Board of directors' meeting of 30 July 2012

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT 30 JUNE 2012

Consolidated income statements

(in millions of Euros)	Notes	H1 2012	H1 2011 [(1)]
Sales	7	36,222	33,464
Fuel and energy purchases		(17,950)	(14,964)
Other external expenses		(4,595)	(4,483)
Personnel expenses		(5,783)	(5,420)
Taxes other than income taxes		(1,597)	(1,511)
Other operating income and expenses	8	2,778	1,589
Operating profit before depreciation and amortisation		**9,075**	**8,675**
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities		98	(28)
Net depreciation and amortisation		(3,283)	(3,131)
Net increases in provisions for renewal of property, plant and equipment operated under concessions		(94)	(208)
(Impairment) / reversals	9	(294)	(269)
Other income and expenses	10	100	327
Operating profit		**5,602**	**5,366**
Cost of gross financial indebtedness		(1,240)	(1,107)
Discount effect	11	(1,562)	(1,524)
Other financial income and expenses		992	821
Financial result	11	**(1,810)**	**(1,810)**
Income before taxes of consolidated companies		**3,792**	**3,556**
Income taxes	12	(1,235)	(995)
Share in income of associates	15	343	262
Group net income		2,900	2,823
Net income attributable to non-controlling interests		132	176
EDF net income		2,768	2,647
Earnings per share (EDF share):			
Earnings per share in Euros		**1.50**	**1.43**
Diluted earnings per share in Euros		**1.50**	**1.43**

(1) Figures for first-half 2011 have been restated for the impact of the change in accounting method for actuarial gains and losses on post-employment benefits (see note 2).

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

(in millions of Euros)	Notes	H1 2012	H1 2011[1]
Group net income		**2,900**	**2,823**
Changes in the fair value of available-for-sale financial assets [2]	20.4.1	560	(172)
Changes in the fair value of available-for-sale financial assets transferred to income [3]		(183)	(194)
Changes in the fair value of hedging instruments [4]	20.4.2	(1,149)	161
Changes in the fair value of hedging instruments transferred to income		241	309
Changes in actuarial gains and losses on post-employment benefits [5]	21.4.1.1	(1,575)	(650)
Translation adjustments		997	(1,227)
Taxes [6]		329	298
Gains and losses recorded directly in equity		**(780)**	**(1,475)**
Net income and gains and losses recorded directly in equity		**2,120**	**1,348**
EDF net income		***1,899***	***1,276***
Net income attributable to non-controlling interests		***221***	***72***

(1) Figures for first-half 2011 have been restated for the impact of the change in accounting method for actuarial gains and losses on post-employment benefits (see note 2).

(2) EDF's share amounts to €560 million for first-half 2012 (€(172) million for first-half 2011).

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

(4) EDF's share amounts to €(1,149) million for first-half 2012 (€130 million for first-half 2011).

(5) Including €(1,535) million for controlled companies and €(40) million for associates.

(6) Taxes break down as follows:

(in millions of Euros)	H1 2012	H1 2011[1]
Taxes on changes in the fair value of available-for-sale financial assets	(174)	66
Taxes on changes in the fair value of hedging instruments	148	10
Taxes on changes in actuarial gains and losses on post-employment benefits	355	222
Total	**329**	**298**

Consolidated balance sheets

ASSETS *(in millions of Euros)*	Notes	30/6/12	31/12/11 (1)
Goodwill	13	10,655	11,648
Other intangible assets		7,040	4,702
Property, plant and equipment operated under French public electricity distribution concessions	14	46,194	45,501
Property, plant and equipment operated under concessions for other activities	14	7,119	6,022
Property, plant and equipment used in generation and other tangible assets owned by the Group	14	65,915	60,445
Investments in associates	15	7,754	7,544
Non-current financial assets	16	25,313	24,260
Deferred tax assets		3,233	3,159
Non-current assets		**173,223**	**163,281**
Inventories		13,627	13,581
Trade receivables	17	20,789	20,908
Current financial assets	16	20,825	16,980
Current tax assets		778	459
Other receivables	18	11,593	10,309
Cash and cash equivalents		4,920	5,743
Current assets		**72,532**	**67,980**
Assets classified as held for sale	19	1	701
Total assets		245,756	231,962

EQUITY AND LIABILITIES *(in millions of Euros)*	Notes	30/6/12	31/12/11 (1)
Capital	20	924	924
EDF net income and consolidated reserves		28,223	27,559
Equity (EDF share)		**29,147**	**28,483**
Equity (non-controlling interests)		5,756	4,189
Total equity		**34,903**	**32,672**
Provisions related to nuclear generation – Back-end nuclear cycle, plant decommissioning and last cores		37,265	37,198
Provisions for decommissioning of non-nuclear facilities		1,024	809
Provisions for employee benefits		16,287	14,611
Other provisions		1,868	1,338
Non-current provisions	21.1	**56,444**	**53,956**
Special French public electricity distribution concession liabilities	22	42,074	41,769
Non-current financial liabilities	23.1	46,110	42,688
Other liabilities	24	4,803	4,989
Deferred tax liabilities		6,091	4,479
Non-current liabilities		**155,522**	**147,881**
Current provisions	21.1	3,670	4,062
Trade payables		11,792	13,681
Current financial liabilities	23.1	20,067	12,789
Current tax liabilities		512	571
Other liabilities	24	19,290	19,900
Current liabilities		**55,331**	**51,003**
Liabilities related to assets classified as held for sale	19	-	406
Total equity and liabilities		245,756	231,962

(1) Figures for 2011 have been restated for the impact of the change in accounting method for actuarial gains and losses on post-employment benefits (see note 2).

Consolidated cash flow statements

(in millions of Euros)	Notes	H1 2012	H1 2011(1)
Operating activities:			
Income before taxes of consolidated companies		**3,792**	**3,556**
Impairment (reversals)		294	269
Accumulated depreciation and amortisation, provisions and change in fair value		3,773	3,238
Financial income and expenses		686	661
Dividends received from associates		22	290
Capital gains/losses		(275)	(460)
Change in working capital		(2,458)	(1,519)
Net cash flow from operations		**5,834**	**6,035**
Net financial expenses disbursed		(814)	(1,007)
Income taxes paid		(892)	(582)
Net cash flow from operating activities		**4,128**	**4,446**
Investing activities:			
Acquisition/disposal of companies, net of cash acquired/transferred (2)		(172)	3,708
Purchases of property, plant and equipment and intangible assets		(6,233)	(4,883)
Net proceeds from sale of property, plant and equipment and intangible assets		349	78
Changes in financial assets		(4,368)	(1,132)
Net cash flow used in investing activities		**(10,424)**	**(2,229)**
Financing activities:			
Transactions with non-controlling interests (3)		(237)	(1,233)
Dividends paid by parent company	20.3	(1,072)	(1,068)
Dividends paid to non-controlling interests		(115)	(171)
Treasury shares	20.2	(1)	(6)
Cash flows with shareholders		***(1,425)***	***(2,478)***
Issuance of borrowings		8,489	2,228
Repayment of borrowings		(1,786)	(1,943)
Funding contributions received for assets operated under concessions		85	93
Investment subsidies		72	22
Other cash flows from financing activities		***6,860***	***400***
Net cash flow from financing activities		**5,435**	**(2,078)**
Net increase/(decrease) in cash and cash equivalents		**(861)**	**139**
Cash and cash equivalents - opening balance		**5,743**	**5,567**
Net increase/(decrease) in cash and cash equivalents		(861)	139
Effect of currency fluctuations		50	(76)
Financial income on cash and cash equivalents		25	17
Effect of reclassifications		(37)	46
Cash and cash equivalents - closing balance		**4,920**	**5,693**

(1) Figures for first-half 2011 have been restated for the impact of the change in accounting method for actuarial gains and losses on post-employment benefits (see note 2).

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

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

In first-half 2012, acquisition of additional interests in EnBW's investment in its subsidiary ERSA amount to €252 million (see note 5.1).

In first-half 2011, the acquisition of additional interests through the simplified alternative public cash or exchange offer for EDF Energies Nouvelles shares accounts for €1,292 million: €1,045 million in cash and €247 million in shares through the associated EDF share repurchase program.

Changes in consolidated equity

The changes in equity between 1 January and 30 June 2012 are as follows:

(in millions of Euros)	Capital	Consolidated reserves and net income	Treasury shares	Translation adjustments	Impact of fair value adjustment of financial instruments (2)	Equity (EDF share)	Equity (non-controlling interests)	Total equity
Equity at 31/12/11 (restated) (1)	**924**	**27,511**	**(26)**	**1,147**	**(1,073)**	**28,483**	**4,189**	**32,672**
Gains and losses recorded directly in equity	-	(1,200)	-	888	(557)	(869)	89	(780)
Net income	-	2,768	-	-	-	2,768	132	2,900
Net income and gains and losses recorded directly in equity	**-**	**1,568**	**-**	**888**	**(557)**	**1,899**	**221**	**2,120**
Dividends paid	-	(1,072)	-	-	-	(1,072)	(130)	(1,202)
Purchases/sales of treasury shares	-	-	3	-	-	3	-	3
Other changes (3)	-	(166)	-	-	-	(166)	1,476	1,310
Equity at 30/6/12	**924**	**27,841**	**(23)**	**2,035**	**(1,630)**	**29,147**	**5,756**	**34,903**

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

(in millions of Euros)	Capital	Consolidated reserves and net income	Treasury shares	Translation adjustments	Impact of fair value adjustment of financial instruments (2)	Equity (EDF share)	Equity (non-controlling interests)	Total equity
Equity at 31/12/2010	**924**	**29,469**	**(19)**	**543**	**400**	**31,317**	**5,586**	**36,903**
Restatements due to change of method (1)	-	(1,697)	-	26	-	(1,671)	(121)	(1,792)
Equity at 31/12/2010 (restated) (1)	**924**	**27,772**	**(19)**	**569**	**400**	**29,646**	**5,465**	**35,111**
Gains and losses recorded directly in equity	-	(445)	-	(1,074)	148	(1,371)	(104)	(1,475)
Net income	-	2,647	-	-	-	2,647	176	2,823
Net income and gains and losses recorded directly in equity	**-**	**2,202**	**-**	**(1,074)**	**148**	**1,276**	**72**	**1,348**
EDF capital increase (4)	6	300	-	-	-	306	-	306
Dividends paid	-	(1,068)	-	-	-	(1,068)	(189)	(1,257)
Purchases/sales of treasury shares (4)	-	-	(252)	-	-	(252)	-	(252)
Other changes (5)	-	(614)	-	-	-	(614)	(1,364)	(1,978)
Equity at 30/6/2011	**930**	**28,592**	**(271)**	**(505)**	**548**	**29,294**	**3,984**	**33,278**

(1) Figures at 31 December 2011 and 31 December 2010 have been restated for the impact of the change in accounting method for actuarial gains and losses on post-employment benefits (see note 2).

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

(3) In first-half 2012, €1,387 million of other changes attributable to non-controlling interests correspond to the effects of the takeover of Edison (held 78.96% at 30 June 2012), including €991 million for direct minority shareholdings.

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

(5) In first-half 2011, 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.

CONTENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Electricité de France (EDF or "the Company") is a French *société 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 30 June 2012 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 30 June 2012 were prepared under the responsibility of the Board of Directors and approved by the Directors at the Board meeting held on 30 July 2012.

The comparative figures for 2011 reported in the notes to the financial statements have been restated as a result of the change in accounting method for actuarial gains and losses on post-employment benefits (see note 2).

1 MAIN GROUP ACCOUNTING PRINCIPLES AND METHODS

1.1 DECLARATION OF CONFORMITY AND GROUP ACCOUNTING POLICIES

Pursuant to European regulation 1606/2002 of 19 July 2002 on the adoption of international accounting standards, the EDF group's condensed consolidated financial statements at 30 June 2012 are prepared using the presentation, recognition and measurement rules set forth in the international accounting standards published by the IASB and approved by the European Union for application at 30 June 2012. These international standards are IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and SIC and IFRIC interpretations.

The condensed consolidated half-year financial statements comply with standard IAS 34 on interim financial reporting. They do not therefore include all the information required for full annual financial statements, and are to be read in conjunction with the consolidated financial statements at 31 December 2011.
Apart from the changes indicated below, the accounting principles and methods are identical to those applied in the consolidated financial statements at 31 December 2011, as described in note 1 to those financial statements.

1.2 ACCOUNTING METHODS FOR THE FIRST HALF-YEAR OF 2012

- **Change of accounting option concerning recognition of actuarial gains and losses on post-employment benefits**

IAS 19 allows the following methods for recognition of actuarial gains and losses on post-employment defined benefit plans:

- Either the full amount of such gains and losses, or a portion as determined under the "corridor" method, is recorded through the income statement; the Group applied this approach until 31 December 2011;
- Or they are recorded in full through other components of net income and gains and losses recorded directly in equity.

The Group decided to use the option to record actuarial gains and losses for post-employment benefits in

the statement of net income and gains and losses recorded directly in equity from 1 January 2012. The Group considers that this change will make information on post-employment benefits clearer and more comprehensible.
This change of accounting option is applied retrospectively, as required by IAS 8. Note 2 presents a description of this change of accounting method and calculations of its principal effects.

- New standards and interpretations

Apart from the change presented above and the valuation methods specific to interim financial statements described in note 1.3, the accounting and valuation methods applied by the Group in the consolidated interim financial statements at 30 June 2012 are identical to those used in the consolidated financial statements for the year ended 31 December 2011.

The amendment to IFRS 7, "Financial instruments: disclosures – Transfers of financial assets" adopted by the European Union in 2011 became mandatory on 1 January 2012. As IFRS 7 concerns disclosures, this amendment has no impact on the accounting methods applied in the consolidated financial statements.

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 30 June 2012 was calculated by projecting the obligation at 31 December 2011 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, for example the discount rate.

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 consideration of 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 31 December 2011.

1.5 SEASONAL NATURE OF THE BUSINESS

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

To illustrate this, the table below shows the sales and operating profit before depreciation and amortisation for the first half and second half of 2011:

(in millions of Euros)	**H1 2011**	**H2 2011**	**2011**
Sales	33,464	31,843	65,307
Operating profit before depreciation and amortisation	8,675	6,264	14,939

2 COMPARABILITY

2.1 CHANGE IN RECOGNITION OF ACTUARIAL GAINS AND LOSSES RELATED TO POST-EMPLOYMENT BENEFITS

Since 1 January 2012, the Group has recorded actuarial gains and losses related to post-employment defined benefit plans in the statement of net income and gains and losses recorded directly in equity, under the option allowed by IAS 19.
Under this option, all actuarial gains and losses on post-employment benefits generated by changes in actuarial assumptions are recognised in the statement of net income and gains and losses recorded directly in equity. The Group has thus stopped using the "corridor" method and now recognises all actuarial gains and losses in full.

As this is a change of accounting method, in compliance with IAS 8, comparative prior year figures resulting from retrospective application of this method are presented.

The impact on equity (EDF share) amounts to € (1,671) million at 1 January 2011 and € (2,087) million at 31 December 2011.

The impact at 1 January 2011 mainly concerns the France and United Kingdom segments (€ (1,010) million and € (566) million respectively).

2.2 IMPACT ON THE INCOME STATEMENT FOR THE FIRST HALF OF 2011

(in millions of Euros)	H1 2011 AS PUBLISHED	IMPACTS OF IAS 19 OPTION	H1 2011 RESTATED
Sales	33,464	-	33,464
Fuel and energy purchases	(14,964)	-	(14,964)
Other external expenses	(4,483)	-	(4,483)
Personnel expenses	(5,479)	59	(5,420)
Taxes other than income taxes	(1,511)	-	(1,511)
Other operating income and expenses	1,589	-	1,589
Operating profit before depreciation and amortisation	**8,616**	**59**	**8,675**
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities	(28)	-	(28)
Net depreciation and amortisation	(3,131)	-	(3,131)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(208)	-	(208)
(Impairment) / reversals	(269)	-	(269)
Other income and expenses	276	51	327
Operating profit	**5,256**	**110**	**5,366**
Cost of gross financial indebtedness	(1,107)	-	(1,107)
Discount effect	(1,524)	-	(1,524)
Other financial income and expenses	821	-	821
Financial result	**(1,810)**	**-**	**(1,810)**
Income before taxes of consolidated companies	**3,446**	**110**	**3,556**
Income taxes	(977)	(18)	(995)
Share in income of associates	259	3	262
Group net income	2,728	95	2,823
Net income attributable to non-controlling interests	**174**	**2**	**176**
EDF net income	2,554	93	2,647

2.3 IMPACT ON THE STATEMENT OF NET INCOME AND GAINS AND LOSSES RECORDED DIRECTLY IN EQUITY FOR THE FIRST HALF OF 2011

(in millions of Euros)	H1 2011 AS PUBLISHED	IMPACTS OF IAS 19 OPTION	H1 2011 RESTATED
Group net income	**2,728**	**95**	**2,823**
Changes in the fair value of available-for-sale financial assets	(172)	-	(172)
Changes in the fair value of available-for-sale financial assets transferred to income	(194)	-	(194)
Changes in the fair value of hedging instruments	161	-	161
Changes in the fair value of hedging instruments transferred to income	309	-	309
Changes in actuarial gains and losses on post-employment benefits	-	(650)	(650)
Translation adjustments	(1,227)	-	(1,227)
Taxes	76	222	298
Gains and losses recorded directly in equity	**(1,047)**	**(428)**	**(1,475)**
Net income and gains and losses recorded directly in equity	1,681	(333)	1,348
EDF net income	***1,628***	***(352)***	***1,276***
Net income attributable to non-controlling interests	***53***	***19***	***72***

2.4 IMPACT ON THE BALANCE SHEET AT 31 DECEMBER 2011

ASSETS *(in millions of Euros)*	2011 AS PUBLISHED	IMPACTS OF IAS 19 OPTION	2011 RESTATED
Goodwill	11,648	-	11,648
Other intangible assets	4,702	-	4,702
Property, plant and equipment operated under French public electricity distribution concessions	45,501	-	45,501
Property, plant and equipment operated under concessions for other activities	6,022	-	6,022
Property, plant and equipment used in generation and other tangible assets owned by the Group	60,445	-	60,445
Investments in associates	7,684	(140)	7,544
Non-current financial assets	24,517	(257)	24,260
Deferred tax assets	2,507	652	3,159
Non-current assets	**163,026**	**255**	**163,281**
Inventories	13,581	-	13,581
Trade receivables	20,908	-	20,908
Current financial assets	16,980	-	16,980
Current tax assets	459	-	459
Other receivables	10,309	-	10,309
Cash and cash equivalents	5,743	-	5,743
Current assets	**67,980**	-	**67,980**
Assets classified as held for sale	701	-	701
Total assets	231,707	255	231,962

EQUITY AND LIABILITIES *(in millions of Euros)*	2011 AS PUBLISHED	IMPACTS OF IAS 19 OPTION	2011 RESTATED
Capital	924	-	924
EDF net income and consolidated reserves	29,646	(2,087)	27,559
Equity (EDF share)	**30,570**	**(2,087)**	**28,483**
Equity (non-controlling interests)	4,337	(148)	4,189
Total equity	**34,907**	**(2,235)**	**32,672**
Provisions related to nuclear generation – Back-end nuclear cycle, plant decommissioning and last cores	37,198	-	37,198
Provisions for decommissioning of non-nuclear facilities	809	-	809
Provisions for employee benefits	12,215	2,396	14,611
Other provisions	1,338	-	1,338
Non-current provisions	**51,560**	**2,396**	**53,956**
Special French public electricity distribution concession liabilities	41,769	-	41,769
Non-current financial liabilities	42,688	-	42,688
Other liabilities	4,989	-	4,989
Deferred tax liabilities	4,479	-	4,479
Non-current liabilities	**145,485**	**2,396**	**147,881**
Current provisions	3,968	94	4,062
Trade payables	13,681	-	13,681
Current financial liabilities	12,789	-	12,789
Current tax liabilities	571	-	571
Other liabilities	19,900	-	19,900
Current liabilities	**50,909**	**94**	**51,003**
Liabilities related to assets classified as held for sale	406	-	406
Total equity and liabilities	231,707	255	231,962

2.5 IMPACT ON THE STATEMENT OF CASH FLOWS FOR THE FIRST HALF OF 2011

(in millions of Euros)	H1 2011 AS PUBLISHED	IMPACTS OF IAS 19 OPTION	H1 2011 RESTATED
Operating activities:			
Income before taxes of consolidated companies	**3,446**	**110**	**3,556**
Impairment (reversals)	269	-	269
Accumulated depreciation and amortisation, provisions and change in fair value	3,297	(59)	3,238
Financial income and expenses	661	-	661
Dividends received from associates	290	-	290
Capital gains/losses	(409)	(51)	(460)
Change in working capital	(1,519)	-	(1,519)
Net cash flow from operations	**6,035**	**-**	**6,035**
Net financial expenses disbursed	(1,007)	-	(1,007)
Income taxes paid	(582)	-	(582)
Net cash flow from operating activities	**4,446**	**-**	**4,446**
Investing activities:			
Acquisition/disposal of companies, net of cash acquired/transferred	3,708	-	3,708
Purchases of property, plant and equipment and intangible assets	(4,883)	-	(4,883)
Net proceeds from sale of property, plant and equipment and intangible assets	78	-	78
Changes in financial assets	(1,132)	-	(1,132)
Net cash flow used in investing activities	**(2,229)**	**-**	**(2,229)**
Financing activities:			
Transactions with non-controlling interests	(1,233)	-	(1,233)
Dividends paid by parent company	(1,068)	-	(1,068)
Dividends paid to non-controlling interests	(171)	-	(171)
Treasury shares	(6)	-	(6)
Cash flows with shareholders	***(2,478)***	-	***(2,478)***
Issuance of borrowings	2,228	-	2,228
Repayment of borrowings	(1,943)	-	(1,943)
Funding contributions received for assets operated under concessions	93	-	93
Investment subsidies	22	-	22
Other cash flows from financing activities	***400***	-	***400***
Net cash flow used in financing activities	**(2,078)**	**-**	**(2,078)**
Net increase (decrease) in cash and cash equivalents	**139**		**139**
Cash and cash equivalents - opening balance	**5,567**	**-**	**5,567**
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 reclassifications	46	-	46
Cash and cash equivalents - closing balance	**5,693**	**-**	**5,693**

3 SIGNIFICANT EVENTS AND TRANSACTIONS OF THE FIRST HALF-YEAR OF 2012

3.1 EDISON

3.1.1 Takeover of Edison by the EDF group

Following fulfilment of the conditions for the operation, on 24 May 2012 the EDF group and its Italian partners finalised the takeover of the energy group Edison. The principles of the final agreement are consistent with the preliminary agreement signed by the parties on 26 December 2011.

The Group thus took control of Edison by purchasing Delmi's entire investment in TdE (50%) for a total of €784 million, corresponding to the negotiated price of €0.89 per Edison share. Following this acquisition the Group now holds 78.96% of the capital and 80.64% of the voting rights in Edison.

At the same time as EDF took control of Edison, Delmi took control of Edipower by purchasing the investments in Edipower held by Edison (50%) and ALPIQ (20%) for the total sum of €884 million.
Edison and Edipower also signed a long-term (6-year) gas supply contract to cover 50% of Edipower's gas requirements.

In compliance with Italian stock market regulations, the EDF Group launched a mandatory tender offer for remaining Edison shares at the price of €0.89 per ordinary share. The additional cost of raising this offer price from the €0.84 envisaged in the preliminary agreement of 26 December 2011 will be borne equally by the EDF group and Delmi, totalling a maximum of €24 million for each, depending on the number of shares tendered to the offer. This offer was opened on 2 July 2012 and is due to close on 3 August 2012 unless extended.

3.1.2 Accounting treatment of the operation

The purchase of 50% of TdE from Delmi gave the EDF group control over the Edison group and TdE as of 24 May 2012. Although the mandatory tender offer for Edison shares launched on 2 July 2012 is an inevitable consequence of acquisition of TdE under Italian stock market regulations, for accounting purposes it has been considered as a separate operation from the takeover of Edison, since:

- Minority shareholders remain free to accept or refuse the offer;
- Control was acquired on 24 May 2012, independently of the number of shares minority shareholders will tender to the offer, and cannot be called into question.

Consequently, as required by IFRS 3 (revised) (IFRS 3), the identifiable assets and liabilities acquired from Edison and TdE are recorded at fair value at the date control was acquired. The Group has opted to state non-controlling interests at fair value in application of the "full goodwill" method.
In accordance with IFRS 3, the values determined are provisional and the Group has 12 months to finalise allocation of the acquisition price.
Delmi's share of the cost of the mandatory tender offer for Edison shares has been considered as a purchase price adjustment clause for the investment in TdE/Edison.

Application of IFRS 3 to the takeover of Edison and TdE is therefore reflected in the following items in the Group's consolidated financial statements:

- A loss on sale of €(1,090) million resulting from remeasurement of the previous holding in Edison to "market participant[1]" fair value at the date control was acquired,
- Negative goodwill of €1,023 million.

[1] The "market participant" fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Since the price for the sale of Edison's investment in Edipower to Delmi was higher than defined in the preliminary agreement of 26 December 2011, a reversal of impairment has been booked in the first-half 2012 income statement for a total amount of €39 million (EDF's share).
Finally, acquisition expenses amounting to €(23) million before taxes were recognised in first-half 2012.

Overall, the takeover of Edison and TdE thus generates a €(51) million expense recognised in the first-half 2012 consolidated income statement under "Other income and expenses".

3.1.3 Determination of the loss on sale of the previously-held investment

In application of IFRS 3, a loss on sale is recognised, equal to the difference between the net consolidated value and the "market participant" fair value for the Group's investment in the Edison and TdE subgroups at the date of the takeover.

The "market participant" fair value is the Edison share value on the market, i.e. the transaction price with Delmi and minority shareholders through the mandatory tender offer launched on 2 July 2012 (€0.89 per share).

The loss on sale has been recorded under "Other income and expenses" in the half-year consolidated financial statements. It was determined as follows.

(in millions of Euros)	
(A) "Market participant" fair value	1,709
(B) Net book value of previously-held investment	2,804
(C) Effect of transfer to income of gains and losses recorded directly in equity	5
(A – B + C) Loss on sale	(1,090)

3.1.4 Edison initial balance sheet items for the EDF group consolidation and determination of goodwill

3.1.4.1 Provisional initial balance sheet

The fair value of Edison's identifiable assets and liabilities is the Group's current best estimate. It has been determined based on Edison's most recent available business plan (the 2012-2019 plan) using standard valuation methods.

After determination of the fair values of the assets acquired and liabilities assumed, Edison's provisional initial balance sheet at 24 May 2012 (basis: 100%) is as follows.

ASSETS *(in millions of Euros)*	Historical values	Fair value adjustments	Provisional initial values
Goodwill	2,859	(2,859)	-
Other intangible assets	1,436	1,669	3,105
Property, plant and equipment	5,222	1,358	6,580
Investments in associates	49	-	49
Financial assets	815	-	815
Deferred tax assets	111	-	111
Inventories	324	-	324
Trade receivables	3,157	-	3,157
Current tax assets	24	-	24
Other receivables	575	-	575
Cash and cash equivalents	335	-	335
Assets classified as held for sale	1	-	1
Total assets	14,908	168	15,076

EQUITY AND LIABILITIES *(in millions of Euros)*	Historical values	Fair value adjustments	Provisional initial values
Capital	5,292	-	5,292
EDF net income and consolidated reserves	1,660	(1,280)	380
Equity (EDF share)	**6,952**	**(1,280)**	**5,672**
Equity (non-controlling interests)	150	328	478
Total equity	**7,102**	**(952)**	**6,150**
Provisions	922	126	1,048
Financial liabilities	3,982	(39)	3,943
Deferred tax liabilities	371	1,033	1,404
Trade payables	1,928	-	1,928
Current tax liabilities	39	-	39
Other liabilities	564	-	564
Total equity and liabilities	14,908	168	15,076

The main restatements resulting from fair value adjustments of the assets acquired and liabilities assumed are:

- Cancellation of historical goodwill (€2,859 million)

- Creation of an intangible asset representing the Edison brand (€945 million)

The brand has been valued by using the relief from royalty method and "scoring" based on a market study designed to position Edison in relation to its main competitors on the Italian market.
As the Edison brand is a very well-known brand in Italy and the Group intends to continue using it in the long term, its useful life has been considered indefinite.
The fair value assigned to the Edison brand is sensitive to changes in the following main assumptions:
  - Royalty rates
  - Discount rates applied to future cash flows

- Revaluation of hydropower concession assets (intangibles) (€1,165 million)

The fair value of hydropower concessions was determined by the discounted future cash flows method, based on the most recent available Edison business plan (the 2012-2019 plan) and assuming systematic

renewal of current concessions for a 20-year duration from the renegotiation date, although on revised financial terms.
Conservatism factors have been incorporated by applying a risk premium to the rate used to discount cash flows, and limiting the assumed renewal of concessions to a 20-year duration. Italian regulations on such matters are currently in preparation, and 20 years is expected to be the minimum duration for future concessions.
This fair value is sensitive to changes in the following main assumptions:

- Occurrence, duration and terms of concession renewals,
- Electricity market prices in Italy,
- Cash flow discount rates.

Hydropower concession assets are depreciated over the assumed duration of the concession (26 years on average).

- Revaluation of long-term gas supply contracts (€230 million)

Long-term gas supply contracts have been revalued using the discounted future cash flows method, based on the most recent available Edison business plan (the 2012-2019 plan).
This fair value is sensitive to changes in the following main assumptions:

- Gas and electricity market prices in Italy,
- Edison's margin levels on contract renegotiations, ongoing and future,
- Cash flow discount rates.

Intangible assets related to long-term supply contracts are amortised on the basis of volumes and contract durations (from 8 to 23 years).

- Other fair value adjustments

Other adjustments chiefly concern electricity generation assets (particularly fossil-fired and wind power assets), hydrocarbon Production-Exploration assets, CO_2 quotas, contingent liabilities and financial liabilities.
In determining Edison's initial balance sheet, Production-Exploration assets, which were included in intangible assets in Edison's historical balance sheet in the amount of €1,027 million – mainly concerning Abu Qir in Egypt – have been reclassified as tangible assets. A fair value for hydrocarbon reserves is thus visible in the balance sheet.

- Deferred taxes (€(1,033) million)

Restatements of deferred taxes correspond solely to tax effects associated with fair value adjustments carried out for determination of the initial balance sheet.

Fair value adjustments of TdE assets and liabilities (excluding Edison shares) amount to €5 million (net of taxes) and concern remeasurement of financial liabilities to fair value.

3.1.4.2 Determination of provisional goodwill

The provisional goodwill recognised on the operation is as follows:

(in millions of Euros)	
Fair value of previously-held investments	1,709
Acquisition price of the investment	784
Fair value of non-controlling interests (1)	991
Price adjustment clause / costs borne by Delmi	(24)
Purchase consideration transferred at 24 May 2012	**3,460**
Fair value of Edison net assets acquired	5,672
Fair value of TdE net assets acquired (excluding Edison shares) (2)	(1,189)
Fair value of assets acquired and liabilities assumed	**4,483**
Provisional (negative) goodwill	**(1,023)**

(1) After application of the "full goodwill" method, based on the price of the mandatory tender offer to minority shareholders, i.e. €0.89 per Edison share.
(2) Excluding Edison shares, TdE's balance sheet mainly comprises financial liabilities.

In compliance with IFRS 3.36 and 3.34, the process for identifying items included in calculating the negative goodwill has been verified and validated to confirm the existence of this income, and the negative goodwill has been included as income in net income (EDF's share) for first-half 2012.

3.1.5 Sensitivity analyses

The main assumptions to which assets and liabilities in the initial balance sheet are sensitive are:

- Market prices for gas and electricity in Italy,
- Gas and electricity sales volumes included in the Edison business plan (the 2012-2019 plan),
- Royalty rates used to value the Edison brand,
- Financial terms of long-term gas supply contracts,
- Assumptions concerning renewal of hydropower concessions (duration, financial terms, etc),
- Discount rates by country.

In compliance with IFRS 3, the values of the assets acquired and the liabilities assumed are provisional, and the Group has 12 months to finalise allocation of the purchase price.

The initial Edison balance sheet is particularly sensitive given the existence of several items specific to this particular operation:

- Proximity of the acquisition date and the closing of the Group's half-year financial statements,
- Edison's strategic plan, which was in preparation at the time of the takeover,
- Renegotiations currently in process for long-term gas supply contracts.

If the initial balance sheet is adjusted within the allocation deadline but after 30 June 2012, the fact that the goodwill is negative would lead to recognition of any impacts in the Group's income statement in respect of the takeover of Edison.
A change in the fair values used would thus have an equal impact on the EDF Group's net income (a decline or increase in the value of the assets would lead respectively to a loss or gain).

3.1.6 Impact of the operation on the Group's net indebtedness at 30 June 2012

The takeover of Edison and TdE has the following impacts on consolidated net indebtedness at 30 June 2012.

(in millions of Euros)	
Acquisition price for the shares of TdE	784
Sale price for Edipower by Edison	(684)
Net payments	**100**
Effects of changes in scope / Edison	2,217
Effects of changes in scope / TdE	634
Effects of changes in scope / sale of Edipower	(515)
Effects of fair value measurement of financial liabilities of TdE / Edison	(46)
Effects of changes in scope and fair value measurement	**2,290**
Increase / (decrease) in net indebtedness	2,390

The mandatory tender offer to minority shareholders could lead to a payout of €893 million maximum in the second half of 2012. At 30 June 2012 this amount is considered as an off-balance sheet commitment for the Group (note 25.1.2).

3.1.7 Effects of the takeover of Edison on the Group's main income statement indicators in first-half 2012

If the takeover of Edison had taken place at 1 January 2012, the impacts on the Group's main income statement indicators for the first half-year would have been as follows.

(in millions of Euros)	H1 2012 as published	H1 2012 proforma (1)	Change
Sales	36,222	38,716	+2,494
EBITDA	9,075	9,186	+111
Net income (EDF share)	2,768	2,736	(32)

(1) Data for the first half of 2012 with full consolidation of Edison from 1 January 2012 (from 24 May 2012 in the published figures).

4 REGULATORY CHANGES IN FRANCE

4.1 "NOME" LAW – EUROPEAN COMMISSION DECISION

On 12 June 2012 the European Commission announced that subject to conditions, it approved the State aid contained in the regulated electricity tariffs in France. In 2007 the Commission had opened an investigation into the regulated tariffs for sales to business customers (the "yellow" and "green" tariffs and the TaRTAM transition tariff). Since then, France's NOME law on the new electricity market organisation modified the French legislative and regulatory context by discontinuing the TaRTAM transition tariff, programming the end of the "yellow" and "green" tariffs for the end of 2015 and setting up a scheme for regulated access to nuclear power (named ARENH, for *Accès Régulé à l'Electricité Nucléaire Historique*) for all suppliers of customers located in France.
Following an inquiry, the European Commission concluded that the business tariffs constituted State aid, but are nevertheless compatible with European law provided:
- the ARENH price remains at €42/MWh until the Commission gives approval of the methodology used to set the ARENH price,
- there is a gradual move towards cost-based pricing every year from the summer of 2012, until the "yellow" and "green" tariffs cease to exist at the end of 2015.

This decision marks the end of the European Commission's investigation concerning State aid.

5 OTHER CHANGES IN THE SCOPE OF CONSOLIDATION

5.1 POLAND

The purchase of EnBW's investments in subsidiaries ERSA, Kogeneracja and EDF Polska was completed on 16 February 2012 for the amount of €301 million. Following this transaction EDF now owns 97.3% of ERSA and 50% plus one share in Kogeneracja. Kogeneracja and Zielona Gora are again fully consolidated as of 16 February 2012, having been proportionally consolidated since 17 February 2011 after the sale of EnBW.

The acquisition of minority interests in ERSA is treated as a transaction between shareholders in accordance with IAS 27 (amended), and as a result has an impact of €(124) million on equity in the Group's consolidated financial statements.

In application of IFRS 3 (revised), a €(10) million loss on sale was also recorded in the first half of 2012, corresponding to the previous ownership share in Zielona Gora and Kogeneracja. The additional goodwill associated with this operation is below €1 million.

5.2 PHOTOWATT / PV ALLIANCE

EDF's offer for the activities of Photowatt was accepted on 27 February 2012. Via its subsidiary EDF Energies Nouvelles Réparties (EDF ENR), the Group took possession of the assets of Photowatt and took control of PV Alliance on 1 March 2012. This takeover of business has no significant impact on the Group's consolidated financial statements at 30 June 2012.

5.3 ENEREST

On 1 April 2012 Electricité de Strasbourg acquired 100% of Enerest, the longstanding gas supplier to the economic region of Strasbourg. The acquisition price was €139 million. Following establishment of a provisional initial balance sheet, intangible assets (principally concerning customer relations and the "Gaz de Strasbourg" brand) were valued at €38 million before tax effects.
The provisional goodwill on this operation recorded in the consolidated financial statements at 30 June 2012 amounts to €90 million.

6 SEGMENT REPORTING

Segment reporting presentation complies with IFRS 8, "Operating segments".
Segment reporting is determined before 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 31 December 2011.

6.1 AT 30 JUNE 2012

(in millions of Euros)	France	United Kingdom	Italy	Other international	Other activities	Eliminations	Total
External sales	20,706	4,821	3,607	4,009	3,079	-	36,222
Inter-segment sales	268	-	-	77	300	(645)	-
Total sales	20,974	4,821	3,607	4,086	3,379	(645)	36,222
Operating profit before depreciation and amortisation	6,072	1,075	211	552	1,165	-	9,075
Operating profit	4,093	690	(137)	53	903	-	5,602

6.2 AT 30 JUNE 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 amortisation	5,733	1,186	218	638	900	-	8,675
Operating profit	3,565	723	(30)	671	437	-	5,366

7 SALES

(in millions of Euros)	H1 2012	H1 2011
Sales of energy and energy-related services	33,525	30,918
Other sales of goods and services	2,246	2,068
Trading	451	478
Sales	**36,222**	**33,464**

8 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 3 January 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 €2,385 million in the first half of 2012 (€1,721 million in first-half 2011).
In first-half 2012, other operating income and expenses also include:

- €72 million corresponding to reversals of negative fair value on British Energy commodity sales contracts recognised at the acquisition date of 5 January 2009 following their settlement (€201 million in the first half-year of 2011);
- gains on sales of real estate assets in France amounting to €187 million.

In first-half 2011, other operating income and expenses also included a net expense of €(118) million relating to the TaRTAM transition tariff system: €(170) million of this amount resulted from the decision of 4 July 2011 issued after re-estimation of the cost by the French energy regulator CRE (*Commission de Régulation de l'Energie*) based on information provided by the suppliers concerned.

9 IMPAIRMENT

9.1 AT 30 JUNE 2012

Impairment amounting to €(294) million was recognised at 30 June 2012, including €(233) million in respect of CENG's generation assets.

In the United States, the substantial downturn in gas prices in first quarter 2012 led to a decline in forward electricity prices, providing an indication of loss of value in CENG's generation assets. Consequently, the impairment test was updated, incorporating the new parameters and a lower discount rate of 6.7% (7.1% at 31 December 2011) related to the fall in risk-free dollar rates. A decrease of €233 million in the recoverable value of CENG's assets was thus recorded.

9.2 AT 30 JUNE 2011

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

10 OTHER INCOME AND EXPENSES

10.1 AT 30 JUNE 2012

Other income and expenses for first-half 2012 include:

- the effects of the Group's takeover of Edison during the period, amounting to €(51) million. Details of the impacts of this operation are presented in note 3.1;
- income of €177 million concerning ERDF, primarily resulting from reversal of a provision for renewal following a change in estimate for the useful life of high/low voltage transformers (extended from 30 years to 40 years).

10.2 AT 30 JUNE 2011

Other income and expenses for first-half 2011 reflect the gain on the sale of EnBW, amounting to €327 million.

11 FINANCIAL RESULT

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

Details of this expense are as follows:

(in millions of Euros)	H1 2012	H1 2011
Provisions for post-employment and long-term employee benefits	(691)	(670)
Provisions for back-end nuclear cycle, decommissioning and last cores	(800)	(775)
Other provisions and advances	(71)	(79)
Discount effect	**(1,562)**	**(1,524)**

12 INCOME TAXES

Income taxes amount to €(1,235) million for the first half of 2012, corresponding to an effective tax rate of 32,6 % (compared to an expense of €(995) million corresponding to an effective tax rate of 28.0% for the first half of 2011). They are calculated by applying the forecast effective tax rate for 2012 to the pre-tax income for first-half 2012.

The main cause of the rise in the effective tax rate for first half 2012 compared to first half 2011 is the 1.7 point increase in France's tax rate adopted at the end of 2011, and the positive non-recurring effect of low taxation of the gain on sale of the Group's investment in EnBW in first-half 2011, which had no equivalent in first-half 2012.

13 GOODWILL

Goodwill on consolidated entities comprises the following:

(in millions of Euros)	
Net book value at 31 December 2011	11,648
Acquisitions	128
Disposals	-
Impairment	(27)
Translation adjustments	306
Changes in scope of consolidation and other	(1,400)
Net book value at 30 June 2012	10,655
Gross value at 30 June 2012	11,939
Accumulated impairment at 30 June 2012	(1,284)

Acquisitions during the half-year include goodwill of €90 million recognised after Electricité de Strasbourg's acquisition of Enerest.

Changes in the scope of consolidation over the period include €(1,400) million resulting from derecognition of historical Edison goodwill after the fair value of the assets acquired and liabilities assumed was determined for the purposes of the acquisition of control on 24 May 2012.

14 PROPERTY, PLANT AND EQUIPMENT

(in millions of Euros)	30/6/2012	31/12/2011
Property, plant and equipment	44,920	44,342
Property, plant and equipment in progress	1,274	1,159
Property, plant and equipment operated under French public electricity distribution concessions	46,194	45,501
Property, plant and equipment	6,185	5,326
Property, plant and equipment in progress	934	696
Property, plant and equipment operated under concessions for other activities	7,119	6,022
Property, plant and equipment	50,247	47,184
Property, plant and equipment in progress	15,360	12,951
Finance-leased property, plant and equipment	308	310
Property, plant and equipment used in generation and other tangible assets owned by the Group	65,915	60,445

The increase in property, plant and equipment over the first half of 2012 primarily reflects the effects of the takeover of Edison.

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
Gross values at 30/6/2012	78,989	12,580	107,697
Depreciation and impairment at 30/6/2012	(34,069)	(6,395)	(57,450)
Net values at 30/6/2012	44,920	6,185	50,247
Net values at 31/12/2011	44,342	5,326	47,184

(1) Network assets account for most of these amounts: €73,590 million gross value and €42,832 million net value at 30 June 2012 (€72,345 million gross value and €42,279 million net value at 31 December 2011).

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 and buildings	Nuclear power plants	Fossil-fired and hydropower plants	Networks	Other installations, plant, machinery and equipment & other	Total
Net values at 30/6/2012	5,510	27,016	9,045	389	8,287	50,247
Net values at 31/12/2011	5,306	27,258	6,170	391	8,059	47,184

Impairment of property, plant and equipment amounting to €(254) million is recognised for the first half of 2012, including €(233) million concerning CENG's nuclear generation facilities (see note 9.1).

15 INVESTMENTS IN ASSOCIATES

Investments in associates are as follows:

(in millions of Euros)	Principal activity (1)	Ownership %	30/6/2012 Share of net equity	30/6/2012 Share of net income	31/12/2011 Share of net equity	31/12/2011 Share of net income
RTE Réseau de Transport d'Electricité	T	100.00	4,741	290	4,620	272
ALPIQ	G	25.00	1,420	15	1,396	(276)
Taishan	G	30.00	706	-	688	-
Dalkia Holding	O	34.00	431	8	443	23
NTPC	G	40.00	140	19	125	23
Other investments in associates			316	11	272	9
Total			7,754	343	7,544	51

(1) G= generation, D= distribution, T= transmission, O= other.

15.1 RTE RESEAU DE TRANSPORT D'ELECTRICITE (RTE)

15.1.1 RTE – FINANCIAL INDICATORS

The key financial indicators for RTE for first-half 2012 are as follows:

(in millions of Euros)	
Operating profit before depreciation and amortisation	922
Net income	290
Equity at 30 June 2012	4,741
Balance sheet total at 30 June 2012	14,762
Net indebtedness at 30 June 2012	6,445

15.1.2 TRANSACTIONS BETWEEN THE EDF GROUP AND RTE

At 30 June 2012 the main transactions between the EDF group and RTE were as follows.

Sales

ERDF uses RTE's high-voltage and very high-voltage networks to convey energy from its point of generation to the distribution networks. This service generated €1,669 million in sales revenues for RTE from ERDF over the first half of 2012.
In executing its responsibility to ensure balance in the electricity system, during first-half 2012 RTE also undertook:

- energy purchases and sales with EDF, amounting to €107 million and €106 million respectively;
- system service purchases from EDF amounting to €146 million.

Other transactions

The EDF group contributes to financing of RTE through loans amounting to a total of €1,203 million at 30 June 2012 (€1,400 million at 31 December 2011). RTE recorded a total of €36 million in interest expenses on this loan in first-half 2012.
RTE is also included in the EDF group tax consolidation, under a tax consolidation agreement between the two companies.

16 CURRENT AND NON-CURRENT FINANCIAL ASSETS

16.1 BREAKDOWN BETWEEN CURRENT AND NON-CURRENT FINANCIAL ASSETS

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

	30/6/2012			31/12/2011		
(in millions of Euros)	Current	Non-current	Total	Current	Non-current	Total
Financial assets carried at fair value with changes in fair value included in income	4,933	12	**4,945**	4,482	12	**4,494**
Available-for-sale financial assets	14,004	15,239	**29,243**	10,413	13,915	**24,328**
Held-to-maturity investments	1	17	**18**	3	16	**19**
Positive fair value of hedging derivatives	1,013	1,773	**2,786**	914	1,862	**2,776**
Loans and financial receivables	874	8,272	**9,146**	1,168	8,455	**9,623**
Current and non-current financial assets(1)	**20,825**	**25,313**	**46,138**	**16,980**	**24,260**	**41,240**

(1) Net of impairment of €(1,138) million at 30 June 2012 (€(1,141) million at 31 December 2011).

16.2 DETAILS OF FINANCIAL ASSETS

16.2.1 FINANCIAL ASSETS CARRIED AT FAIR VALUE WITH CHANGES IN FAIR VALUE INCLUDED IN INCOME

(in millions of Euros)	30/6/2012	31/12/2011
Derivatives - positive fair value	4,929	4,478
Fair value of derivatives held for trading	4	4
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	4,945	4,494

16.2.2 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30/6/2012			31/12/2011		
(in millions of Euros)	Equities [(1)]	Debt securities	Total	Equities [(1)]	Debt securities	Total
EDF dedicated assets	6,688	7,407	**14,095**	5,801	7,510	**13,311**
Liquid assets	2,815	10,247	**13,062**	2,782	6,242	**9,024**
Other	2,015	71	**2,086**	1,918	75	**1,993**
Available-for-sale financial assets	11,518	17,725	29,243	10,501	13,827	24,328

(1) Equities or investment funds.

16.2.2.1 Liquid assets

EDF's monetary investment funds included in liquid assets amount to €2,606 million at 30 June 2012 (€2,187 million at 31 December 2011).

16.2.2.2 Other securities

At 30 June 2012, other securities mainly include:

- at CENG, €609 million of available-for-sale financial assets related to decommissioning trust funds (reserved for financing of plant decommissioning) ;
- at EDF Inc., shares in Exelon (€385 million) (CEG shares became Exelon shares after the merger of the two companies, finalised in March 2012);
- at EDF, shares in Areva (€88 million) and Veolia Environnement (€220 million).

16.3 LOANS AND FINANCIAL RECEIVABLES

Loans and financial receivables include amounts representing reimbursements receivable from the Nuclear Liabilities Fund (NLF) and the British government for coverage of long-term nuclear obligations, totalling €6,900 million at 30 June 2012 (€7,209 million at 31 December 2011).

17 TRADE RECEIVABLES

Details of net trade receivables are as follows:

(in millions of Euros)	30/6/2012	31/12/2011
Trade receivables, gross value – excluding EDF Trading	19,423	17,962
Trade receivables, gross value – EDF Trading	2,249	3,613
Impairment	(883)	(667)
Trade receivables – net value	**20,789**	**20,908**

Most trade receivables mature within one year.

Securitisation of trade receivables is undertaken on a recurrent basis, principally by Edison, and amounts to €2,482 million at 30 June 2012 (€2,572 million (EDF's share) at 31 December 2011). As securitisation is without recourse, the corresponding receivables are not carried in the Group's consolidated balance sheet.

18 OTHER RECEIVABLES

"Other receivables" comprise EDF's CSPE receivable, amounting to €4,508 million at 30 June 2012 (€3,821 million at 31 December 2011). This corresponds to the shortfall in CSPE compensation, which is recorded at nominal value and does not bear interest. This receivable is currently expected to be recovered in 2016. It is calculated on the assumption that public service electricity charges will progress steadily until 2020, and that the contribution rate set will be progressively raised as stipulated by law.

They also include various amounts receivable from the French State and local authorities (including €1,362 million of VAT receivables at 30 June 2012 for EDF).

19 HELD-FOR-SALE ASSETS AND LIABILITIES

At 31 December 2011, assets and liabilities held for sale corresponded to Edison's investment in Edipower, which was sold on 24 May 2012 (see note 3.1).

20 EQUITY

20.1 SHARE CAPITAL

EDF's share capital amounts to €924,433,331 comprising 1,848,866,662 fully subscribed and paid-up shares with nominal value of €0.5 each (unchanged from 31 December 2011).

20.2 TREASURY SHARES

As part of the share repurchase program executed under a liquidity contract as required by French market regulator AMF (*Autorité des Marchés Financiers*), 1,419,109 shares were purchased during the first half of 2012 for a total of €24 million, and 1,324,109 shares were sold for a total of €23 million.
At 30 June 2012, the total value of treasury shares deducted from consolidated equity is €(23) million.

20.3 DIVIDENDS

The General Shareholders' meeting of 24 May 2012 decided to distribute a dividend of €1.15 per share in circulation in respect of 2011. Interim dividends of €0.57 per share had been paid out on 16 December 2011, and the balance of €0.58 per share amounting to a total of €1,072 million was paid out on 6 June 2012.

20.4 CHANGES IN THE FAIR VALUE OF FINANCIAL INSTRUMENTS

20.4.1 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:

	30/6/2012		30/6/2011	
(in millions of Euros)	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)
EDF dedicated assets	598	98	(145)	25
Liquid assets	47	17	25	22
Other	(85)	68	(52)	147
Available-for-sale financial assets	**560**	**183**	**(172)**	**194**

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

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

In first-half 2012, gross changes in fair value principally concern:
- EDF (€487 million, including €500 million for dedicated assets);
- EDF Inc (€(25) million for shares in Exelon);
- CENG (€31 million for the Decommissioning Trust Fund).

Gross changes in fair value transferred to income in first-half 2012 include income of €66 million on conversion of CEG shares into Exelon shares as part of the merger between the two companies, finalised on 12 March 2012.

In first-half 2011, gross changes in fair value principally concerned:
- EDF (€(306) million, including €(170) million for dedicated assets);
- EDF Inc (€69 million for CEG shares);
- CENG (€17 million for the Decommissioning Trust Fund).

20.4.2 HEDGING INSTRUMENTS

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

	30/6/2012			30/6/2011		
(in millions of Euros)	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	(24)	-	(1)	(21)	-	-
Exchange rate hedging	21	53	9	(375)	(199)	3
Net foreign investment hedging	(729)	-	-	740	-	-
Commodity hedging	(417)	(294)	-	(214)	(109)	-
Hedging instruments	**(1,149)**	**(241)**	**8**	**130**	**(308)**	**3**

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

21 PROVISIONS

21.1 BREAKDOWN BETWEEN CURRENT AND NON-CURRENT PROVISIONS

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

		30/6/2012			31/12/012		
(in millions of Euros)	Notes	Current	Non-current	Total	Current	Non-current	Total
Provisions for back-end nuclear cycle	21.2	1,053	17,746	**18,799**	1,302	17,528	**18,830**
Provisions for decommissioning and last cores	21.2	237	19,519	**19,756**	173	19,670	**19,843**
Provisions related to nuclear generation	**21.2**	**1,290**	**37,265**	**38,555**	**1,475**	**37,198**	**38,673**
Provisions for decommissioning of non-nuclear facilities		**45**	**1,024**	**1,069**	**41**	**809**	**850**
Provisions for employee benefits	**21.4**	**974**	**16,287**	**17,261**	**940**	**14,611**	**15,551**
Other provisions	**21.5**	**1,361**	**1,868**	**3,229**	**1,606**	**1,338**	**2,944**
Total provisions		3,670	56,444	60,114	4,062	53,956	58,018

21.2 PROVISIONS RELATED TO NUCLEAR GENERATION – BACK-END NUCLEAR CYCLE, PLANT DECOMMISSIONING AND LAST CORES

In the first half of 2012, the movement in provisions for back-end nuclear cycle, provisions for decommissioning and provisions for last cores breaks down as follows:

	31/12/2011	Increases	Decreases		Other movements	30/6/2012
(in millions of Euros)			Utilisations	Reversals		
Provisions for spent nuclear fuel management	11,530	422	(323)	(92)	(63)	**11,474**
Provisions for long-term radioactive waste management	7,300	177	(144)	(8)	-	**7,325**
Provisions for back-end nuclear cycle	*18,830*	*599*	*(467)*	*(100)*	*(63)*	*18,799*
Provisions for nuclear plant decommissioning	16,430	311	(100)	-	(290)	**16,351**
Provisions for last cores	3,413	82	-	-	(90)	**3,405**
Provisions for decommissioning and last cores	*19,843*	*393*	*(100)*	*-*	*(380)*	*19,756*
Provisions related to nuclear generation	38,673	992	(567)	(100)	(443)	38,555

Other changes in provisions related to nuclear generation reflect the change in amounts reimbursable by the NLF and the British government for coverage of EDF Energy's long-term nuclear obligations, totalling €(309) million, including €(608) million resulting from the 7-year extension to the nuclear plants' operating lifetime in first-half 2012.

The breakdown of provisions by company is shown below:

(in millions of Euros)	EDF	EDF Energy	CENG	Other entities	Total
Provisions for spent nuclear fuel management	9,081	2,391	-	2	11,474
Provisions for long-term radioactive waste management	6,744	581	-	-	7,325
Provisions for back-end nuclear cycle at 30 June 2012	**15,825**	**2,972**	**-**	**2**	**18,799**
Provisions for back-end nuclear cycle at 31 December 2011	**15,865**	**2,962**	**-**	**3**	**18,830**
Provisions for nuclear plant decommissioning	11,571	4,115	505	160	16,351
Provisions for last cores	2,071	1,285	49	-	3,405
Provisions for decommissioning and last cores at 30 June 2012	**13,642**	**5,400**	**554**	**160**	**19,756**
Provisions for decommissioning and last cores at 31 December 2011	**13,378**	**5,791**	**519**	**155**	**19,843**

The decline in EDF Energy's provisions for decommissioning and last cores over first-half 2012 results from the 7-year extension to its nuclear plants' operating lifetime (€(608) million for decommissioning and €(146) million for last cores).

21.3 NUCLEAR PROVISIONS IN FRANCE

The measurement of provisions for the back-end of the 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.
For permanently shut-down nuclear power plants (UNGG power plants, Creys-Malville, Brennilis and Chooz A), the provision is based on contractor quotes (costs and schedules) last updated in 2008. Re-examination of these quotes should be finalised during the second half of 2012.

The discount rate and calculation method used for provisions are identical to those used at 31 December 2011. 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 30 June 2012 and spread over a forecast disbursement schedule. A provision is booked equivalent to the discounted value (EDF applies a nominal discount rate of 5% in calculating its provisions, together with assumed inflation of 2%, resulting in an effective rate of close to 3%).

	30/6/2012		31/12/2011	
(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
Spent fuel management	14,891	9,081	14,844	9,143
Long-term radioactive waste management	24,006	6,744	23,801	6,722
Back-end nuclear cycle expenses	**38,897**	**15,825**	**38,645**	**15,865**
Decommissioning provisions for nuclear power plants	21,244	11,571	21,108	11,366
Provisions for last cores	3,941	2,071	3,888	2,012
Provision for decommissioning and last cores	**25,185**	**13,642**	**24,996**	**13,378**

21.4 EMPLOYEE BENEFITS

21.4.1 EDF group

(in millions of Euros)	30/6/2012	31/12/2011
Provision for employee benefits - current portion	974	940
Provision for employee benefits - non-current portion	16,287	14,611
Provision for employee benefits	**17,261**	**15,551**

21.4.1.1 Breakdown of the change in the provision

(in millions of Euros)	Obligations	Fund assets	Obligations net of fund assets	Unrecognised past service cost	Provision in the balance sheet
Balance at 31/12/2011	**28,267**	**(12,594)**	**15,673**	**(122)**	**15,551**
Net expense for first-half 2012	1,157	(316)	841	7	848
Change in actuarial gains and losses	1,841	(306)	1,535	-	1,535
Employer's contributions to funds	-	(179)	(179)	-	(179)
Employees' contributions to funds	10	(10)	-	-	-
Benefits paid	(682)	115	(567)	-	(567)
Unvested past service cost	-	-	-	-	-
Translation adjustment	233	(186)	47	-	47
Changes in scope of consolidation	34	-	34	-	34
Other movements	18	(27)	(9)	1	(8)
Balance at 30/6/12	**30,878**	**(13,503)**	**17,375**	**(114)**	**17,261**

21.4.1.2 Post-employment and long-term employee benefit expenses

(in millions of Euros)	30/6/2012
Current service cost	(371)
Interest expense (discount effect)	(691)
Expected return on fund assets	316
Past service cost	(7)
Change in actuarial gains and losses – long-term benefits	(96)
Effect of plan curtailment or settlement	1
Post-employment and other long-term employee benefit expenses	**(848)**
including:	
Operating expense	(473)
Financial expense	(375)

21.4.1.3 *Provision by operating segment*

(in millions of Euros)	France	United Kingdom	Italy	Other international	Other activities	Total
Obligations at 31/12/2011	**21,454**	**6,027**	**37**	**462**	**287**	**28,267**
Net expense for first-half 2012	884	244	2	17	10	1,157
Change in actuarial gains and losses	1,482	316	1	-	42	1,841
Employer's contributions to funds	-	-	-	-	-	-
Employees' contributions to funds	-	10	-	-	-	10
Benefits paid	(571)	(95)	(1)	(11)	(4)	(682)
Unvested past service cost	-	-	-	-	-	-
Translation adjustment	-	222	-	10	1	233
Changes in scope of consolidation	-	-	17	6	11	34
Other movements	-	(3)	(2)	(3)	26	18
Obligations at 30/6/2012	**23,249**	**6,721**	**54**	**481**	**373**	**30,878**
Fair value of fund assets	(7,667)	(5,478)	-	(195)	(163)	(13,503)
Unrecognised past service cost	(111)	-	-	(2)	(1)	(114)
Provision for employee benefits at 30/6/2012	**15,471**	**1,243**	**54**	**284**	**209**	**17,261**

(in millions of Euros)	France	United Kingdom	Italy	Other International	Other Activities	Total
Obligations at 31/12/2011	**21,454**	**6,027**	**37**	**462**	**287**	**28,267**
Fair value of fund assets	(7,306)	(4,978)	-	(181)	(129)	(12,594)
Unrecognised past service cost	(117)	-	-	(3)	(2)	(122)
Provision for employee benefits at 31/12/2011	**14,031**	**1,049**	**37**	**278**	**156**	**15,551**

21.4.2 France

The "France" segment mainly comprises EDF and ERDF, almost all of the employees of these companies benefit from IEG status including the special pension system and other IEG benefits.

21.4.2.1 *Details of changes in the provision*

(in millions of Euros)	Obligations	Fund assets	Obligations net of fund assets	Unrecognised past service cost	Provision in the balance sheet
Balances at 31/12/2011	**21,454**	**(7,306)**	**14,148**	**(117)**	**14,031**
Net expense for first-half 2012	884	(176)	708	6	714
Change in actuarial gains and losses	1,482	(185)	1,297	-	1,297
Employer's contributions to funds	-	(10)	(10)	-	(10)
Employees' contributions to funds	-	-	-	-	-
Benefits paid	(571)	10	(561)	-	(561)
Unvested past service cost	-	-	-	-	-
Other movements	-	-	-	-	-
Balances at 30/6/2012	**23,249**	**(7,667)**	**15,582**	**(111)**	**15,471**

The change in actuarial gains and losses mainly relates to the 0.5 point decline in the discount rate for long-term commitments to employees, which is 4.5% at 30 June 2012 (5.0% at 31 December 2011).

21.4.2.2 Post-employment and long-term employee benefit expenses

(in millions of Euros)	30/6/2012
Current service cost	(255)
Interest expense (discount effect)	(534)
Expected return on fund assets	176
Past service cost	(6)
Change in actuarial gains and losses – long-term benefits	(95)
Effect of plan curtailment or settlement	-
Net post-employment and other long-term employee benefit expenses	**(714)**
including:	
Operating expense	(356)
Financial expense	(358)

21.4.2.3 Actuarial assumptions

(%)	30/6/2012	31/12/2011
Discount rate	4.50%	5.00%
Expected return on fund assets	4.70%	4.70%
Wage increase rate	2.00%	2.00%

In France, the discount rate for long-term obligations to employees is determined based on the return on a government bond of comparable duration - the 2035 French Treasury bond, which has a duration of 14 years consistent with the duration of employee benefit obligations - plus a spread calculated on the leading nonfinancial companies, also over a comparable duration.

The Group revised the discount rate to 4.5% for first-half 2012 as a result of this method.

21.4.3 United Kingdom

21.4.3.1 Details of the change in the provision

(in millions of Euros)	Obligations	Fund assets	Obligations net of fund assets	Unrecognised past service cost	Provision in the balance sheet
Balances at 31/12/2011	**6,027**	**(4,978)**	**1,049**	**-**	**1,049**
Net expense for first-half 2012	244	(130)	114	-	**114**
Change in actuarial gains and losses	316	(118)	198	-	**198**
Employer's contributions to funds	-	(156)	(156)	-	**(156)**
Employees' contributions to funds	10	(10)	-	-	**-**
Benefits paid	(95)	95	-	-	**-**
Unvested past service cost	-	-	-	-	**-**
Translation adjustment	222	(182)	40	-	**40**
Changes in scope of consolidation	-	-	-	-	**-**
Other movements	(3)	1	(2)	-	**(2)**
Balances at 30/6/2012	**6,721**	**(5,478)**	**1,243**	**-**	**1,243**

21.4.3.2 Post-employment benefit expenses and long-term employee benefit expenses

(in millions of Euros)	30/6/2012
Current service cost	(100)
Interest expense (discount effect)	(144)
Expected return on fund assets	130
Effect of plan curtailment or settlement	-
Post-employment and other long-term employee benefit expenses	**(114)**
including:	
Operating expense	(100)
Financial expense	(14)

21.4.3.3 Actuarial assumptions

(%)	30/6/2012	31/12/2011
Discount rate	4.40%	4.70%
Expected return on fund assets	5.10%	5.10%
Wage increase rate	4.60%	4.70%

21.5 OTHER PROVISIONS AND CONTINGENT LIABILITIES

21.5.1 OTHER PROVISIONS

Details of changes in other provisions are as follows:

	31/12/2011	Increases	Decreases		Changes in scope	Other changes	30/6/2012
(in millions of Euros)			Utilisations	Reversals			
Provisions for contingencies related to investments	194	-	-	(18)	-	(2)	**174**
Provisions for tax liabilities	266	24	(2)	-	148	1	**437**
Provisions for litigation	563	6	(12)	(36)	71	2	**594**
Provisions for onerous contracts	768	18	(117)	-	-	16	**685**
Other provisions	1,153	606	(469)	(45)	179	(85)	**1,339**
Other provisions	**2,944**	**654**	**(600)**	**(99)**	**398**	**(68)**	**3,229**

Provisions for onerous contracts include the fair value of:

- British Energy sales contracts, amounting to €53 million at 30 June 2012 (€130 million at 31 December 2011);
- CENG sales contracts amounting to €494 million at 30 June 2012 (€491 million at 31 December 2011).

At 30 June 2012, other provisions include provisions of €574 million for greenhouse gas emission quotas and renewable energy certificates (€466 million at 31 December 2011).

21.5.2 CONTINGENT LIABILITIES

The main changes during the first half-year of 2012 compared to the contingent liabilities reported in note 45 to the consolidated financial statements for 2011 are as follows:

21.5.2.1 Arbitration request by the Baden-Württemberg region / EnBW

On 22 February 2012 EDF International received a request for arbitration filed with the International Chamber of Commerce by the German company Neckarpri GmbH, the vehicle for the Baden-Württemberg region's acquisition of the EDF group's stake in EnBW, which was agreed on 6 December 2010 and completed on 17 February 2011.

Neckarpri claims that the price paid for the EDF group's investment in EnBW was excessive and therefore constitutes illegal State aid. On those grounds, it is claiming reimbursement of the allegedly excess portion of the price. This was initially estimated at €2 billion in the request for arbitration, but was re-estimated at €840 million on 11 July 2012 in a new independent report on the valuation of EnBW commissioned by Baden-Württemberg. Should the reimbursement claim be rejected, as an alternative Neckarpri is seeking cancellation of the sale of the EDF group's stake in EnBW.

EDF considers this claim unfounded and a misuse of law, and intends to sue for damages for all the kinds of prejudices caused by this action.

21.5.2.2 General Network – Rejection of the European Commission's appeal

On 15 December 2009 the European Union Court cancelled the European Commission's decision of 16 December 2003 that had classified the tax treatment of provisions created for the renewal of the General Network at the time of EDF's capital increase in 1997 as state aid, and ordered repayment to the French State of the discounted value, i.e. €1,224 million (paid by EDF in February 2004). The State therefore reimbursed this amount to EDF on 30 December 2009, then in February 2010 the European Commission filed an appeal before the Court of Justice of the European Union.
On 5 June 2012, the Court of Justice of the European Union issued a decision rejecting the European Commission's appeal and upheld the European Union Court's decision of 15 December 2009.

21.5.2.3 ERDF – Action against TURPE 3 tariff decisions

On 17 August 2009, a claim was filed with the French Council of State by certain energy market players, seeking cancellation of the TURPE3 tariff decisions of 5 May and 5 June 2009.
The Council of State gave a decision on 28 March 2012 which confirmed the validity of the procedure for adopting TURPE 3. However, before delivering a judgment on the substance of the case, it has requested an independent expert's opinion, in particular on the method used to determine the weighted average cost of capital.

21.5.2.4 Edison mandatory tender offer – Appeal of Carlo Tassara

Carlo Tassara S.p.A., Edison's largest minority shareholder, initiated action on 12 July 2012 before the Lazio (Rome) Regional Administrative Court, seeking an increase in the price of the mandatory tender offer for Edison shares launched by TdE. Carlo Tassara is also petitioning for suspension of the CONSOB's decision of 3 May 2012 allowing TdE to launch the offer at the price of €0.89 per share, and therefore suspension of the offer currently in process. At the court hearing on the question of suspension held on 25 July 2012, the court rejected the petition for suspension as the CONSOB had not given any decision in response to Carlo Tassara's application for an increase in the offer price (see below). A further hearing has therefore been scheduled for 30 August 2012. Whatever the court decides regarding suspension, its decision regarding the question of the €0.89 offer price is not expected to be issued before late 2012 at the soonest.

In parallel, on 31 May 2012 Carlo Tassara submitted an application to the CONSOB for an increase in the price of the mandatory tender offer. The deadline for the CONSOB's reply is 3 August 2012.

22 SPECIAL FRENCH PUBLIC ELECTRICITY DISTRIBUTION CONCESSION LIABILITIES

The changes in special concession liabilities for existing assets and assets to be replaced are as follows:

(in millions of Euros)	30/6/2012	31/12/2011
Value in kind of assets	40,861	40,307
Unamortised financing by the operator	(19,774)	(19,383)
Rights in existing assets - net value	21,087	20,924
Amortisation of financing by the grantor	10,210	9,923
Provisions for renewal	10,777	10,922
Rights in assets to be replaced	20,987	20,845
Special French public electricity distribution concession liabilities	42,074	41,769

The valuation methods for special concession liabilities are identical to those presented in the notes to the 2011 consolidated financial statements, particularly note 1.3.2.6, 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.

23 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

23.1 BREAKDOWN BETWEEN CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

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

	30/6/2012			31/12/2012		
(in millions of Euros)	Non-current	Current	Total	Non-current	Current	Total
Loans and other financial liabilities	45,364	14,686	**60,050**	41,989	8,045	**50,034**
Negative fair value of derivatives held for trading	-	3,928	**3,928**	-	3,433	**3,433**
Negative fair value of hedging derivatives	746	1,453	**2,199**	699	1,311	**2,010**
Financial liabilities	46,110	20,067	66,177	42,688	12,789	55,477

€2,005 million of the rise in the current portion of loans and other financial liabilities over first-half 2012 relates to TdE and Edison.

23.2 LOANS AND OTHER FINANCIAL LIABILITIES

23.2.1 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 31/12/2011	37,524	5,481	5,567	371	1,091	50,034
Increases	3,943	806	3,729	2	130	**8,610**
Decreases	(536)	(1,272)	(289)	-	(38)	**(2,135)**
Translation adjustments	359	41	73	-	1	**474**
Changes in scope of consolidation	944	1,656	152	23	2	**2,777**
Other changes (1)	342	(29)	(23)	19	(19)	**290**
Balances at 30/6/2012	42,576	6,683	9,209	415	1,167	60,050

(1) Other changes in loans and financial liabilities correspond to fair value changes amounting to €358 million.

During the first half of 2012, EDF received the funds from the following bond issues:

- €2 billion from a 10-year bond with annual coupon of 3.875%, on 18 January 2012;
- €1 billion from a 15-year bond with coupon of 4.125%, and £500 million from a 25-year bond with coupon of 5.5%, on 27 March 2012.

23.2.2 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	1,968	3,028	8,483	40	1,167	**14,686**
From one to five years	11,939	1,546	332	111	-	**13,928**
More than five years	28,669	2,109	394	264	-	**31,436**
Loans and other financial liabilities at 30 June 2012	**42,576**	**6,683**	**9,209**	**415**	**1,167**	**60,050**

23.2.3 CREDIT LINES

At 30 June 2012, the Group has credit lines with various banks totalling €9,128 million (€10,179 million at 31 December 2011).

	30/6/2012				31/12/2011
		Maturity			
(in millions of Euros)	Total	< 1 year	1 - 5 years	> 5 years	Total
Confirmed credit lines	**9,128**	1,310	7,812	6	**10,179**

The change in credit lines during first-half 2012 includes a favourable €234 million effect resulting from full consolidation of Edison from 24 May 2012.

23.3 NET INDEBTEDNESS

(in millions of Euros)	Notes	30/6/2012	31/12/2011
Loans and other financial liabilities	23.2	60,050	50,034
Derivatives used to hedge liabilities		(1,149)	(834)
Cash and cash equivalents		(4,920)	(5,743)
Liquid assets	16.2.2	(13,062)	(9,024)
Loan to RTE	15.1.2	(1,203)	(1,400)
Net indebtedness of assets held for sale		-	252
Net indebtedness		**39,716**	**33,285**

The takeover of Edison, resulting in full consolidation of Edison and TdE, led to a €2,390 million increase in the EDF Group's net indebtedness (see note 3.1.6).

24 OTHER LIABILITIES

Details of other liabilities are as follows

(in millions of Euros)	30/6/2012	31/12/2011
Advances and progress payments received	6,349	6,696
Liabilities related to property, plant and equipment	1,796	2,404
Tax and social charges	7,359	7,102
Deferred income	5,739	5,935
Other	2,850	2,752
Other liabilities	**24,093**	**24,889**
Non-current portion	4,803	4,989
Current portion	19,290	19,900

Advances and progress payments received at 30 June 2012 include monthly standing order payments by EDF's residential and business customers amounting to €5,419 million (€5,239 million at 31 December 2011).

Tax and social charges at 30 June 2012 mainly include an amount of €632 million for CSPE income to be collected by EDF on energy delivered but not yet billed (€579 million at 31 December 2011).

EDF's deferred income at 30 June 2012 comprises €2,810 million (€2,814 million at 31 December 2011) of partner advances made under the nuclear plant financing plans. This includes an advance of €518 million paid by the Enel group under the industrial partnership agreement for the Flamanville EPR (€513 million at 31 December 2011). This advance is subject to specific contractual conditions that allow Enel to withdraw its financial and operational contribution from the project in certain circumstances, in which case the EDF group would be obliged to repay the advance.
Since 2010, deferred income has also included the advance paid to the EDF group under the agreement with the Exeltium consortium.

25 OFF BALANCE SHEET COMMITMENTS

25.1 COMMITMENTS GIVEN

(in millions of Euros)		30/6/2012	31/12/2011
Operating contract performance commitments	25.1.1	**20,986**	**19,791**
Investment commitments given	25.1.2	**984**	**629**
Financing commitments given	25.1.3	**4,411**	**3,906**

Purchase commitments for commodities, energy and nuclear fuels amount to €39,928 million at 31 December 2011. Apart from the effect of full consolidation of Edison, there was no significant variation in the first half of 2012.

25.1.1 OPERATING CONTRACT PERFORMANCE COMMITMENTS GIVEN

At 30 June 2012, these commitments comprise the following:

(in millions of Euros)	30/6/2012	31/12/2011
Satisfactory performance, completion and bid guarantees	560	566
Commitments related to orders for operating items	4,807	4,354
Commitments related to orders for fixed assets	11,699	12,083
Other operating commitments	3,920	2,788
Operating contract performance commitments given	20,986	19,791

The change in off balance sheet commitments observed over the first half of 2012 mainly includes the effect of the change to full consolidation for Edison since 24 May 2012.

25.1.2 INVESTMENT COMMITMENTS GIVEN

Commitments related to investments are as follows:

(in millions of Euros)	30/6/2012	31/12/2011
Investment commitments	948	427
Other commitments related to Group investments	36	202
Investment commitments given	984	629

The mandatory tender offer launched by the Group on 2 July 2012 to minority shareholders of Edison generates an investment commitment of €893 million in the half-year consolidated financial statements at 30 June 2012.

Investment commitments at 31 December 2011 included the commitment to purchase EnBW's holdings in Polish entities for €301 million. The Group undertook these purchases on 16 February 2012.

25.1.3 FINANCING COMMITMENTS GIVEN

Guarantees of borrowings by the Group at 30 June 2012 comprise the following:

(in millions of Euros)	30/6/2012	31/12/2011
Security interests in real property	3,826	3,449
Guarantees related to borrowings	246	158
Other financing commitments	339	299
Financing commitments given	4,411	3,906

25.2 COMMITMENTS RECEIVED

The commitments received reported below do not include the credit lines presented in note 23.2.3 and electricity supply commitments.

(in millions of Euros)	30/6/2012	31/12/2011
Operating commitments received	**1,826**	**1,871**
Investment commitments received	**18**	**18**
Financing commitments received	**242**	**239**

26 EDF'S DEDICATED ASSETS PORTFOLIO

In an increasingly open electricity market, EDF is progressively building up a portfolio of financial assets dedicated to secure financing of long-term nuclear obligations, specifically decommissioning of the nuclear power plants and 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 48 to the financial statements at 31 December 2011.

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

(in millions of Euros)	**Balance sheet presentation**	**30/6/2012**	**31/12/2011**
Equities		6,688	5,801
Debt instruments and cash portfolio		7,407	7,510
Dedicated assets – equities and debt instruments	Available-for-sale financial assets	**14,095**	**13,311**
Currency/equity hedging derivatives	Fair value of hedging derivatives	-	(22)
Other		-	2
Total diversified investments (bonds and equities)		**14,095**	**13,291**
RTE (50% of the Group's investment) (1)	Investments in associates	**2,371**	**2,310**
Total dedicated assets		16,466	15,601

(1) The value of RTE shares allocated to dedicated assets at 31 December 2011 has been adjusted for the €(58) million impact of the change in accounting method for actuarial gains and losses on post-employment benefits.

Allocations to the dedicated assets portfolio were suspended in October 2011 but resumed in January 2012, and the cash allocation to the dedicated assets portfolio for first-half 2012 amounts to €366 million (€210 million in first-half 2011).

At 30 June 2012, the difference between the fair value and acquisition cost of diversified equity and bond instruments included in equity is a positive €719 million before taxes (€219 million at 31 December 2011).

27 RELATED PARTIES

There have been no significant changes since 31 December 2011 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 Pressurised Reactor) project, contributing to the formation of commitments on fixed asset orders.

Transactions with RTE are presented in note 15.1.

28 SUBSEQUENT EVENTS

28.1 MANDATORY TENDER OFFER BY THE EDF GROUP FOR EDISON SHARES

On 27 June 2012 the Italian market authority CONSOB authorised Transalpina di Energia S.r.l. (TdE), a fully-owned EDF group subsidiary, to launch the mandatory tender offer as announced for the ordinary shares in Edison S.p.A. it does not yet own. This concerns 1,003,045,298 shares representing 19.36% of the capital of Edison and the offer price is €0.89 per share.
The offer opened on 2 July 2012 and will close on 3 August 2012 unless it is extended.