42,310**	**16,788**	**24,921**	**41,709**

(1) Net of impairment: €709 million at June 30, 2011 (€726 million at December 31, 2010).

The main changes in financial assets are analyzed in the notes below.

15.2 Details of financial assets

15.2.1 Financial assets carried at fair value with changes in fair value included in income

(in millions of Euros)	06.30.2011	12.31.2010
Positive fair value of trading derivatives	4,515	4,530
Fair value of financial assets held for trading	5	5
Financial assets carried at fair value optionally in income	12	12
Financial assets carried at fair value with changes in fair value included in income	**4,532**	**4,547**

15.2.2 Available-for-sale financial assets

(in millions of Euros)	06.30.2011			12.31.2010		
	Equities [(1)]	Debt securities	Total	Equities [(1)]	Debt securities	Total
EDF dedicated assets	6,575	6,879	**13,454**	6,820	6,685	**13,505**
Liquid assets	1,936	8,684	**10,620**	4,930	4,355	**9,285**
Other	2,134	76	**2,210**	2,172	73	**2,245**
Available-for-sale financial assets	**10,645**	**15,639**	**26,284**	**13,922**	**11,113**	**25,035**

(1) Equities or investment funds.

The main variations in available-for-sale financial assets concern acquisitions (€6,784 million) and disposals (€(5,334) million).

15.2.2.1 Liquid assets

EDF's monetary investment funds included in liquid assets amount to €1,906 million at June 30, 2011 (€4,842 million at December 31, 2010).

15.2.2.2 Other securities

At June 30, 2011, other securities mainly include:
- At CENG, €502 million of available-for-sale financial assets related to decommissioning trust funds (reserved for financing of plant decommissioning).
- At EDF Inc., shares in CEG (€363 million).
- At EDF, shares in Areva (€221 million) and Veolia (€400 million).

16 Other receivables

"Other receivables" include the CSPE receivable of EDF amounting to €3,263 million at June 30, 2011 (€2,812 million at December 31, 2010).

17 Held-for-sale assets and liabilities

The change in assets classified as held for sale and related liabilities at June 30, 2011 principally results from completion of the sale of EnBW (€17,857 million of assets and €12,862 million of liabilities were recorded at December 31, 2010).

18 Equity

18.1 Share capital

EDF's share capital amounts to €930,406,055, comprising 1,860,812,110 fully subscribed and paid-up shares with nominal value of €0.50 each (€924,433,331, comprising 1,848,866,662 shares at December 31, 2010).

A capital increase of €306 million (11,945,448 EDF shares) took place on June 24, 2011 through the simplified alternative public cash or exchange offer for shares of EDF Energies Nouvelles (see note 4.2).
In parallel, the Group repurchased EDF shares on the market (see note 18.2 – Treasury shares) in order to neutralize the operation's dilutive effect on EDF shareholders' percentage control. This neutralization will take place after a capital reduction by cancellation of treasury shares, due within 24 months at the latest.

18.2 Treasury shares

As part of the share repurchase program executed under a liquidity contract as required by the market regulator AMF (Autorité des Marchés Financiers), 1,959,543 shares were purchased during the first half of 2011 for a total of €56 million, and 1,707,508 shares were sold for a total of €51 million.

During the same period, 8,957,873 treasury shares were purchased for €247 million through the simplified alternative public cash or exchange offer for shares of EDF Energies Nouvelles (see notes 4.2 and 18.1).

At June 30, 2011, the total value of treasury shares deducted from consolidated equity is €271 million.

18.3 Dividends

The General Shareholders' meeting of May 24, 2011 decided to distribute a dividend of €1.15 per share in circulation in respect of 2010. Interim dividends of €0.57 per share had been paid out on December 17, 2010, and the balance of €0.58 per share amounting to a total of €1,068 million was paid out on June 6, 2011.

18.4 Changes in the fair value of financial instruments

18.4.1 Available-for-sale financial assets

Changes in the fair value of available-for-sale financial assets were recorded in equity (EDF share) over the period as follows:

(in millions of Euros)	06.30.2011		06.30.2010	
	Gross changes in fair value recorded in equity (1)	Gross changes in fair value transferred to income (2)	Gross changes in fair value recorded in equity (1)	Gross changes in fair value transferred to income (2)
Dedicated assets	(145)	25	165	85
Liquid assets	25	22	(15)	(15)
Other	(52)	147	(121)	5
Available-for- sale financial assets	**(172)**	**194**	**29**	**75**

(1) + / ( ): increase / decrease in equity (EDF share)

(2) + / ( ): increase / decrease in income

In first-half 2011, gross changes in fair value principally concern:

- EDF (€(306) million, including €(170) million for dedicated assets);
- EDF Inc (€69 million);
- CENG (€17 million).

In first-half 2010, gross changes in fair value principally concern:

- EDF (€82 million, including €80 million for dedicated assets);
- EDF Inc (€(38) million);
- CENG (€(19) million).

No significant impairment was recorded by EDF in the first half-year of 2010.

18.4.2 Hedging instruments

Changes during the period in the fair value of hedging instruments included in equity (EDF share) are detailed below:

(in millions of Euros)	06.30.2011			06.30.2010		
	Gross changes in fair value recorded in equity (1)	Gross changes in fair value transferred to income - "Recycling" (2)	Gross changes in fair value transferred to income - Ineffectiveness	Gross changes in fair value recorded in equity (1)	Gross changes in fair value transferred to income - "Recycling" (2)	Gross changes in fair value transferred to income - Ineffectiveness
Interest rate hedging	(21)	-	-	(75)	-	(3)
Exchange rate hedging	(375)	(199)	3	1,288	700	-
Net foreign investment hedging	740	-	-	(1,840)	-	-
Commodity hedging	(214)	(109)	-	179	(718)	1
Hedging instruments	**130**	**(308)**	**3**	**(448)**	**(18)**	**(2)**

(1) + / ( ): increase / decrease in equity (EDF share)

(2) + / ( ): increase / decrease in income

19 Provisions

19.1 Breakdown between current and non-current provisions

The breakdown between current and non-current provisions is as follows:

	06.30.2011			12.31.2010		
(in millions of Euros)	Current	Non-current	Total	Current	Non-current	Total
Provisions for back-end nuclear cycle	1,048	16,964	**18,012**	1,020	17,000	**18,020**
Provisions for decommissioning and last cores	274	19,626	**19,900**	301	19,383	**19,684**
Provisions for employee benefits	876	11,964	**12,840**	819	11,745	**12,564**
Other provisions	1,705	1,399	**3,104**	2,870	1,337	**4,207**
PROVISIONS	**3,903**	**49,953**	**53,856**	**5,010**	**49,465**	**54,475**

19.2 Provisions for back-end nuclear cycle, decommissioning and last cores

The measurement of provisions for back-end nuclear cycle, nuclear plant decommissioning and last cores is sensitive to assumptions concerning costs, inflation rate, long-term discount rate, and disbursement schedules. A revised estimate is therefore established at each closing date to ensure that the amounts accrued correspond to the best estimate of the costs eventually to be borne by the Group. Any significant differences resulting from these revised estimates could entail changes in the amounts accrued.

In the first half of 2011, the movement in provisions for back-end nuclear cycle, provisions for decommissioning and provisions for last cores breaks down as follows:

(in millions of Euros)	12.31.2010	Increases	Decreases		Changes in scope of consolidation	Other changes	06.30.2011
			Utilizations	Reversals			
Provisions for spent fuel management	11,024	425	(299)	(13)	-	(150)	10,987
Provisions for long-term radioactive waste management	6,996	179	(143)	(8)	-	1	7,025
Provisions for back-end nuclear cycle	**18,020**	**604**	**(442)**	**(21)**	**-**	**(149)**	**18,012**
Provisions for nuclear plant decommissioning	15,739	304	(130)	-	-	25	15,938
Provisions for fossil-fired plant decommissioning	813	20	(26)	(1)	-	1	807
Provisions for last cores	3,132	81	-	-	-	(58)	3,155
Provisions for decommissioning and last cores	**19,684**	**405**	**(156)**	**(1)**	**-**	**(32)**	**19,900**

The breakdown of provisions by company is shown below.

(in millions of Euros)	EDF	EDF Energy	CENG	Other entities	Total
Provisions for spent fuel management	8,912	2,073	-	2	10,987
Provisions for long-term radioactive waste management	6,534	490	-	1	7,025
Provisions for back-end nuclear cycle at 06.30.2011	**15,446**	**2,563**	**-**	**3**	**18,012**
Provisions for back-end nuclear cycle at 12.31.2010	**15,360**	**2,657**	**-**	**3**	**18,020**
Provisions for nuclear plant decommissioning	11,207	4,190	409	132	15,938
Provisions for fossil-fired plant decommissioning	467	34	-	306	807
Provisions for last cores	1,957	1,157	41	-	3,155
Provisions for decommissioning and last cores at 06.30.2011	**13,631**	**5,381**	**450**	**438**	**19,900**
Provisions for decommissioning and last cores at 12.31.2010	**13,419**	**5,370**	**470**	**425**	**19,684**

19.3 EDF's provisions for back-end nuclear cycle, decommissioning and last cores in France

The discount rate and calculation method used for provisions are identical to those used at December 31, 2010. The regulatory ceiling and factors concerning the sensitivity of provisions to assumptions are also unchanged.

The corresponding expenses are measured under the economic conditions at June 30, 2011 and spread over a forecast disbursement schedule. A provision is booked equivalent to the discounted value (assuming 2% inflation and a 5% discount rate):

	06.30.2011		**12.31.2010**	
(in millions of Euros)	**Costs based on economic conditions at end of period**	**Amounts in provisions at present value**	**Costs based on economic conditions at end of period**	**Amounts in provisions at present value**
Provision for spent fuel management	14,476	8,912	14,386	8,852
Provision for long-term radioactive waste management	23,237	6,534	23,017	6,508
Provision for back-end nuclear cycle	**37,713**	**15,446**	**37,403**	**15,360**
Provisions for nuclear plant decommissioning	21,015	11,207	20,903	11,031
Provisions for fossil-fired plant decommissioning	637	467	657	482
Provisions for last cores	3,836	1,957	3,792	1,906
Provisions for decommissioning and last cores	**25,488**	**13,631**	**25,352**	**13,419**

Concerning EDF's contribution towards decommissioning costs for La Hague reprocessing plant, and its share of the cost of recovering and conditioning old waste, the final payment to Areva amounting to €794 million including taxes was made on June 23, 2011.

19.4 Provisions for employee benefits

19.4.1 Changes during the half-year

The changes in provisions for employee benefits are as follows:

(in millions of Euros)	12.31.2010	Increases	Decreases		Changes in scope of consolidation	Other Changes	06.30.2011
			Utilizations	Reversals			
Provisions for post-employment benefits	11,445	1,018	(695)	(1)	(2)	(46)	**11,719**
Provisions for other long-term benefits	1,119	69	(62)	-	(4)	(1)	**1,121**
Provisions for employee benefits	**12,564**	**1,087**	**(757)**	**(1)**	**(6)**	**(47)**	**12,840**

The change in provisions since December 31, 2010 mainly reflects variations in vested benefits, financial discounting of the obligation, payments made to external funds and benefits paid out.

The obligation at June 30, 2011 is calculated based on projected commitments as estimated at December 31, 2010 (see note 1.3.1). The sensitivity of these commitments calculated at June 30, 2011 is identical to the sensitivity at December 31, 2010: a 25 base point variation in the discount rate would generate a 3.3% variation in the total value of obligations in France.

19.4.2 Breakdown by segment

(in millions of Euros)	France	United Kingdom	Italy	Other International	Other Activities	Total
Provisions at 12.31.2010	**12,092**	**42**	**51**	**240**	**139**	**12,564**
Amounts utilized at end of period	(429)	(12)	-	(18)	(6)	**(465)**
Changes in the scope of consolidation	-	-	-	(6)	-	**(6)**
Net increases	722	47	3	16	6	**794**
Translation adjustment	-	(2)	-	(8)	-	**(10)**
Other	-	(34)	(4)	-	1	**(37)**
Provisions at 06.30.2011	**12,385**	**41**	**50**	**224**	**140**	**12,840**

19.5 Other provisions and contingent liabilities

19.5.1 Other provisions

Details of changes in other provisions are as follows:

(in millions of Euros)	12.31.2010	Increases	Decreases		Changes in scope of consolidation	Other changes	06.30.2011
			Utilizations	Reversals			
Provisions for contingencies related to investments	194	-	-	(16)	-	-	**178**
Provisions for tax liabilities	289	3	(4)	-	-	9	**297**
Provisions for litigation	506	75	(4)	(22)	-	7	**562**
Provisions for onerous contracts	1,025	27	(248)	(1)	-	(50)	**753**
Other	2,193	507	(1,229)	(12)	(2)	(143)	**1,314**
Other provisions	**4,207**	**612**	**(1,485)**	**(51)**	**(2)**	**(177)**	**3,104**

The heading "Other" mainly includes:

- provisions of €432 million for greenhouse gas emission quotas and renewable energy certificates;
- the provision in respect of operations in Italy, in the amount of €246 million (€750 million at December 31, 2010 - see note 4.3).

Provisions for onerous contracts include the fair value of:

- British Energy sales contracts, amounting to €194 million at June 30, 2011 (€402 million at December 31, 2010);
- CENG sales contracts amounting to €453 million at June 30, 2011(€512 million at December 31, 2010).

19.5.2 Contingent liabilities

Silpro (Silicium de Provence) entered court-ordered liquidation on August 4, 2009. The EDF ENR group (owned 50% by EDF Energies Nouvelles and 50% by EDF Développement Environnement) held a 30% minority interest in Silpro alongside the principal shareholder Sol Holding, a subsidiary of the E Concern group. On May 30, 2011, the liquidator ordered the shareholders and managers of Silpro to jointly repay the shortfall in assets (in the range of €100 million) resulting from Silpro's liquidation.
After examining the situation and seeking external legal opinions, the Group does not consider it necessary to recognize a provision.

20 Special French public electricity distribution concession liabilities for existing assets and assets to be replaced

The changes in special concession liabilities for existing assets and assets to be replaced are as follows at June 30, 2011:

(in millions of Euros)	06.30.2011	12.31.2010
Value in kind of assets	39,503	39,001
Unamortized financing by the operator	(19,054)	(18,683)
Rights in existing assets - net value	**20,449**	**20,318**
Amortization of financing by the grantor	9,699	9,404
Provision for renewal	11,604	11,439
Rights in assets to be replaced	**21,303**	**20,843**
Special French public electricity distribution concession liabilities for existing assets and assets to be replaced	**41,752**	**41,161**

The valuation methods for special concession liabilities are identical to those presented in the notes to the 2010 consolidated financial statements, particularly note 1.3.26, which describes the impact of an alternative calculation method. This would lead to statement of contractual obligations at the discounted value of future payments required for replacement of assets operated under concession at the end of their useful life.

21 Current and non-current financial liabilities

21.1 Breakdown between current and non-current financial liabilities

Current and non-current financial liabilities break down as follows:

	06.30.2011			12.31.2010		
(in millions of Euros)	Non-current	Current	Total	Non-current	Current	Total
Loans and other financial liabilities	38,525	8,278	**46,803**	39,993	7,784	**47,777**
Negative fair value of derivatives held for trading	-	3,581	**3,581**	-	4,002	**4,002**
Negative fair value of hedging derivatives	778	1,099	**1,877**	653	980	**1,633**
Financial liabilities	**39,303**	**12,958**	**52,261**	**40,646**	**12,766**	**53,412**

21.2 Loans and other financial liabilities

21.2.1 Changes in loans and other financial liabilities

(in millions of Euros)	Bonds	Loans from financial institutions	Other financial liabilities	Loans related to finance-leased assets	Accrued interest	Total
Balances at 12.31.2010	**35,499**	**5,404**	**5,486**	**373**	**1,015**	**47,777**
Increases	12	1,196	965	35	10	**2,218**
Decreases	(753)	(1,204)	(152)	-	(108)	**(2,217)**
Changes in scope of consolidation	(11)	(12)	2	-	-	**(21)**
Translation adjustments	(357)	(70)	(8)	-	(1)	**(436)**
Changes in fair value and other	(303)	(10)	(206)	9	(8)	**(518)**
Balances at 06.30.2011	**34,087**	**5,304**	**6,087**	**417**	**908**	**46,803**

The Group undertook no major bond issues during the first half-year of 2011.

21.2.2 Maturity of loans and other financial liabilities

(in millions of Euros)	Bonds	Loans from financial institutions	Other financial liabilities	Loans related to finance-leased assets	Accrued interest	Total
Less than one year	870	1,078	5,374	48	908	**8,278**
From one to five years	11,114	2,149	531	167	-	**13,961**
More than five years	22,103	2,077	182	202	-	**24,564**
Loans and financial liabilities at 06.30.2011	**34,087**	**5,304**	**6,087**	**417**	**908**	**46,803**

21.2.3 Credit lines

The Group has credit lines with various banks totaling €11,072 million at June 30, 2011 (€11,085 million at December 31, 2010).

(in millions of Euros)	06.30.2011				12.31.2010
	Total	Maturity			Total
		< 1 year	1 - 5 years	> 5 years	
Confirmed credit lines	**11,072**	1,218	5,854	4,000	**11,085**

21.3 Net indebtedness

(in millions of Euros)	Notes	06.30.2011	12.31.2010
Loans and other financial liabilities	**21.2.1**	46,803	47,777
Derivatives used to hedge liabilities		138	49
Cash and cash equivalents		(5,693)	(4,829)
Liquid assets (1)	**15.2.2**	(10,620)	(9,285)
Loan to RTE EDF Transport		(1,422)	(1,914)
Net indebtedness of discontinued operations		-	2,591
Net indebtedness		**29,206**	**34,389**

(1) Including available-for-sale financial assets: €10,620 million at June 30, 2011 (€9,285 million at December 31, 2010) (see note 15.2.2).

The sale of the investment in EnBW results in a €7.1 billion reduction in net indebtedness in the first half of 2011, including €4.5 billion corresponding to receipt of the sale price and €2.6 billion corresponding to deconsolidation of EnBW's net indebtedness.

22 Other liabilities

Details of other liabilities are as follows:

(in millions of Euros)	06.30.2011	12.31.2010
Advances and progress payments received	6,110	5,896
Liabilities related to property, plant and equipment	1,548	2,167
Tax and social charges	6,538	6,881
Deferred income	5,863	5,848
Other	3,958	2,847
Other liabilities	**24,017**	**23,639**
- non-current	4,961	4,965
- current	19,056	18,674

Deferred income at June 30, 2011 includes €2,723 million (€2,693 million at December 31, 2010) of partner advances to EDF under the nuclear plant financing plans. Since 2010 it also includes the advance paid to the EDF group under the agreement with the Exeltium consortium.

23 Off-balance sheet commitments

23.1 Commitments given

Commitments given

(in millions of Euros)	Notes	06.30.2011	12.31.2010
Operating contract commitments	**23.1.1**	**17,759**	**17,269**
Investment commitments given	**23.1.2**	**659**	**3,189**
Financing commitments given	**23.1.3**	**4,598**	**4,990**

Firm irrevocable purchase commitments for commodities, energy and nuclear fuels amount to €39,596 million at December 31, 2010. There was no significant variation in the first half of 2011.

23.1.1 Operating contract performance commitments given

At June 30, 2011, the operating contract performance commitments given are as follows:

(in millions of Euros)	06.30.2011	12.31.2010
Satisfactory performance, completion and bid guarantees	642	801
Commitments related to orders for operating items	4,715	3,992
Commitments related to orders for fixed assets	9,293	9,282
Other operating commitments	3,109	3,194
Operating contract performance commitments given	**17,759**	**17,269**

23.1.2 Investment commitments given

Commitments related to investments are as follows:

(in millions of Euros)	06.30.2011	12.31.2010
Investment commitments	107	2,457
Other commitments related to Group entities	552	732
Investment commitments given	**659**	**3,189**

The sale of the investment in EnBW, completed on February 17, 2011, led to cancellation of the €2.3 billion off balance sheet commitment recorded by the EDF group in respect of OEW's put option to sell EDF part or all of its 25% stake in EnBW.

Also, following the simplified public cash or exchange offer for shares of EDF Energies Nouvelles, the commitments made by the EDF group to the Mouratoglou group described in note 42.1.4.1 to the consolidated financial statements at December 31, 2010 no longer exist at June 30, 2011.

23.1.3 Financing commitments given

Guarantees of borrowings by the Group at June 30, 2011 comprise the following:

(in millions of Euros)	06.30.2011	12.31.2010
Security interests in real property	4,282	4,633
Guarantees related to borrowings	189	197
Other financing commitments	127	160
Financing commitments given	**4,598**	**4,990**

23.2 Commitments received

Commitments received [(1)]

(in millions of Euros)	Notes	06.30.2011	12.31.2010
Operating commitments received	**23.2.1**	**4,519**	**3,990**
Investment commitments received	**23.2.2**	**11**	**4,500**
Financing commitments received		**520**	**689**

(1) Excluding credit lines presented in note 21.2.3 and electricity supply commitments.

In execution of the NOME law on organization of the French electricity market (see note 3.1), the French energy regulator CRE (*Commission de Régulation de l'Energie*) notified EDF on June 15, 2011 of the total volume to be sold to other suppliers for the first delivery period running from July 1, 2011 to June 30, 2012: 61.3 TWh representing a total of €2,514 million.

23.2.1 Operating commitments received

Electricity supplied by EDF to operators under the NOME law is covered by a stand-alone guarantee enforceable on demand. This guarantee, including all taxes, amounts to twice the highest monthly volume of electricity as stated in the CRE's notification of the annual volume of electricity to be sold, valued at the ARENH price in force.

23.2.2 Investment commitments received

As the Group received a €4.5 billion payment on February 17, 2011 for the sale of the investment held in EnBW, no investment commitments received exist in connection with this operation at June 30, 2011.

24 EDF's dedicated asset portfolio

In order to secure financing of long-term obligations in an increasingly open electricity market, EDF is progressively building up a portfolio of financial assets dedicated to covering long-term nuclear obligations, specifically the decommissioning of the nuclear power plants and the long-term management of radioactive waste.
The key features of this portfolio, the principles governing its management and the applicable regulations are presented in note 46 to the financial statements at December 31, 2010.

Dedicated assets are included in EDF's consolidated financial statements at the following values:

(in millions of Euros)	**Balance sheet presentation**	**06.30.2011**	**12.31.2010**
Equities		6,575	6,820
Bonds		6,879	6,685
Dedicated assets – equities and debt instruments	Available-for-sale financial assets	***13,454***	***13,505***
Currency/equity hedging derivatives	Fair value of hedging derivatives	8	(12)
Other		1	(2)
Total diversified investments		**13,463**	**13,491**
RTE EDF Transport (50% of the Group's investment)	Investments in associates	**2,329**	**2,324**
Total dedicated assets		**15,792**	**15,815**

The cash allocation to the dedicated asset portfolio for the first half of 2011 amounts to €210 million (€881 million for the first half of 2010).

At June 30, 2011, the difference between the fair value and acquisition cost of diversified equity and bond instruments included in equity is a positive €574 million before taxes (€744 million at December 31, 2010).

25 Related parties

There have been no significant changes since December 31, 2010 in the types of transaction undertaken with related parties. In particular, the Group has significant ongoing relationships with public-sector enterprises, primarily the Areva Group for the supply, transmission and reprocessing of nuclear fuel and maintenance of nuclear plants. The Areva Group is also a supplier to the EPR (European Pressurized Reactor) project, contributing to the formation of commitments on fixed asset orders.

Transactions with RTE EDF Transport are presented in note 14.1.

26 Subsequent events

26.1 Flamanville EPR

EDF announced on July 20, 2011 that the first KWh produced by the EPR at Flamanville will be sold in 2016, and the project cost was updated to approximately €6 billion.

Milestones have been reached in recent months in construction of the Flamanville EPR (80% of the civil engineering work has been completed and assembly of piping and electrical equipment has begun). Flamanville 3 is the first nuclear power plant to be built in France for 15 years, and the country's first European Pressurized Reactor. The extent of the work to be done, particularly civil engineering work, has had to be reassessed and EDF has decided to introduce a new approach to organization with its partners.

26.2 Edison – renegotiation of natural gas supply contracts with Promgas

On July 21, 2011, Edison successfully completed renegotiations with Promgas concerning the long-term contract for natural gas supplies from Russia.

In the EDF group's half-year consolidated financial statements, the impact of this renegotiation is a pre-tax profit of €56 million. In practice, this amount will be recognized in the Group's consolidated financial statements in the second half-year of 2011.

26.3 Technical and commercial agreement between EDF and Areva

On July 25, 2011 the chief executives of EDF and Areva signed a technical and commercial agreement in the presence of French minister Eric Besson. This agreement finalizes the discussions initiated after the Nuclear Policy Council held by the French President on February 21, 2011 and covers three key aspects of the cooperation between EDF and Areva:

- continued optimization of the EPR, drawing on experience gained at the current EPR project sites (Olkiluoto, Flamanville, Taishan 1 and 2);
- improvement in maintenance and operation of the existing nuclear fleet, to raise operating performance and prepare for extended operating lives in excess of 40 years;
- management of the nuclear fuel cycle, to requalify new fuel products and reinforce industrial cooperation in radioactive waste storage.

26.4 July 26, 2011: Dalkia signs a preliminary agreement for acquisition of 85% of SPEC

Dalkia has been awarded the contract for privatization of the Warsaw heating network, the largest such network in the European Union. The preliminary agreement is for an 85% stake in SPEC, Warsaw's urban heating network, for an enterprise value of €360 million. Dalkia should benefit from a significant operational lever in the form of optimization of fixed network costs and potential synergies with the company's existing operations in Poland.
The transaction is subject to approval by the European Union and the Warsaw city council, and is expected to be completed by the final quarter of 2011.