CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT JUNE 30, 2007

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Consolidated Income Statements

(in millions of euros)	Notes	H1 2007	H1 2006 (1)
Sales	**7**	30 311	30 362
Fuel and energy purchases	**8**	(11 902)	(12 494)
Other external expenses	**9**	(4 180)	(3 817)
Personnel expenses		(5 025)	(4 833)
Taxes other than income taxes		(1 636)	(1 601)
Other operating income and expenses	**11**	1 297	771
Operating profit before depreciation and amortization		**8 865**	**8 388**
Net depreciation and amortization		(2 717)	(2 657)
Net increases in provisions for renewal of property, plant and equipment operated under concession	**2 and 3**	(279)	(264)
(Impairment) / reversals	**12**	-	299
Other income and expenses	**13**	666	691
Operating profit		**6 535**	**6 457**
Cost of gross financial indebtedness	**14.1**	(750)	(776)
Discount expense	**14.2**	(1 314)	(1 280)
Other financial income and expenses	**14.3**	809	555
Financial result	**14**	**(1 255)**	**(1 501)**
Income before taxes of consolidated companies		**5 280**	**4 956**
Income taxes	**15**	(1 695)	(888)
Share in income of companies accounted for under the equity method		6	184
Net income from discontinued operations		8	4
Group net income		**3 599**	**4 256**
Minority interests		85	113
EDF net income		**3 514**	**4 143**
Earnings per share in euros			
Net earnings per share in euros	**21.4**	**1.93**	**2.27**
Diluted earnings per share in euros	**21.4**	**1.93**	**2.27**

(1) The figures published for the first half-year of 2006 have been restated to reflect the change in presentation whereby net increases in provisions for renewal of property, plant and equipment operated under concession are reported under a specific heading (see notes 2 and 3).

Consolidated Balance Sheets

ASSETS (in millions of euros)	Notes	06.30.2007	12.31.2006
Goodwill	16	7 255	7 123
Other intangible assets		1 878	2 100
Property, plant and equipment	17	104 113	103 881
Investments in companies accounted for under the equity method	18	2 169	2 459
Non-current financial assets	19.1	14 534	13 094
Deferred tax assets		1 782	2 167
Non-current assets		**131 731**	**130 824**
Inventories, including work-in-process		7 641	7 431
Trade receivables		13 701	15 716
Current financial assets	19.1	17 653	17 010
Current tax assets		271	431
Other receivables		4 576	4 226
Cash and cash equivalents		3 099	3 308
Current assets		**46 941**	**48 122**
Assets classified as held for sale	20	851	140
TOTAL ASSETS		**179 523**	**179 086**

EQUITY AND LIABILITIES (in millions of euros)	Notes	06.30.2007	12.31.2006
Capital	21.1	911	911
Consolidated reserves and income		24 499	22 398
Equity (EDF share)		**25 410**	**23 309**
Minority interests		1 528	1 490
Total Equity		**26 938**	**24 799**
Provisions for end of nuclear fuel cycle	22.3	14 817	14 636
Provisions for decommissioning and for last cores	22.4	13 827	13 606
Provisions for employee benefits	22.6	12 370	12 377
Other provisions	22.7	2 398	2 505
Non-current provisions	22.1	**43 412**	**43 124**
Special concession liabilities	23	36 150	36 227
Non-current financial liabilities	24.1	19 039	19 983
Other liabilities	26	5 403	5 385
Deferred tax liabilities		4 626	4 646
Non-current liabilities		**108 630**	**109 365**
Provisions	22.1	3 629	4 018
Trade payables and other current liabilities payable		7 754	9 457
Current financial liabilities	24.1	15 079	15 110
Current tax liabilities		1 225	621
Other liabilities	26	15 466	15 600
Current liabilities		**43 153**	**44 806**
Liabilities related to assets classified as held for sale	20	802	116
TOTAL EQUITY AND LIABILITIES		**179 523**	**179 086**

Consolidated Cash Flow Statements

(in millions of euros)	H1 2007	H1 2006
Operating activities :		
Income before tax from consolidated companies	**5 280**	**4 956**
Impairment	-	(299)
Accumulated depreciation and amortization, provisions and change in fair value	2 368	3 066
Financial income and expenses	313	389
Dividends received from companies accounted for under the equity method	114	54
Capital gains/losses	(265)	(310)
Change in working capital	(696)	(399)
Net cash flow from operations	**7 114**	**7 457**
Net financial expenses disbursed	(555)	(488)
Income taxes paid	(848)	(552)
Payment related to the dismantling of Marcoule site	-	(551)
Net cash flow from operating activities	**5 711**	**5 866**
Investing activities :		
Acquisition of companies, net of cash acquired	(146)	(50)
Purchases of property, plant and equipment and intangible assets	(3 023)	(2 421)
Net proceeds from sale of property, plant and equipment and intangible assets	83	125
Changes in financial assets	(1 299)	(5 842)
Net cash flow used in investing activities	**(4 385)**	**(8 188)**
Financing activities :		
Issuance of borrowings	2 631	952
Repayment of borrowings	(2 368)	(669)
Dividends paid by parent company	(2 114)	(1 439)
Dividends paid to minority interests	(45)	(65)
Capital increase subscribed by minority interests	255	10
Increase in special concession liabilities	71	93
Investment subsidies	15	13
Treasury shares	(1)	(12)
Net cash flow from financing activities	**(1 556)**	**(1 117)**
Net increase/(decrease) in cash and cash equivalents	**(230)**	**(3 439)**
Cash and cash equivalents - opening balance	**3 308**	**7 220**
Effect of currency fluctuations	(7)	(20)
Financial income on cash and cash equivalents	42	36
Effect of other reclassifications	(14)	(301)
Cash and cash equivalents - closing balance	**3 099**	**3 496**

Changes in Consolidated Equity

The changes in consolidated equity and minority interests between January 1 and June 30, 2007 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)	Minority interests	Total Equity
Equity at December 31, 2006	**911**	**21 776**	**-**	**310**	**312**	**23 309**	**1 490**	**24 799**
Changes in the fair value of available-for-sale financial assets	-	-	-	-	313	313	-	313
Changes in the fair value of hedging instruments	-	-	-	-	371	371	5	376
Repurchase of treasury shares	-	-	(13)	-	-	(13)	-	(13)
Sales of treasury shares	-	-	10	-	-	10	-	10
Translation adjustments	-	-	-	(17)	-	(17)	7	(10)
Other changes	-	30	-	19	(12)	37	7	44
Changes directly recorded in equity	**-**	**30**	**(3)**	**2**	**672**	**701**	**19**	**720**
Net income	-	3 514	-	-	-	3 514	85	3 599
Dividends paid	-	(2 114)	-	-	-	(2 114)	(66)	(2 180)
Equity at June 30, 2007	**911**	**23 206**	**(3)**	**312**	**984**	**25 410**	**1 528**	**26 938**

(1) At June 30, 2007, the impact of restatement of available-for-sale financial assets to fair value mainly concerns EDF for €1 393 million.
The impact of restatement of hedging instruments mainly relates to EDF Energy's commodity and energy contracts for €(539) million.

The changes in consolidated equity and minority interests between January 1 and June 30, 2006 were 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	Equity (EDF share)	Minority interests	Total Equity
Equity at December 31, 2005	**911**	**17 256**	**-**	**(22)**	**1 016**	**19 161**	**979**	**20 140**
Restatements for application of IFRIC 4	-	143	-	9	-	152	(18)	134
Equity at December 31, 2005	**911**	**17 399**	**-**	**(13)**	**1 016**	**19 313**	**961**	**20 274**
Changes in the fair value of available-for-sale financial assets	-	-	-	-	224	224	(2)	222
Changes in the fair value of hedging instruments	-	-	-	-	(189)	(189)	4	(185)
Repurchase of treasury shares	-	-	(32)	-	-	(32)	-	(32)
Sales of treasury shares	-	-	20	-	-	20	-	20
Translation adjustments	-	-	-	(154)	(3)	(157)	(31)	(188)
Other changes	-	5	-	-	12	17	68	85
Changes directly recorded in equity	**-**	**5**	**(12)**	**(154)**	**44**	**(117)**	**39**	**(78)**
Net income	-	4 143	-	-	-	4 143	113	4 256
Dividends paid	-	(1 439)	-	-	-	(1 439)	(76)	(1 515)
Equity at June 30, 2006	**911**	**20 108**	**(12)**	**(167)**	**1 060**	**21 900**	**1 037**	**22 937**

Notes

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

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

The Company's condensed consolidated half-year financial statements for the six months to June 30, 2007 include the accounts of the Company and its subsidiaries, and the Group's share in the results of joint ventures and associates (all collectively referred to as "the Group").

The Group's consolidated financial statements at June 30, 2007 were prepared under the responsibility of the Board of Directors and approved by the Directors at the Board meeting held on August 30, 2007.

Note 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 Group's consolidated financial statements are prepared using the presentation, recognition and measurement rules prescribed by IAS/IFRS.

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, 2007, in the form in which they should be mandatory at December 31, 2007.
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, 2006 with reference to the principal accounting and valuation methods described in notes 1, 2 and 3 to those financial statements, taking into consideration changes in accounting policies over the period.

1.2 Changes in accounting methods at January 1, 2007

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, 2006. The following standards, amendments and interpretations which are mandatory in 2007 have no effect on the condensed half-year financial statements at June 30, 2007:

- Amendment to IAS 1, "Presentation of financial statements – capital disclosures", which adds required disclosures for evaluation of the Company's objectives, processes and policies for managing its capital;
- IFRIC 7, "Applying the restatement approach under IAS 29: financial reporting in hyperinflationary economies";
- IFRIC 8, "Scope of IFRS 2, Share-based payment": this interpretation clarifies the scope of application of IFRS 2 for transactions where an entity cannot expressly identify all or some of the goods or services received;
- IFRIC 9, "Reassessment of embedded derivatives";
- IFRIC 10, "Interim Financial Reporting and Impairment": this interpretation clarifies that impairment of goodwill and certain financial assets (investments in available-for-sale equity instruments and financial assets carried at cost) recorded in the interim financial statements cannot subsequently be reversed.

IFRS 7, "Financial instruments: disclosures", which defines disclosures to enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and scope of the associated risks, will be applied at December 31, 2007.

The Group made no decision during the first half-year of 2007 regarding the optional application in 2007 of IFRIC 11, "IFRS 2: Group and Treasury Share Transactions" which was endorsed for application by the European Union (EU) at June 30, 2007. This interpretation states that share-based payment transactions whereby an entity receives services in return for equity instruments are to be recorded as equity-settled transactions. The same applies to transfers of equity instruments of the entity's parent company or another group entity to third parties in consideration of supplies of goods and services. This interpretation has no effect on the half-year financial statements.

The Group has not opted for early application of the following standards and amendments likely to be endorsed for application by the EU in 2007:

- IFRS 8, "Operating segments": this standard, which will replace IAS 14, requires 'management approach' reporting in presenting the entity's financial performance and operating segments;
- Amendment to IAS 23, "Borrowing costs", which removes the option allowing immediate expensing of borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, and therefore requires these costs to be capitalized as part of the costs of that asset.

The potential impact of all of these standards, amendments and interpretations is currently being evaluated.

IFRIC 12, "Service Concession Arrangements" is discussed in Note 2.

1.3 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 estimates and assumptions used in establishing the consolidated half-year financial statements at June 30, 2007 are the same as those used for the consolidated financial statements at December 31, 2006, except for changes in the useful lives and renewal values of certain French electricity distribution network assets (see note 2.2.2).
The measurement of provisions for end of nuclear fuel cycle, 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 (see notes 4.1.4 and 22.2).

These provisions amount to €29 007 million at June 30, 2007 (€28 713 million at December 31, 2006).

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

1.3.1 Employee benefits

The value of the obligation for post-employment and other long-term benefits at June 30, 2007 has been calculated by projecting the obligation at December 31, 2006 over a half-year, taking into account benefits paid out and changes in the value of fund assets during the first half-year of 2007.
None of the actuarial assumptions used in calculating the obligation – particularly the discount rate, inflation rate and wage increase rate – has been modified over the period.

1.3.2 Income taxes

For interim financial statements, income tax (current and deferred) is in principle 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 Transition tariff (*Tarif réglementé transitoire d'ajustement de marché* or TARTAM)

To assess the contribution payable by the Group in connection with the transition tariff defined in the French law of December 7, 2006, the assumptions used in establishing the provision at December 31, 2006 have been revised at June 30, 2007. These assumptions are based on the best available information and forecasts, particularly regarding the numbers of customers applying to benefit from this tariff, developments in electricity market prices and the share of the compensation to be financed by the Contribution to the Public Electricity Service (*Contribution au Service Public de l'Electricité* or CSPE).

Based on these revised assumptions and the relevant developments during the first half-year of 2007, the provision recorded for this transition tariff amounts to €514 million at June 30, 2007 (€470 million at December 31, 2006).

1.3.4 Greenhouse gas emission quotas

When a Group entity's estimated gas emissions are higher than the quotas allocated for the year, a provision is established to cover the excess emissions. For interim financial statements, 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.

1.3.5 Seasonal nature of the business

Interim sales and operating profit before depreciation and amortization are affected by significant seasonal factors in the first half of the calendar year, principally in France. This phenomenon varies according to weather conditions and the tariff structures of the period.
Sales and operating profit before depreciation and amortization for the first half-years of 2007 and 2006 and the year 2006 are as follows:

(in millions of euros)	H1 2007	H1 2006 (1)	2006 (1)
Sales	30 311	30 362	58 932
Operating profit before depreciation and amortization	8 865	8 388	14 393

(1) The figures published for 2006 have been restated to reflect the change in presentation of net increases in provisions for renewal of property, plant and equipment operated under concession (see notes 2 and 3).

Note 2 - Public electricity distribution concessions in France and concession agreements for other activities

2.1 IFRIC 12

The IFRIC issued interpretation IFRIC 12, "Service Concession Arrangements", in November 2006. Subject to completion of the endorsement process by the European Commission, application of this interpretation will be mandatory in the EU for financial years beginning on or after January 1, 2008. EDF has not opted for early application.

Nevertheless, a full review of the concession agreements concerning each of the Group's French and foreign entities was instigated in late 2006 and continued into 2007, to determine the treatment applicable in the light of the interpretation IFRIC 12.
This treatment depends on whether the grantor has control, as defined by IFRIC 12, over the infrastructures and services during the concession:

- If the grantor controls the infrastructures and services, the concession falls into the scope of IFRIC 12 and the associated infrastructures are recorded in the operator's accounts as either an intangible asset or a financial asset,
- Otherwise, the concession is not governed by IFRIC 12 and the infrastructure is accounted for under the IFRS applicable.

Analysis of the control exercised by the grantor involves examining, for each contract, the type of infrastructure concerned (electricity generation, transmission or distribution) but also the legal aspects (the respective rights and obligations of the grantor and operator as defined in the agreements) and business environments (particularly tariffs and regulations), both in and outside France.

2.1.1 For concession agreements other than French public electricity distribution concessions, the Group notes that the grantors do not have control over the infrastructures as defined by IFRIC 12:

- in France, for each of the major categories of concession: hydropower generation and transmission networks,
- in the United Kingdom, for EDF Energy's electricity networks,
- in other countries (Italy, Hungary, Slovakia) for all other significant concession agreements.

In Germany, the Group is awaiting finalization of EnBW's position regarding its distribution networks.

2.1.2 For French public electricity distribution concessions, which form the Group's most significant category of concessions, the analysis took into consideration legal and contractual specificities as described in note 3.1 to the 2006 financial statements.
It also took into consideration the fact that EDF, which holds more than 95% of French public distribution concessions, plays a major role in the French distribution model through supra-concession operator assignments reaffirmed by law (French Law of February 10, 2000, amended by the Law of August 9, 2004).
The Group considers in this context that in substance, there are no determinant factors indicating that the grantors have control over the infrastructures as defined by IFRIC 12.

In order to complement the financial information and reflect the specificities of French public electricity distribution concessions, the Group's balance sheet presentation will be altered as follows:

- In the assets, the single heading "property, plant and equipment" will be replaced by the following three headings:
  - Fixed assets operated under French public electricity distribution concessions,
  - Fixed assets operated under concessions for other activities,
  - Fixed assets used in generation, and other property, plant and equipment owned by the Group.
- In the liabilities, the specific contractual obligations set forth in the terms of the public electricity distribution concessions will be split between the grantor's rights in existing public distribution concession assets (the portion of assets deemed financed by the grantor), corresponding to the property, plant and equipment operated under public electricity distribution concessions, and the grantor's rights in public distribution concession assets to be replaced. The different corresponding amounts are reported in the note on special concession liabilities (note 23 of this document).

Based on these analyses, further to the changes in presentation described above, which will be applied in the financial statements at December 31, 2007, the Group considers that the future application of IFRIC 12 will have only a limited impact on its balance sheet and income statement.

2.2 <u>Specific points concerning the French electricity distribution concession</u>

2.2.1 Change in presentation for net increases in provisions for renewal of property, plant and equipment operated under concession in the income statement

The analyses of French public electricity distribution concessions, mainly undertaken in view of the coming application of IFRIC 12, highlighted the similar natures of the obligations to establish, on behalf of the grantor, a provision for renewal of assets financed by the grantor and amortization of the grantor's financing:

- The provision for renewal and amortization of the grantor's financing jointly contribute to establish financing for the grantor,
- The provision for renewal complements the industrial depreciation up to an amount equivalent to the amortization recorded in connection with the replacement value,
- When the asset is replaced, the provision for renewal and the amortization of the grantor's financing recorded in respect of the replaced asset will together form the grantor's rights to the value in kind of the new asset.

Although they are of the same nature, the net flows from the provision for renewal and amortization of grantor's financing have to date been reported at different levels in the income statement.

Driven by its concern for top-quality relevance in financial information, the Group has decided to harmonize the treatment of these two obligations in the income statement from January 1, 2007. Net increases in provisions for renewal of property, plant and equipment operated under concession are now reported under a specific heading as a component of operating profit and thus no longer affect operating profit before depreciation and amortization. This change in presentation has no impact on the nature or calculation methods of the obligations concerned, and operating profit is unaffected.
The financial statements at June 30, 2006 have been restated in accordance with this new presentation policy (see note 3).

2.2.2 Change of estimates for useful lives and replacement values

The Group has reviewed useful lives and the estimated values used as a basis for calculating provisions for renewal for French public electricity distribution concession assets.

Following this review, existing useful lives have been retained for all except two types of facility:
- For substation buildings (belonging to the grantor or to EDF), the useful life has been extended from 30 to 45 years.
- For electronic metering equipment, the useful life has been reduced from 30 to 25 or 20 years, depending on the equipment type.

No divergence regarding the replacement values was observed that would require changes in the estimations used. However, the review did show that the purchase cost of metering equipment had fallen significantly as a result of the widespread use of electronic technology, and the revised estimated replacement value for this category of equipment is lower than the historical value. Consequently, the corresponding provision for renewal is no longer required and has been totally reversed during the period.

The impacts of these accounting changes are considered as changes in estimate, and are applied prospectively.

The table below details the impact of these changes in estimate on the first half-year income statement. Due to its non-recurring nature and amount, the impact of increases and reversals of provisions for renewal at January 1, 2007 is included in “Other operating income and expenses”.

(in millions of euros)	Provision for renewal : (Increase)/decrease	Depreciation : (increase)/decrease	Total
Extension of the useful life for substation buildings	106	5	111
Decrease of the useful life for metering equipment	-	(17)	(17)
Reversal of provision for renewal for metering equipment	449	-	449
Total	**555**	**(12)**	**543**

The total positive after-tax effect of these changes on the income statement amounts to €338 million.

The review of useful lives and replacement values will be ongoing through maintenance work for the tools used and regular adjustment of data for broad categories of facilities.

2.2.3 Valuation of special concession liabilities

The Group considers that special concession liabilities concerning the operator’s obligations relating to renewal of assets (amortization of the grantor’s financing and the provision for renewal) are to be valued on the basis of the special clauses contained in the concession agreements. Under this approach, these liabilities are stated at the value of the contractual obligations as calculated and reported annually in the reports to the grantors.
If no such clauses existed, an alternative approach would be to state contractual obligations at the discounted value of future payments required for replacement of property, plant and equipment operated under concession at the end of their industrial useful life.
For information, the effects of discounting the obligations to finance assets to be renewed would be as follows, applying the same assumptions as used in the annual 2006 financial statements to the first-half 2007 financial statements (forecast inflation: 2%, discount rate: 4.25%):

- Impact on the income statements for the first half-year of 2007:

(in millions of euros)	H1 2007
Operating profit	400
Financial result	(240)
Income before taxes	160

- Impact on the balance sheet and equity at June 30, 2007:

(in millions of euros and before taxes)	06.30.2007
At start of period	1 430
At end of period	1 590

Valuation of concession liabilities under this method is also subject to uncertainty in terms of cost and disbursement dates; in addition, it is sensitive to variations in inflation and discount rates.

Note 3 - Comparability

For purposes of comparison between the first half-years of 2007 and 2006, the consolidated income statement published for the first half-year of 2006 has been restated to reflect the change in presentation applied for net increases in provisions for renewal of property, plant and equipment operated under concession described in note 2.2.1.

The impact of this change on the income statement for the first half-year of 2006 is as follows:

(in millions of euros)	**H1 2006 as published**	**Changes in presentation**	**H1 2006 after changes in presentation**
Sales	30 362	-	30 362
Fuel and energy purchases	(12 494)	-	(12 494)
Other external expenses	(3 817)	-	(3 817)
Personnel expenses	(4 833)	-	(4 833)
Taxes other than income taxes	(1 601)	-	(1 601)
Other operating income and expenses	507	264	771
Operating profit before depreciation and amortization	**8 124**	**264**	**8 388**
Net depreciation and amortization	(2 657)	-	(2 657)
Net Increases in provision for renewal of property, plant and equipment operated under concession	-	(264)	(264)
(Impairment) / reversals	299	-	299
Other operating income and expenses	691	-	691
Operating profit	**6 457**	**-**	**6 457**

Note 4 - Significant events and transactions of the first half-year of 2007

The main significant events and transactions of the first half-year of 2007 are as follows:

4.1 France

4.1.1 Industrial partnership between EDF and the Exeltium consortium

On April 5, 2007, EDF and Exeltium (the consortium of electricity-intensive customers founded by 7 industrial companies, principally Alcan, Arcelor-Mittal, Air Liquide, Rhodia and Solvay) signed an industrial and commercial partnership agreement setting forth the terms and conditions corresponding to the memorandum of understanding signed on January 15, 2007, in accordance with the amended French Finance Law of December 31, 2005. This agreement covers volumes of some 350 TWh spread over 24 years. Its initial objective was to enable Exeltium, and ultimately other electricity-intensive industrial customers, to have greater visibility over long-term electricity supply prices in return for sharing risks relating to development and operation of EDF's nuclear power plants.
The terms of the agreement are not yet final: it was presented to the European Commission in the spring. The Commission and the parties to the agreement are in discussions to reach an arrangement that is satisfactory in view of competition rules.

4.1.2 Industrial agreement between EDF and Poweo

The long-term industrial agreement signed by Poweo and EDF concerns the supply by EDF of 160 MW of nuclear electricity between 2007 and 2021 on economic terms that reflect the cost of developing a new nuclear generation plant. In exchange, Poweo will deliver part of the output of its future 412-MW combined cycle gas turbine power plant at Pont sur Sambre to EDF, for the same capacity and duration, starting in 2009.
Sales under this agreement began during the half-year.

4.1.3 Transfer of the electricity distribution business to a subsidiary

French Law 2006-1537 of December 7, 2006 on energy requires the electric energy distribution business in mainland France to be carried out by an entity that is legally separate from EDF in 2007.

On June 14, 2007 EDF's Board of Directors therefore authorized signature of a partial business contribution agreement for the transfer of its distribution activity to a subsidiary. The transfer will have retroactive tax and accounting effect from January 1, 2007.
This operation will be submitted for approval by the shareholders at an extraordinary shareholders' meeting convened for the purpose on December 20, 2007. It will be legally effective at January 1, 2008.

4.1.4 Application of French Law 2006-739 of June 28, 2006 on sustainable management of radioactive materials and waste

Decree 2007-243 of February 23, 2007 and the decision of March 21, 2007 determine the content and form of the three-yearly report on the secure coverage of nuclear expenses required by this law.

The first of these reports was submitted on June 28, 2007 to France's Ministry of Ecology and Sustainable Development, France's Ministry of Economy, Finance and Employment and the other addressees as stipulated in the laws. Its main contents concern:

- The nature of expenses related to nuclear activities, their allocation and measurement, and the related provisions established,
- The method for determining the discount rate used in calculation of provisions and the maximum limit for that rate,
- The internal management of assets dedicated to covering these expenses, the nature of dedicated assets authorized to secure their financing, their exposure to financial risks and associated disclosures,
- Accounting disclosures required by the accounting regulations in force, and information required by law.

The figures in this report are based on the presentation format and values used in establishing the financial statements at December 31, 2006. The half-year financial statements at June 30, 2007 have been prepared on the same continuous basis.
Following publication of the decree and decision in 2007, the company will make the necessary adjustments for full compliance with requirements by the 2007 year-end (see notes 22.2 and 22.5).

4.1.5 Free share plan for Group employees

A free share plan, potentially concerning some 3 million shares, was approved by the General Shareholders' Meeting of May 24, 2007. The final conditions for allotment of shares and particularly the Group companies concerned by this operation are to be defined and approved by the Board of Directors at the meeting to be held on August 30, 2007.

4.2 Italy

On February 1, 2007, Edison announced that the Tassara Group had exercised 519 554 810 warrants at the subscription price of €1.
Edison consequently received €519.6 million and proceeded to a corresponding capital increase. The EDF Group intends to exercise its own warrants during the second half of 2007.

4.3 United Kingdom

4.3.1 Amendment to the contract between London Underground and the Powerlink consortium

EDF Energy owns 80% of the Powerlink consortium, which in 1998 was awarded a 30-year contract to maintain and modernize the London Underground system's high-voltage electric distribution network.
Following operating difficulties potentially giving rise to fines or even termination of the contract by London Underground Ltd (LUL), the parties entered into negotiations resulting in a draft base agreement approved by the Board of Transport for London in September 2006. Under this agreement, LUL should not exercise its right to terminate the current contract.
On March 20, 2007, LUL and Powerlink completed their negotiations and signed an amendment to the contract following approval of the modifications by the financial backer.

4.3.2 Metronet

EDF Energy is one of the five partners in the Metronet consortium, which carries out maintenance and upgrading work on 9 of London's 12 tube lines for London Underground Ltd (LUL).
Metronet's financial position was affected by changes in specifications and the initial scope of the contract, and difficulties in executing the work were also encountered.
Consequently, Metronet's shareholders decided, as was their right under a clause in the contract with London Underground, to have the economic terms of the contract reviewed by an independent arbiter for June 2007, with a view to gaining additional financing from LUL. The resulting additional financing awarded in mid-July was not sufficient to prevent Metronet entering into insolvency administration on July 18, 2007.
In view of this situation and the commitments entered into by EDF Energy, a provision was booked at June 30, 2007 to cover the risks to which EDF Energy considers itself exposed (see note 18).

4.4 Mexico

In early 2007, EDF began the process to sell its Mexican activities. The corresponding assets and liabilities have been reclassified as held-for-sale assets and liabilities.

4.5 Argentina

On May 4, 2007, EDF sold all of its residual 25% investment in Edenor for US$171 million (€125 million), generating a gain of €111 million.

Note 5 - Changes in the scope of consolidation

5.1 Changes in the scope of consolidation during the first half-year of 2007

The main changes in the scope of consolidation during the first half-year of 2007 result from the following:

- The Tassara Group's exercise of its Edison warrants on February 1, 2007. Following this operation, the EDF Group owned 48.96% of Edison, including potential rights corresponding to warrants held by the Group (see note 16);
- Sale of the residual holding in Edenor (see note 4.5);
- Sale by EnBW of its subsidiary U plus, a specialised waste processor, for a price of €35 million, generating a net-of-tax gain of €15 million;
- Inclusion of Drewag in the EnBW consolidation (by the equity method);
- Sale by Edison in February 2007 of its 66.66% investment in Serene, after approval was issued by the competent competition authorities, for €98 million;
- Change in consolidation method applied for SSE, which has been proportionally consolidated since January 1, 2007.

5.2 Changes in the scope of consolidation in 2006

The main changes in the scope of consolidation during 2006 are described below:

- Sale of ASA Holding AG in Austria, completed in late March 2006 for a price of €224 million, resulting in deconsolidation of the company at the same date. The disposal generated a net-of-tax gain of €160 million;
- Sale of two power plants in Egypt, completed in late March 2006 at the price of €198 million, resulting in deconsolidation of these companies at the same date. This generated a net-of-tax gain of €170 million;
- Sale of 79.4% of Light in Brazil, completed on August 10, 2006 for US$ 320 million, leading to deconsolidation of Light as of June 30, 2006;
- Sale to Edison in October 2006 of EDF Energia Italia, now fully consolidated by Edison;
- Sale by Edison of its subsidiary Rete to Rtl, completed in November 2006 for €294 million;
- Sale of EDF Capital Investissement;
- Acquisition by EnBW of an additional 25.05% in the capital of Stadtwerke Düsseldorf AG in March 2006 for €360.8 million, raising its percentage ownership to 54.95%. Stadtwerke Düsseldorf has been fully consolidated since March 31, 2006 based on a percentage holding of 80%, which includes a put option in favor of the minority shareholder, bringing the percentage of net assets acquired to 50.1%.
  The final goodwill amounts to €85 million, based on an acquisition cost that breaks down as follows:

(in millions of euros)	
Acquisition price	166
Put option	129
Acquisition cost	**295**

- Acquisition by EnBW of a further 6% investment in the Austrian company EVN for €130 million;
- Acquisition on March 23, 2006 by the EDF Group of a further 17.32% interest in Motor Columbus from the Swiss bank UBS, for an amount of CHF 404 million. Atel also acquired 7.2% of the capital of Motor Columbus from the same bank for CHF 43 million (EDF's share). Following these purchases and a public offer to exchange Atel shares for Motor Columbus shares, Motor Columbus and Atel continued to be accounted for under the equity method (on a basis of 41.03% and 25.78% respectively) at December 31, 2006.
  The final goodwill after allocation of the acquisition price for these shares is €11 million lower than the provisional estimate at December 31, 2006:

	(in millions of euros)	
Acquisition price for Atel and Motor Colombus shares		**283**
Stockholder's equity	1 344	
Impact of fair value measurement	1 244	
Restated stockholders' equity	2 588	
Share acquired by EDF (11.73% of Atel and 19.18% of Motor Colombus)		**283**
Final goodwill		-

  Adjustments to fair value mainly concern generation assets (€806 million), energy supply contracts (€253 million) and other assets (€185 million).
- Change in consolidation method for EDF Energies Nouvelles (EDF EN)
  On December 1, 2006, the date of settlement and delivery of the shares issued for the IPO of EDF EN (the International offering and the French public offering), the shareholder agreement of July 17, 2006 between the EDF and Mouratoglou Groups came into force, and the EDF Group took control of EDF EN. As a result, the consolidation method for EDF EN was changed from proportional to full consolidation from December 31, 2006.
  The provisional valuation of the entity at the time of the transaction will be finalized on December 31, 2007.
- Consolidation of the EDEV Group subsidiaries Tenesol, Soprolif, Socodei, Cofiva and Sofinel since January 1, 2006.

Note 6 - Segment reporting

Segment reporting corresponds to the Group's internal organization, reflecting the various risks and rates of return to which the Group is exposed.

Segment reporting is primarily by geographical area based on the location of assets, with the "country" risk taking priority over the "business" risk in view of the differences in economic, regulatory and technical environments between the various areas in which the Group operates.

Segment reporting is determined before inter-segment consolidation adjustments and inter-segment eliminations. Inter-segment transactions take place at market prices.

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

- "**France**", which refers to EDF and its subsidiary RTE EDF Transport, comprising their regulated activities (mainly Distribution and Transmission) and deregulated activities (mainly Generation and Supply);
- "**United Kingdom**", which comprises the entities of the EDF Energy subgroup;
- "**Germany**", which refers to the entities of the EnBW subgroup;
- "**Italy**" which covers all the entities located in Italy, principally the Edison subgroup, TDE, and Fenice;
- "**Rest of Europe**", which groups together the other European entities, and new investments and businesses including Electricité de Strasbourg, Dalkia, Tiru, EDF Energies Nouvelles and EDF Trading;
- "**Rest of the World**", which covers entities in Latin America and Asia.

6.1 At June 30, 2007

(in millions of euros)	France	United Kingdom	Germany	Italy	Rest of Europe	Rest of the world	Eliminations	Total
External sales	16 493	4 395	3 497	2 300	2 986	640	-	30 311
Inter-segment sales	181	-	11	-	274	1	(467)	-
TOTAL SALES	**16 674**	**4 395**	**3 508**	**2 300**	**3 260**	**641**	**(467)**	**30 311**
OPERATING PROFIT BEFORE DEPRECIATION and AMORTIZATION	**5 995**	**629**	**643**	**506**	**906**	**186**	**-**	**8 865**
BALANCE SHEET :								
Intangible assets and property,plant and equipment	77 069	10 572	6 232	5 042	6 203	872	-	105 990
Investments in companies accounted for under the equity method	-	(41)	645	22	1 457	86	-	2 169
Goodwill	-	2 525	1 515	2 035	1 140	40	-	7 255
Other segment assets [(1)]	16 865	2 376	1 625	884	3 948	220	-	25 918
Assets classified as held for sale	-	-	5	-	-	846	-	851
Other non-allocated assets	-	-	-	-	-	-	-	37 340
Total Assets	**93 934**	**15 432**	**10 022**	**7 983**	**12 748**	**2 064**	**-**	**179 523**
Segment liabilities [(2)]	98 288	3 939	5 940	(71)	3 282	143	-	111 521
Liabilities related to assets classified as held for sale	-	-	35	-	-	767	-	802
Other non-allocated liabilities	-	-	-	-	-	-	-	67 200
Total Liabilities	**98 288**	**3 939**	**5 975**	**(71)**	**3 282**	**910**	**-**	**179 523**
OTHER INFORMATION:								
Investments in intangible assets and property, plant and equipment	2 058	505	151	161	361	10	-	3 246
Net depreciation and amortization	(1 837)	(237)	(176)	(214)	(200)	(53)	-	(2 717)
Impairment	-	-	-	-	-	-	-	-

6.2 At June 30, 2006

(in millions of euros)	France	United Kingdom	Germany	Italy	Rest of Europe	Rest of the world	Eliminations	Total
External sales	16 447	4 022	2 996	2 919	2 468	1 510	-	30 362
Inter-segment sales	55	-	22	-	246	-	(323)	
TOTAL SALES	**16 502**	**4 022**	**3 018**	**2 919**	**2 714**	**1 510**	**(323)**	**30 362**
OPERATING PROFIT BEFORE DEPRECIATION and AMORTIZATION (3)	**5 579**	**643**	**593**	**468**	**787**	**318**	**-**	**8 388**

(1) Other segment assets include inventories, trade receivables and other receivables.
(2) Segment liabilities include special concession liabilities, provisions for the end of nuclear fuel cycle, provisions for decommissioning and last cores, provisions for employee benefits, other provisions (excluding provisions for risks associated with investments and provisions for tax risks), trade payables and other liabilities.
(3) The figures published for the first half-year of 2006 have been restated to reflect the change in presentation whereby net increases in provisions for renewal of property, plant and equipment operated under concession are reported under a specific heading (see notes 2 and 3).

Note 7 - Sales

Sales are comprised of:

(in millions of euros)	H1 2007	H1 2006
Sales of energy and energy-related services	27 974	28 159
Other sales of goods and services	1 918	1 855
Change in fair value of commodity contracts	97	6
Net foreign exchange loss	(1)	-
EDF Trading	323	342
Sales	**30 311**	**30 362**

Consolidated sales are practically stable compared to sales for the first half-year of 2006.

Note 8 - Fuel and energy purchases

Fuel and energy purchases comprise:

(in millions of euros)	H1 2007	H1 2006
Fuel purchases used - power generation	(4 179)	(4 451)
Energy purchases	(7 097)	(7 323)
Transmission and delivery expenses	(1 063)	(941)
Gain/loss on hedging operations	(75)	28
(Increase)/decrease in provisions related to nuclear fuels and energy purchases	512	193
Fuel and energy purchases	**(11 902)**	**(12 494)**

Fuel and energy purchases decrease by €592 million or 4.7% compared to the first half-year of 2006.

Note 9 - Other external expenses

Other external expenses comprise:

(in millions of euros)	H1 2007	H1 2006
External services	(4 054)	(3 616)
Other purchases (excluding external services, fuel and energy)	(1 399)	(1 142)
Change in inventories and capitalized production	1 136	881
(Increase)/decrease in provisions on other external expenses	137	60
Other external purchases	**(4 180)**	**(3 817)**

Note 10 - Contractual obligations and commitments

10.1 Energy and commodity purchase commitments

Firm irrevocable purchase commitments for commodities and energy amounted to €44 866 million at December 31, 2006.

The main change since that date is a €5.8 billion increase in these purchase commitments, to supply EDF's nuclear plants. This increase results from the conclusion of new contracts, raising the volume and period for coverage of EDF's requirements for fuel assembly production and enrichment services, and also from revaluation of uranium supply costs due to the rise in international prices.

10.2 Operating contract commitments and guarantees

At June 30, 2007, commitments and guarantees for the execution of operating contracts mature as follows:

	06.30.2007				12.31.2006
	Total	Maturity			Total
(in millions of euros)		< 1 year	1 - 5 years	> 5 years	
Satisfactory performance,completion and bid guarantees	**808**	462	234	112	**730**
Commitments related to orders for operating items*	**3 122**	2 172	741	209	**1 974**
Commitments related to orders for fixed assets	**6 233**	2 982	3 164	87	**4 408**
Other operating commitments	**3 699**	804	2 477	418	**3 986**
Operating commitments given	**13 862**	**6 420**	**6 616**	**826**	**11 098**
Operating commitments received	**4 847**	**3 886**	**585**	**376**	**4 416**

* excluding commodities and energy.

The net increase in commitments given in the first half-year of 2007 mainly relates to the following:

- For EDF, construction of the future EPR-type nuclear plant and the construction program for new fossil-fired power plants in France;
- For EDF Energies Nouvelles, development of wind farms in the Mediterranean basin (principally Italy and Greece), and plans for the US, involving orders for turbines and "turnkey" and service contracts signed during the first half-year of 2007;
- For Edison, cancellation of guarantees provided for Tecnimont following disposal of the company and cancellation of some of the guarantees given in connection with Edison's VAT credits.

Note 11 - Other operating income and expenses

Other operating income and expenses comprise:

(in millions of euros)	H1 2007	H1 2006
Operating subsidies	1 251	820
Net income on deconsolidation	23	-
Gains on disposal of property, plant and equipment	(21)	(17)
Net increase in provisions on current assets	(30)	(61)
Net increase in provisions for operating contingencies and losses	46	45
Other operating income and expenses	28	(16)
Other operating income and expenses	**1 297**	**771**

Operating subsidies mainly comprise the subsidy received by EDF in respect of the Contribution to the Public Electricity Service (CSPE) introduced by French Law 2003-8 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. Since January 1, 2005, the additional costs resulting from the priority need tariff (*tarif de première nécessité*) and the poverty and vulnerability action measures are also included in subsidies.
In the financial statements, this compensation results in recognition of income of €1 246 million net hedging derivatives at June 30, 2007, compared to €818 million at June 30, 2006. This increase is due to the fall in market prices for electricity between the two periods.
The CSPE income receivable is valued on the basis of the most probable assumptions, assessed at June 30, 2007.

An initial provision of €470 million was booked in the Group's financial statements at December 31, 2006 to cover EDF's contribution to the compensation for electricity suppliers introduced by the transition tariff (*Tarif réglementé transitoire d'ajustement du marché* or TARTAM) over the two years concerned by the system. A further amount of €44 million was added to the provision at June 30, 2007 (see note 1.3.3).

Operations of an unusual amount or nature are reported in "Other income and expenses" (see note 13).

Note 12 - Impairment / reversals

No impairment was recorded by the Group at December 31, 2007.

In the first half-year of 2006, the net amount of impairment on goodwill and other assets, net of reversals in respect of other assets was €299 million, mainly corresponding to:

- impairment of €318 million booked in respect of EDF's share of EnBW goodwill, following notification of a reduction in electricity transmission network access fees, to be followed in the second half-year of 2006 by a reduction in distribution tariffs.
- a reversal of €624 million of impairment previously recorded in respect of Light assets, to reflect their fair value less selling costs, based on the terms for transfer of control over Light agreed when the share sale agreement was signed on March 28, 2006.

Note 13 - Other income and expenses

Other income and expenses for the first half-year of 2007 amount to €666 million, comprising the €111 million gain on sale of the residual 25% investment in Edenor, and the €555 million impact of increases and reversals of provisions for renewal following the extension of the useful lives of substation buildings, and reversal of the provision for renewal of metering equipment (see note 2.2.2).

For the first half-year of 2006, other income and expenses amounted to €691 million, mainly comprising the pre-tax proceeds of deconsolidation of ASA Holding AG (€175 million) and the Egyptian subsidiaries Port Saïd and Port Suez (€179 million), and a reversal of €328 million from provisions for post-employment benefits following discontinuation of the exceptional additional pension benefit.

Note 14 - Financial result

14.1 Cost of gross financial indebtedness

Details of the components of the cost of gross financial indebtedness are as follows:

(in millions of euros)	H1 2007	H1 2006
Interest expenses on financing operations	(814)	(830)
Ineffective portion of fair value hedges	9	-
Ineffective portion of cash flow hedges	(1)	1
Transfer to income of changes in the fair value of cash flow hedges	(3)	(16)
Net foreign exchange gain on indebtedness	59	69
Cost of gross financial indebtedness	**(750)**	**(776)**

14.2 Discount expense

Details of this discount expense are as follows:

(in millions of euros)	H1 2007	H1 2006
Provisions for employee benefits	(573)	(557)
Provisions for end of nuclear fuel cycle, for decommissioning and for last cores	(725)	(690)
Other provisions	(16)	(33)
Discount expense	**(1 314)**	**(1 280)**

14.3 Other financial income and expenses

Other financial income and expenses comprise:

(in millions of euros)	H1 2007	H1 2006
Financial income on cash and cash equivalents	43	37
Gains on financial assets	640	587
Changes in financial instruments carried at fair value with changes in fair value included in income	(20)	(40)
Other financial expenses	(53)	(157)
Foreign exchange gain/loss on financial items other than debts	(25)	(57)
Return on hedging assets	224	185
Other financial income and expenses	**809**	**555**

Gains on financial assets include gains on disposals and interest income, which are higher than in the first half-year of 2006 due to market rises and the increase in average amounts invested.

Note 15 - Income taxes

The income tax payable at June 30, 2007 amounts to €1 695 million (€888 million at June 30, 2006). It is calculated by applying the forecast effective tax rate for 2007 to the pre-tax income at June 30, 2007, and includes the total tax saving resulting from the lower UK corporate income tax rate adopted in June 2007 for application from 2008 (income of €111 million, corresponding to the reduction in EDF Energy's deferred tax liabilities).

Income taxes at June 30, 2006 included the tax saving of approximately €400 million resulting from the legal reorganization of the Light group required by the Brazilian regulator Aneel, and the readjustment of Edison's deferred tax liabilities, recorded in connection with the payment of a substitute tax of 12%, which resulted in a €104 million reduction in taxes for the first half-year of 2006.

Note 16 - Goodwill

Goodwill on consolidated companies comprises the following:

(in millions of euros)	06.30.2007	12.31.2006
Net book value at opening date	**7 123**	**7 181**
Acquisitions	147	102
Disposals	(2)	(9)
Impairment	6	(337)
Translation adjustments	(9)	46
Other movements	(10)	140
Net book value at closing balance	**7 255**	**7 123**
Gross value at closing balance	8 011	7 885
Accumulated impairment at closing	(756)	(762)

The increase in goodwill principally results from the exercise of all Edison warrants, and the external growth operations by EnBW and Dalkia International.

In 2006, goodwill included the impact of the €318 million impairment in respect of EnBW (see note 12).

Note 17 - Property, plant and equipment

The net value of property, plant and equipment breaks down as follows:

(in millions of euros)	06.30.2007	12.31.2006
Property, plant and equipment owned by the Group	59 812	61 019
Property, plant and equipment operated under concession	38 190	38 540
Property, plant and equipment in progress	5 828	3 935
Leased property, plant and equipment	283	387
Property, plant and equipment	**104 113**	**103 881**

17.1 Movements in property, plant and equipment owned by the Group (excluding assets in progress)

(in millions of euros)	Land & Buildings	Nuclear power plants	Fossil-fired & hydropower plants	Networks	Other installations, plant, machinery & equipment	Total
Gross values at 12.31.2006	**15 663**	**45 474**	**17 342**	**36 123**	**10 544**	**125 146**
Increases	73	112	143	510	296	**1 134**
Decreases	(123)	(53)	(14)	(39)	(97)	**(326)**
Translation adjustment	-	-	(12)	(23)	12	**(23)**
Changes in the scope of consolidation	53	-	(167)	268	241	**395**
Other movements	169	9	(665)	64	(539)	**(962)**
Gross values at 06.30.2007	**15 835**	**45 542**	**16 627**	**36 903**	**10 457**	**125 364**
Depreciation and impairment at 12.31.2006	**(7 355)**	**(28 827)**	**(8 834)**	**(12 913)**	**(6 198)**	**(64 127)**
Net depreciation	(196)	(516)	(351)	(486)	(299)	(1 848)
Disposals	83	28	11	29	90	241
Translation adjustment	-	-	(4)	3	7	6
Changes in the scope of consolidation	(21)	-	31	(78)	(78)	(146)
Other movements (1)	(80)	4	263	-	135	322
Depreciation and impairment at 06.30.2007	**(7 569)**	**(29 311)**	**(8 884)**	**(13 445)**	**(6 343)**	**(65 552)**
Net values at 12.31.2006	**8 308**	**16 647**	**8 508**	**23 210**	**4 346**	**61 019**
Net values at 06.30.2007	**8 266**	**16 231**	**7 743**	**23 458**	**4 114**	**59 812**

(1) Other movements mainly concern the reclassification of property, plant and equipment of Mexican assets as "Assets classified as held for sale".

17.2 Movements in property, plant and equipment operated under concession (excluding assets in progress)

(in millions of euros)	Land & Buildings	Fossil-fired & hydropower plants	Networks	Other installations, plant, machinery & equipment & other	Total
Gross values at 12.31.2006	**1 958**	**6 023**	**54 815**	**1 158**	**63 954**
Increases (1)	**1**	**2**	**542**	**19**	**564**
Decreases	**(7)**	**(2)**	**(158)**	**(34)**	**(201)**
Translation adjustment	**(5)**	**(1)**	**-**	**(1)**	**(7)**
Changes in the scope of consolidation	**-**	**(22)**	**-**	**-**	**(22)**
Other movements	**-**	**-**	**2**	**(24)**	**(22)**
Gross values at 06.30.2007	**1 947**	**6 000**	**55 201**	**1 118**	**64 266**
Depreciation and impairment at 12.31.2006	**(1 276)**	**(2 930)**	**(20 579)**	**(629)**	**(25 414)**
Net depreciation	(8)	(55)	(2)	(8)	(73)
Disposals	7	2	127	34	170
Translation adjustment	2	1	-	-	3
Changes in the scope of consolidation	-	5	-	-	5
Other movements (2)	(7)	-	(733)	(27)	(767)
Depreciation and impairment at 06.30.2007	**(1 282)**	**(2 977)**	**(21 187)**	**(630)**	**(26 076)**
Net values at 12.31.2006	**682**	**3 093**	**34 236**	**529**	**38 540**
Net values at 06.30.2007	**665**	**3 023**	**34 014**	**488**	**38 190**

(1) Increases also include assets contributed for no consideration.
(2) Other movements mainly concern depreciation of assets operated under concession, booked against depreciation recorded in the special concession liabilities.

Property, plant and equipment operated under concession are facilities owned by the concession grantors, and are mainly located in France, Italy and Switzerland.

Note 18 - Investments in companies accounted for under the equity method

Investments in associates are as follows:

(in millions of euros)	Principal activity (1)	% voting rights held	06.30.2007 Share of net equity	06.30.2007 Share of net income	12.31.2006 Share of net equity
Atel Group (2)	G	25,7	631	37	626
Dalkia Holding	S	34,0	452	10	469
Estag	G	20,0	349	98	352
EVN	D	16,4	396	30	397
SSE	D	49,0	-	-	219
Edenor	D	-	-	9	2
Other investments in associates			341	(178)	394
Investments in companies accounted for under the equity method			**2 169**	**6**	**2 459**

(1) S = services , G = generation , D = distribution
(2) The Atel Group comprises Motor Colombus and Atel.

The main changes in investments in companies accounted for under the equity method result from proportional consolidation of SSE from January 1, 2007 and impairment recorded in respect of the shares in Metronet, which are included in other investments in associates (see note 4.3.2).

Note 19 - Financial assets

19.1 Breakdown between current and non-current financial assets

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

	06.30.2007			12.31.2006		
(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	5 339	-	**5 339**	5 845	-	**5 845**
Available-for-sale financial assets	10 904	12 439	**23 343**	10 274	11 193	**21 467**
Held-to-maturity investments (*)	26	423	**449**	255	187	**442**
Positive fair value of hedging derivatives	880	324	**1 204**	128	328	**456**
Loans and financial receivables (*)	504	1 348	**1 852**	508	1 386	**1 894**
Financial assets	**17 653**	**14 534**	**32 187**	**17 010**	**13 094**	**30 104**

(*) net of impairment

The main changes in financial assets concern available-for-sale financial assets, which comprise acquisitions of €4 826 million and disposals of €3 283 million.

19.2 Details of financial assets

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

(in millions of euros)	06.30.2007	12.31.2006
Derivatives - positive fair value	5 251	5 762
Fair value of derivatives held for trading [(1)]	81	83
Financial assets carried at fair value with changes in fair value included in income, by option	7	-
Financial assets carried at fair value with changes in fair value included in income	**5 339**	**5 845**
(1) portion classified as liquid assets	72	73

19.2.2 Available-for-sale financial assets

	06.30.2007			12.31.2006		
(in millions of euros)	Equities	Debt securities	Total	Equities	Debt securities	Total
Dedicated assets of EDF SA	5 031	2 592	7 623	4 315	1 942	**6 257**
Liquid assets	3 721	6 428	10 149	3 876	6 205	**10 081**
Other	4 437	1 134	5 571	3 997	1 132	**5 129**
Available-for-sale financial assets	**13 189**	**10 154**	**23 343**	**12 188**	**9 279**	**21 467**

During the first half-year of 2007, €313 million of changes in the fair value, net of tax, of available-for-sale financial assets were recorded in equity.

19.2.2.1 EDF's dedicated asset portfolio

The table below presents changes in the fair value of the dedicated asset portfolio, with details of changes in the net asset value of reserved funds:

(in millions of euros)	Fair value 06.30.2007	Fair value 12.31.2006
North American equities	510	494
European equities	467	464
Japanese equities	78	110
Worldwide bonds	622	480
Total Reserved investment funds	**1 677**	**1 548**
Securities	412	283
Equities-based unit trusts	2 495	1 930
Equities	**2 907**	**2 213**
Securities	2 592	1 942
Short-term unit trusts	195	196
Bonds	**2 787**	**2 138**
Other funds	**252**	**358**
Total Other financial investments	**5 946**	**4 709**
Dedicated investment funds	**7 623**	**6 257**

The gross allocation to dedicated assets for the first half-year of 2007 amounts to €1 174 million.

19.2.2.2 Liquid assets

Liquid assets are financial assets consisting of funds or interest rate instruments with initial maturity of over three months, that are readily convertible into cash regardless of their maturity, and are managed according to a liquidity-oriented policy.

EDF's monetary investment funds included in liquid assets amount to €3 632 million at June 30, 2007 (€3 771 million at December 31, 2006).

19.2.2.3 Other securities

At June 30, 2007, other securities mainly include:

- At EnBW:
  - €1 118 million in available-for-sale assets in the form of debt instruments, including €1 049 million of reserved funds)
  - €1 563 million in available-for-sale assets in the form of equities, including €574 million of reserved funds);
- At EDF: shares in Areva for €680 million.

19.3 Investment commitments

At June 30, 2007, commitments related to investments are as follows:

	06.30.2007				12.31.2006
	Total	Maturity			Total
(in millions of euros)		< 1 year	1 - 5 years	> 5 years	
Security interests in real property	**2 797**	2 719	78	-	**2 780**
Other financing commitments	**353**	104	248	1	**185**
Financing commitments received	**26**	14	12	-	**64**

The main transactions on investment commitments during the first half-year of 2007 involve EDF International and concern:

- the sale of its entire residual 25% investment in Edenor, thus clearing all commitments;
- its share of additional financing contributions for the planned power plant construction in the Netherlands, totaling €200 million.

Note 20 - Assets and liabilities classified as held for sale

At June 30, 2007, held-for-sale assets and liabilities mainly concern the Mexican companies.

	06.30.2007	12.31.2006
(in millions of euros)	Total	Total
Non-current assets	573	99
Current assets	278	41
Assets classified as held for sale	**851**	**140**
Non-current financial liabilities	515	64
Current financial liabilities	287	52
Liabilities related to assets classified as held for sale	**802**	**116**

Note 21 - Equity

21.1 Share capital

There were no changes during the first half-year of 2007 in EDF's share capital, which amounts to €911 085 545, comprising 1 822 171 090 shares with nominal value of €0.5 each.

21.2 Treasury shares

Under the share repurchase program, for which a liquidity contract exists as required by the market regulator AMF, 229 646 shares were acquired during the first half-year of 2007 for a total of €13 million, and 197 646 shares were sold for a total of €10 million.

At June 30, 2007, treasury shares deducted from consolidated equity represent 66 743 shares with total value of €3 million.

21.3 Dividends

The General Shareholders' meeting of May 24, 2007 decided to distribute a dividend of €1.16 per share, paid out on June 4, 2007. The total dividend distributed amounts to €2 113 624 504.40.

21.4 Basic earnings per share and diluted earnings per share

The diluted earnings per share is calculated by dividing the Group's share of net income, corrected for dilutive instruments, by the weighted average number of potential shares outstanding over the period after elimination of treasury shares.
At June 30, 2007, there are no longer any dilutive instruments in the EDF Group. The Tassara Group exercised its Edison warrants on February 1, 2007, and the EDF Group adjusted its percentage interest in Edison, taking into account potential voting rights resulting from exercise of the warrants outstanding.

The following table shows the reconciliation of the basic and diluted earnings used to calculate earnings per share, and the variation in the weighted average number of shares used in calculating basic and diluted earnings per share:

	H1 2007	H1 2006
Net income attributable to ordinary shares	3 514	4 143
Dilutive effect	-	(4)
Net income used to calculate diluted earnings per share (in millions of euros)	3 514	4 139
Average weighted number of ordinary shares outstanding at end of period	1 822 080 659	1 822 120 761
EDF's dilutive effect	-	-
Average weighted number of diluted shares outstanding at end of period	1 822 080 659	1 822 120 761
Earnings per share in euros :		
Net earnings per share in euros	**1.93**	**2.27**
Diluted earnings per share in euros	**1.93**	**2.27**

Note 22 - Provisions

22.1 Breakdown between current and non-current provisions

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

	06.30.2007			12.31.2006		
(in millions of euros)	Current	Non-current	Total	Current	Non-current	Total
Provisions for end of nuclear fuel cycle	592	14 817	**15 409**	745	14 636	**15 381**
Provisions for decommissioning and last cores	262	13 827	**14 089**	218	13 606	**13 824**
Provisions for employee benefits	1 505	12 370	**13 875**	1 551	12 377	**13 928**
Other provisions	1 270	2 398	**3 668**	1 504	2 505	**4 009**
PROVISIONS	**3 629**	**43 412**	**47 041**	**4 018**	**43 124**	**47 142**

22.2 Valuation of provisions for end of nuclear fuel cycle, decommissioning of nuclear plants and last cores

The assumptions and valuation methods for EDF's provisions for end of nuclear fuel cycle, decommissioning of nuclear plants and last cores are identical to those used at December 31, 2006.
The French Law of June 28, 2006 and the measures for its application (decree of February 23, 2007 and decision of March 21, 2007) contain a certain number of requirements (see note 4.1.4), and preparations are in process for year-end compliance. The main changes concern:

- the current breakdown of provisions by type (end of nuclear fuel cycle, decommissioning of nuclear plants and last cores);
- the distinction between expenses belonging to the operating cycle, and other expenses.

These measures could also entail adjustments to the values of provisions and the basis of dedicated assets.

22.3 Provisions for end of nuclear fuel cycle

The movement in provisions for end of nuclear fuel cycle breaks down as follows at June 30, 2007:

(in millions of euros)	12.31.2006	Increases	Decreases		Other changes	06.30.2007
			Utilizations	Reversals		
Provisions for reprocessing of nuclear fuel	10 512	499	(398)	(98)	(18)	10 497
Provisions for removal and storage of the resulting waste	4 869	139	(107)	(7)	18	4 912
Provisions for end of nuclear fuel cycle	**15 381**	**638**	**(505)**	**(105)**	**-**	**15 409**

At June 30, 2007, provisions for end of nuclear fuel cycle concern:

- EDF for €14 639 million (€14 602 million at December 31, 2006)
- and the subsidiaries and joint ventures for €770 million (€779 million at December 31, 2006).

22.3.1 Provisions for reprocessing EDF's nuclear fuel

Estimated based on the economic conditions of June 2007, these costs amount to €15 511 million at June 30, 2007 (€15 413 million at December 31, 2006). Spread over the forecast disbursement schedule and assuming 2% inflation and a 5% discount rate, an amount of €10 231 million is included in provisions at June 30, 2007 (compared to €10 202 million at December 31, 2006), corresponding to the present value at that date.

22.3.2 Provisions for removal and storage of EDF's radioactive waste

Estimated based on the economic conditions of June 2007, these costs amount to €12 645 million at June 30, 2007 (€12 554 million at December 31, 2006). Spread over the forecast disbursement schedule and assuming 2% inflation and a 5% discount rate, an amount of €4 408 million is included in provisions at June 30, 2007 (€4 400 million at December 31, 2006) corresponding to the present value at that date.

22.3.3 Provisions for end of nuclear fuel cycle for subsidiaries and joint ventures

These provisions, amounting to €770 million at June 30, 2007 (€779 million at December 31, 2006), mainly cover the cost of eliminating the EnBW Group's burnt fuel and radioactive waste.

22.4 Provisions for decommissioning and last cores

The change in decommissioning and last core provisions breaks down as follows at June 30, 2007:

(in millions of euros)	12.31.2006	Increases	Decreases		Other changes	06.30.2007
			Utilizations	Reversals		
Provisions for decommisioning	12 139	311	(76)	-	(4)	12 370
Provisions for last cores	1 685	43	-	(9)	-	1 719
Provisions for decommissioning and last cores	**13 824**	**354**	**(76)**	**(9)**	**(4)**	**14 089**

At June 30, 2007, provisions for decommissioning and last cores concern:

- EDF for €12 556 million (€12 301 million at December 31, 2006),
- and the subsidiaries and joint ventures for €1 533 million (€1 523 million at December 31, 2006).

22.4.1 Decommissioning provisions for power plants belonging to EDF

Estimated based on the economic conditions of June 2007, these costs amount to €21 770 million (€21 613 million at December 31, 2006). Spread over the forecast disbursement schedule and assuming 2% inflation and a 5% discount rate, an amount of €10 854 million is included in provisions at June 30, 2007 (compared to €10 646 million at December 31, 2006), corresponding to the present value at that date of costs concerning all power plants.

22.4.2 Provision for last cores

For EDF, estimated based on the economic conditions of June 2007, these costs amount to €3 493 million at June 30, 2007 (€3 477 million at December 31, 2006). Spread over the forecast disbursement schedule and assuming 2% inflation and a 5% discount rate, an amount of €1 702 million is included in provisions at June 30, 2007 (compared to €1 669 million at December 31, 2006), corresponding to the present value at that date.

22.5 Secure financing of long-term obligations related to nuclear liabilities

In order to secure financing of long-term obligations related to nuclear liabilities, EDF is progressively building up a portfolio of dedicated assets for its nuclear activities, specifically the decommissioning of nuclear power plants, removal and storage of long-life medium and high-level waste, and the share of the provision for last cores corresponding to fuel reprocessing and removal of the corresponding waste. These measures are now an obligation for EDF under the French Law of June 28, 2006 on the sustainable management of radioactive materials and waste, which requires nuclear power operators to implement a plan to constitute dedicated assets within five years of its publication at the latest.
The application decrees for this law could oblige EDF to review the basis of dedicated assets (see notes 4.1.1 and 19.2.2.1).

At June 30, 2007, the fair value of the dedicated asset portfolio amounts to €7 623 million (€6 257 million at December 31, 2006).

22.6 Provisions for employee benefits

22.6.1 Changes in provisions

The changes in provisions for employee benefits are as follows at June 30, 2007:

(in millions of euros)	12.31.2006	Increases	Decreases		Other	06.30.2007
			Utilization	Reversals	Changes	
Provisions for post-employment benefits	12 799	941	(933)	-	(76)	12 731
Provisions for other long-term benefits	1 129	66	(63)	-	12	1 144
Provisions for employee benefits	**13 928**	**1 007**	**(996)**	**-**	**(64)**	**13 875**

The changes in these provisions since December 31, 2006 result from variations in vested benefits, financial discounting of the obligation, payments made to external funds, and benefits paid out.

22.6.2 Provisions for post-employment benefits

(in millions of euros)	France	United Kingdom	Germany	Italy	Rest of Europe	Total
Provisions at 12.31.2006	**10 454**	**390**	**1 778**	**59**	**118**	**12 799**
Amounts used during the year	(632)	(29)	(44)	-	(5)	**(710)**
Changes in the scope of consolidation	-	-	(3)	(2)	1	**(4)**
Net additions for the year	613	30	63	4	8	**718**
Other	(1)	(64)	(1)	(3)	(3)	**(72)**
Provisions at 06.30.2007	**10 434**	**327**	**1 793**	**58**	**119**	**12 731**

22.6.3 Provisions for other long-term employee benefits

(in millions of euros)	France	Germany	Rest of Europe	Total
Provisions at 12.31.2006	**990**	**79**	**60**	**1 129**
Amounts used during the year	(56)	(2)	(1)	**(59)**
Changes in the scope of consolidation	-	-	7	**7**
Net additions for the year	62	2	(2)	**62**
Other	1	-	4	**5**
Provisions at 06.30.2007	**997**	**79**	**68**	**1 144**

22.7 Other provisions

Details of changes in other provisions are as follows at June 30, 2007:

(in millions of euros)	12.31.2006	Increases	Decreases		Other changes	06.30.2007
			Utilizations	Reversals		
Provisions for contingencies related to investments	118	5	(1)	-	-	122
Provisions for tax liabilities	151	1	-	-	20	172
Provisions for restructuring	13	1	(2)	-	1	13
Other provisions	3 727	328	(537)	(134)	(23)	3 361
Other provisions	**4 009**	**335**	**(540)**	**(134)**	**(2)**	**3 668**

At June 30, 2007, this heading includes in particular:

- A provision of €514 million to cover the future contribution payable by EDF under the transition tariff system (*tarif réglementé transitoire d’ajustement du marché* or TARTAM; see note 1.3.3);
- A provision of €333 million to cover EDF’s share of the expenses relating to future work under programs adopted by the Fonds d’Amortissement des Charges d’Electrification (sinking fund for electrification charges),
- A provision of €360 million for the contribution to preserve entitlements to unregulated benefits under agreements signed with the additional pension organizations,
- A provision of €280 million for litigation with social security bodies,
- Provisions of €330 million for onerous contracts,
- Provisions of €90 million for greenhouse gas emission quotas recorded by EnBW and EDF Energy.

22.8 Contingent liabilities

The changes in contingent liabilities during the first half-year of 2007 were as follows:

- Discharge by the *Saint-Chamas* power plant into the *Etang de Berre*

In 1999, a professional association initiated legal action against EDF relating to operation of the hydropower plant at Saint-Chamas. The final resolution of the plant’s situation depends on the outcome of discussions between the French government and the European Commission regarding the arrangements for execution of the ruling issued on October 7, 2005 by the European Court of Justice, which considered that France had failed to comply with its obligations under the Barcelona Convention and the Athens protocol. In early 2006, the French government put forward additional new proposals to the Commission, designed to significantly reduce freshwater emissions.
The decree modifying the terms of the concession was published on December 9, 2006 and until the results of an experimental 4-year phase are known, it appears unlikely that the case will return to the European Court of Justice. EDF considers that the new freshwater emission constraints resulting from the decree will have a non-negligible impact on the Saint Chamas plant generation output.
On March 29, 2007 the professional association lodged an appeal against the Lyon Appeal Court’s ruling issued on January 22, 2007 in favor of EDF. The Court considered that the lack of adaptation to criteria set forth in international emission conventions could not be analyzed as a significantly gross breach of obligations from the standpoint of the public plant’s operation.

- Edipower

In May 2006, Rome's municipal energy supplier ACEA Spa filed a complaint with the Italian government, the regulator (AEEG) and the national competition authorities (AGCM) that the joint takeover of Edison by EDF and AEM would bring their holdings in the company's capital above the 30% limit applicable to public companies (fixed by the Chairman of the Italian Council of Ministers in the decree of November 8, 2000). On July 7, 2006 the AGCM issued an opinion ("segnalazione") supporting ACEA's position, and officially requested the Italian government and parliament to take steps to ensure compliance with the decree of November 8, 2000. In August 2006, ACEA brought proceedings before the Rome civil courts against EDF, IEB and WGRMH 4 (and also Edison, AEM Milan, Delmi, Edipower, AEM Turin, ATEL and TdE), arguing that exceeding the 30% limit is a breach of the applicable legislation and could have a negative impact on the energy market, to the detriment of fair competition and the final interests of consumers.

In January 2007, Endesa Italia also joined ACEA in its action.

An initial hearing on points of procedure only took place on May 24, 2007. The judge accepted the application for adjournment to a later date presented by all defendants, in view of Endesa's recent intervention in the procedure. The first hearing on the substance of the case is scheduled for October 24, 2007.

Note 23 - Special concession liabilities

These liabilities, discussed in detail in note 3 to the financial statements at December 31, 2006, represent:

- a liability corresponding to the value of assets deemed financed by the grantor, recorded in balance sheet assets as rights in existing assets (see note 2.1.2 of this document)
- and liabilities corresponding to renewal of assets: rights in assets to be replaced.

Details of changes in special concession liabilities are as follows at June 30, 2007:

(in millions of euros)	12.31.2006	Change over the period	06.30.2006
Value in kind of assets	34 865	(213)	34 652
Unamortized financing by the operator	(17 065)	179	(16 886)
Rights in existing assets - net value	**17 800**	**(34)**	**17 766**
Amortization of financing by the grantor	7 364	257	7 621
Provision for renewal	11 063	(300)	10 763
Rights in assets to be replaced	**18 427**	**(43)**	**18 384**
Special concession liabilities	**36 227**	**(77)**	**36 150**

The €300 million decrease in the provision for renewal results from:

- A reversal corresponding to the changes in useful lives and replacement values amounting to €555 million (see note 2.2.2),
- A net increase of €255 million over the period.

Note 24 - Current and non-current financial liabilities

24.1 Breakdown between current and non-current financial liabilities

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

(in millions of euros)	06.30.2007 Non-current	06.30.2007 Current	06.30.2007 Total	12.31.2006 Non-current	12.31.2006 Current	12.31.2006 Total
Loans and other financial liabilities	18 800	8 763	27 563	19 462	8 680	28 142
Negative fair value of derivatives held for trading	-	4 755	4 755	-	5 960	5 960
Negative fair value of hedging derivatives	239	1 561	1 800	521	470	991
Financial liabilities	**19 039**	**15 079**	**34 118**	**19 983**	**15 110**	**35 093**

The financial liabilities of the Mexican companies have been reclassified at June 30, 2007 as “Liabilities related to assets held for sale” at a value of €611 million.

24.2 Loans and other financial liabilities

24.2.1 Changes in loans and other financial liabilities

(in millions of euros)	Bonds	Loans from financial institutions	Other financial liabilities	Loans linked to finance leased assets	Accrued interest	Total
At 12.31.2006	**18 428**	**4 728**	**4 073**	**365**	**548**	**28 142**
Increases	421	1 096	1 144	-	67	2 728
Decreases	(1 073)	(830)	(444)	(27)	(157)	(2 531)
Changes in scope of consolidation	(72)	42	39	(83)	(1)	(75)
Translation adjustments	(40)	(26)	(22)	-	(5)	(93)
Other	(2)	(503)	(153)	19	31	(608)
At 06.30.2007	**17 662**	**4 507**	**4 637**	**274**	**483**	**27 563**

Loans from financial institutions include new loans contracted by Edipower totaling €441 million, replacing previous short-term loans.

24.2.2 Maturity of loans and other financial liabilities

(in millions of euros)	Bonds	Loans from financial institutions	Other financial liabilities	Loans linked to finance leased assets	Accrued interest	Total
Less than one year	2 743	1 481	3 969	132	441	**8 766**
From one to five years	6 721	1 245	170	79	36	**8 251**
More than five years	8 198	1 781	498	63	6	**10 546**
Loans and financial liabilities at 06.30.2007	**17 662**	**4 507**	**4 637**	**274**	**483**	**27 563**

24.2.3 Credit lines

At June 30, 2007, the Group has credit lines with various banks totaling €9 678 million (€9 816 million at December 31, 2006).

(in millions of euros)	06.30.2007 Total	Maturity < 1 year	Maturity 1 - 5 years	Maturity > 5 years	12.31.2006 Total
Confirmed credit lines	**9 678**	1 041	6 819	1 818	**9 816**

24.3 Net indebtedness

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

(in millions of euros)	06.30.2007		12.31.2006	
Loans and other financial liabilities	27 563		28 142	
Derivatives used to hedge liabilities	105		237	
Cash and cash equivalents	(3 099)		(3 308)	
Liquid assets	(10 221)	(1)	(10 154)	(2)
Net financial liabilities from companies disclosed in non-current liabilities related to the assets classified as held for sale	536		15	
Net indebtedness	**14 884**		**14 932**	

(1) Available-for-sale financial assets: €10 149 million, financial assets carried at fair value: €72 million.
(2) Available-for-sale financial assets: €10 081 million, financial assets carried at fair value: €73 million.

24.4 Changes in net indebtedness

Changes in net indebtedness in the first half-year of 2007 include a €1 174 million gross allocation to dedicated assets (€2 845 million at December 31, 2006).

(in millions of euros)	H1 2007	H1 2006 (1)
Operating profit before depreciation and amortization (EBITDA)	**8 865**	**8 388**
Cancellation of non-monetary items included in EBITDA	(1 153)	(508)
Change in net working capital	(696)	(399)
Other items (2)	98	(24)
Net cash flow from operations	**7 114**	**7 457**
Acquisitions of intangible assets and property, plant and equipment	(2 940)	(2 296)
Net financial expenses disbursed	(555)	(488)
Income tax paid	(848)	(552)
Free cash flow	**2 771**	**4 121**
Investments (including investments in consolidated companies)	(1 343)	(1 208)
Dividends paid	(2 159)	(1 504)
Payment related to the dismantling of Marcoule site	-	(551)
Other items (3)	452	154
Monetary decrease in net indebtedness, excluding the impact of changes in scope of consolidation and exchanges rates	**(279)**	**1 012**
Effect of change in scope of consolidation	58	392
Effect of exchange rate fluctuations	89	198
Other non-monetary changes	180	(62)
(Increase) / decrease in net indebtedness	**48**	**1 540**
Net indebtedness at beginning of period	**14 932**	**18 592**
Net indebtedness at end of period	**14 884**	**17 052**

(1) The figures published for the first half-year of 2006 have been restated to reflect the change in presentation whereby net increases in provisions for renewal of property, plant and equipment operated under concession are reported under a specific heading (see notes 2 and 3).
(2) mainly comprising dividends received from associates (€114 million)
(3) mainly including the capital increase subscribed by minority interests (€255 million).

24.5 Guarantees of borrowings

Guarantees of borrowings by the Group at June 30, 2007 comprise the following:

(in millions of euros)	06.30.2007 Total	Maturity < 1 year	1 - 5 years	> 5 years	12.31.2006 Total
Securities interests in real property	**2 852**	232	1 519	1 101	**2 754**
Guarantees related to borrowings	**630**	215	205	210	**718**
Other financing commitments	**252**	56	159	37	**371**
Financing commitments given	**3 734**	**503**	**1 883**	**1 348**	**3 843**
Financing commitments received *	**287**	140	108	39	**423**

* excluding credit lines (see note 24.2.3)

Changes in financing commitments during the first half-year of 2007 include €244 million of cancellation of guarantees associated with the early repayment of the Edipower loan, and pledges of assets by EDF Energies in the course of its business.

Note 25 - Derivatives

25.1 Commodity hedging derivatives

The fair value of commodity hedging derivatives breaks down as follows:

(in millions of euros)	Units of measure	06.30.2007 Net notionnals	12.31.2006 Net notionnals	06.30.2007 Fair value	12.31.2006 Fair value
Swaps		2	-	(2)	(27)
Options		-	-	1	-
Forwards/futures		53	44	(97)	(390)
Power	**TWh**	**55**	**44**	**(98)**	**(417)**
Forwards/futures		2 917	3 045	(498)	(584)
Gas	**Millions of therms**	**2 917**	**3 045**	**(498)**	**(584)**
Swaps		(3 374)	(2 556)	19	(65)
Oil products	**Thousands of barrels**	**(3 374)**	**(2 556)**	**19**	**(65)**
Swaps		(1)	2	135	10
Freight		16	4	(68)	(19)
Coal	**Millions of tonnes**	**15**	**6**	**67**	**(9)**
Options		-	612	-	2
Forwards/futures		65 724	27 668	(162)	(137)
CO2	**Thousands of tonnes**	**65 724**	**28 280**	**(162)**	**(135)**
Hedging commodity derivatives				**(672)**	**(1 210)**

25.2 Commodity derivatives not classified as hedges

Details of commodity derivatives not classified as hedges are as follows:

(in millions of euros)	Units of measure	06.30.2007 Net notionnals	12.31.2006 Net notionnals	06.30.2007 Fair value	12.31.2006 Fair value
Swaps		(3)	(3)	(5)	(6)
Options		34	24	2	26
Forwards/futures		487	454	298	251
Power	**TWh**	**518**	**475**	**295**	**271**
Swaps		(13)	(40)	(56)	25
Options		15 796	4 387	144	170
Forwards/futures		30 230	21 585	131	(18)
Gas	**Millions of therms**	**46 013**	**25 932**	**219**	**177**
Swaps		(6 388)	1 752	34	(11)
Options		466	3 150	1	10
Forwards/futures		2 494	2 766	(2)	(12)
Oil products	**Thousands of barrels**	**(3 428)**	**7 668**	**33**	**(13)**
Swaps		(14)	(10)	(104)	(117)
Options		1	-	2	-
Forwards/futures		102	76	209	79
Freight		5	24	(2)	81
Coal	**Millions of tonnes**	**94**	**90**	**105**	**43**
Options		184	-	-	-
Forwards/futures		36 608	25 001	(94)	(29)
CO2	**Thousands of tonnes**	**36 792**	**25 001**	**(94)**	**(29)**
Swaps				6	-
Forwards/futures				-	21
Other				**6**	**21**
Embedded commodity derivatives				**10**	**18**
Non hedging commodity derivatives				**574**	**488**

Note 26 - Other liabilities

At June 30, 2007, other liabilities principally include deferred income recorded by EDF, totaling €5 463 million (€5 746 million at December 31, 2006), and corresponding mainly to partner advances made under the nuclear plant financing plans and connection fees.
They also include liabilities related to the commitments to repurchase minority interests and Edison warrants totaling €353 million, and put and call options totaling €126 million associated with Edison's acquisition of 10% of Edipower.
In connection with the commitments undertaken by Edev to the Mouratoglou Group as part of the agreements negotiated prior to the IPO of EDF Energies Nouvelles (EDF EN), the Mouratoglou Group asked Edev to pay the following as at the value date of June 25, 2007:

- €18.4 million for the total price adjustment inherent to the 1 305 520 adjustable price shares acquired by Edev in 2006;
- €101 million corresponding to half of the 4 674 963 additional shares transferred by the Mouratoglou Group to Edev in 2006.

At June 30, 2007, Edev's commitment to the Mouratoglou Group concerns the deferred settlement of the remaining 2 337 482 additional shares for €101 million. This is to be paid by December 31, 2010 at the latest.

Note 27 - Contribution of joint ventures

The Group holds investments in joint ventures. The joint ventures' contributions to the balance sheet and income statement are as follows:

	06.30.2007					H1 2007	
(in millions of euros)	% owned	Current Assets	Non Current Assets	Current liabilities	Non current liabilities	Sales	Operating profit before depreciation and amortization
EnBW	46.07%	3 112	6 934	2 442	7 534	3 497	643
Edison	48.96%	1 374	2 621	1 458	2 250	2 033	449
Other		1 376	2 060	1 380	1 146	1 165	213
Total		**5 862**	**11 615**	**5 280**	**10 930**	**6 695**	**1 305**

	06.30.2006					H1 2006	
(in millions of euros)	% owned	Current Assets	Non Current Assets	Current liabilities	Non current liabilities	Sales	Operating profit before depreciation and amortization
EnBW	46.07%	3 345	7 003	2 918	7 598	2 996	593
Edison	51.58%	1 569	3 625	2 410	2 311	2 194	403
Other		2 167	2 540	1 734	1 665	927	190
Total		**7 081**	**13 168**	**7 062**	**11 574**	**6 117**	**1 186**

Note 28 - Related parties

There have been no significant changes since December 31, 2006 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 also acts as supplier in the EPR (European Pressurized Reactor) project, contributing to the formation of commitments on fixed asset orders presented in note 10.2.

Note 29 - Subsequent events

29.1 Total opening of the French electricity market from July 1, 2007

Since July 1, 2007, the French electricity and natural gas markets have been fully open to competition, and residential customers have become eligible to change operator. All customers may now buy energy from the supplier of their choice.

29.2 Exercise of call options on Edipower shares

On July 16, Edison exercised its call options on Edipower shares held by the financial institutions Interbanca SpA and Albojo. The transfer of these shares will be effective as of July 31, 2007.
The financial institution Unicredit also exercised its put options to sell Edipower shares to Edison. The transfer of these shares will be effective at the end of January 2008.

After completion of these operations, Edison's investment in Edipower will be increased from 40% to 50%.

29.3 Partnership between Edison and Hellenic petroleum

On July 11, 2007, Edison's Board of Directors ratified the signature of an agreement between Edison and Hellenic Petroleum for the creation of a 50/50-owned company to operate in the Greek electricity market, ultimately with a generating capacity of over 1,400 MW. Hellenic Petroleum will contribute its T-Power unit, which owns a 390 MW combined-cycle power plant located in Thessalonica. Edison will transfer its equity investment in a 420 MW combined-cycle site being developed in Thisvi, and in a project for a 600 MW coal-fired plant.

29.4 Strategic partnership agreement between EDF and Constellation Energy

EDF and the US electricity group Constellation Energy (CEG) signed an agreement in July 2007 to form a 50/50-owned company focused on the joint development, construction, ownership and operation of EPR-type nuclear power plants in the United States. Under the terms of this agreement, EDF will make an initial investment of US$350 million into the new company, followed by potential subsequent contributions of up to US$ 275 million upon reaching certain milestones in the projects. In exchange, CEG plans to develop up to four EPR-type nuclear plants.

Additionally, EDF may acquire up to 9.9% of CEG shares, including 5% in the first year of the partnership. The transaction will be submitted for approval by the US regulatory authorities.

29.5 Corporate tax reform in Germany

Following the corporate tax reform enacted by the German parliament on July 6, 2007, the corporate income tax rate applicable to EnBW will be reduced from 38% to 28.96% from 2008.
At December 31, 2007, this reform will be reflected in a lower level of deferred tax liabilities for EnBW, and tax income of approximately €300 million will be recognized in the consolidated financial statements.

29.6 Launch of enquiry procedures by the European Commission

The European Commission decided in late July 2007 to launch a formal enquiry into EDF's contracts with industrial customers, to assess whether these contracts comply with European competition regulations.

29.7 Changes in French electricity sales tariffs

The electricity sales tariffs fixed by the authorities in France increase from August 16, 2007 by 1.1% for residential customers and 1.5% for business customers ("yellow" and "green" tariffs). This change applies to customers who choose to remain on the regulated tariff following the opening of the market.

Electricité de France S.A.

Statutory Auditors' Review Report
on the first half-year financial information
for 2007

(free translation of the French original)

For the six month period ended June 30, 2007
Electricité de France S.A.
22 – 30, avenue de Wagram – 75008 Paris

Electricité de France S.A.

22 – 30, avenue de Wagram – 75008 Paris

Statutory Auditors' Review Report on the first half-year financial information for 2007

This is a free translation into English of the statutory auditors' review report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France

To the shareholders,

In our capacity of Statutory Auditors of Electricité de France S.A. and in accordance with the requirements of article L. 232-7 of the French Commercial Law (Code de commerce), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Electricité de France S.A. for the 6 month period ended June 30, 2007;
- the verification of information contained in the half-year financial report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standards of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying the conclusion expressed above, we draw attention to the following points described in the notes to the condensed half-year consolidated financial statements:

- the valuation of long-term provisions relating to nuclear electricity production, as described in notes 4.1.4, 22.2, 22.3 and 22.4, results as indicated in note 1.3 from Management best estimates. This valuation is sensitive to the assumptions made concerning costs, inflation rates, long-term discount rates, and forecast cash outflows as well as the results of current negotiations with Areva. Given the aforementioned sensitive items, any change in these parameters could lead to a material revision of the level of provisioning.

- the approach adopted by EDF under existing IFRS to present in the balance sheet its obligation to renew property plant and equipments used for the French public distribution of electricity, as described in note 2, is based on the specific characteristics of concession contracts. The amount of contractual obligations as calculated and disclosed to the grantors in reports is used for evaluating the obligation. An alternative approach based on the discounted value of future payments necessary for replacement of these assets at the end of their industrial useful life would result in a different representation of the obligation towards grantors. The impacts this approach would have had on the accounts are shown in note 2 for information purposes. Measurement of the concession liability concerning assets to be replaced is notably subject to uncertainty in terms of costs and disbursement dates.

In accordance with professional standards applicable in France, we have also verified the information given in the half-year financial report commenting the condensed half-year consolidated financial statements subject of our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, August 30, 2007

The Statutory Auditors

KPMG Audit *Department of KPMG S.A.*		Deloitte & Associés	
Jean-Luc Decornoy	Michel Piette	Amadou Raimi	Tristan Guerlain