



29th July, 2011

Henri PROGLIO

Good morning, ladies and gentlemen. Welcome to the publication of EDF's 2011 first half results. I will now start with summarising the major facts of the half year. Then of course, I'll come back on our 2020 ambition that I already mentioned during the shareholders' general meeting, after which Thomas PIQUEMAL will present the details of the figures for the half year and the outlook for 2011 and, more generally, the medium term outlook until 2015.

Let's start with the financial results of the first half of this year. You won't be learning anything new if I say that the context was particularly challenging, complex, uncertain, with of course the Fukushima accident that raised with much acuteness and on a global scale the choice of future energy policies. A number of other major highlights have marked our industry particularly in France as well as elsewhere and we'll be discussing that.

Let's start with our performance in the first half – performance that can be regarded as highly positive in spite of the troubled environment. The first point of satisfaction is an improvement of our results, improvement that comes essentially from operational performance: organic growth of 6.2% for the EBITDA, of nearly 40% at the EBIT level. This also translates into the strong growth of the net income Group share multiplied by more than 2.4, and in particular for the recurrent net income up 12.5%.

Another important point to highlight is that we have recovered some room for manoeuvre by improving our net debt situation and the net debt to EBITDA ratio which, as you see today, is around 2, which implies that EDF's balance sheet is probably one of the soundest in our industry. We are actually the only company in the sector whose rating has been upgraded to AA- by Standard & Poor's, and this is justified by the major role that EDF plays in the nuclear

industry, which is itself strategic for the French economy. This was reminded last Monday when we set up together with AREVA the Nuclear Strategic Committee. As you can see, a solid set of results, in spite of uncertainties. We have not moved of course from our strategic ambition or our priorities, as attested by these highlights of the first half year 2011.

Among these highlights, let's start with the improved operational performance. This was our key priority and the prerequisite for setting up any strategic ambition. We've reached this target with an excellent performance of nuclear output: +7.7% in France and 25% increase in the UK, although it is fair to say that last year was impacted by the unplanned outage of our power plants in UK. However, the performance of the nuclear fleet both in France and the UK has reached record high in this first half of the year. And we remind you as well that in the UK last week – 18th July – the government confirmed its energy policy in favour of nuclear development with the voting of the National Policy Statement by the Parliament. As far as France is concerned, let me remind you that the level of our nuclear output has reached 43.9 TWh; an unprecedented level in the history of EDF. We have reached our targets particularly thanks to a very low number of unplanned outages, down 371 days this semester.. All of this results from major investments in maintenance, particularly to replace major components in our power plants, a replacement program which as you know is accelerating. Hence the performance of the nuclear fleet which is significantly higher than last year, and even above our expectations, had two positive effects. First of all, we are able to upgrade our annual production target for the year 2011 within a range of 411 to 418 TWh instead of the 408 to 415 initially planned. Second effect was to offset highly deteriorated climate conditions that impacted the hydropower output. This year the lack of rainfall and snowfall have actually

caused approximately 35% decrease in the water flows. To this excellent performance of the French nuclear and UK nuclear fleet we can also add a significant increase in the quality of our networks with the average power cut down 16 minutes versus 2010. So this shows the real progress and the effort made into improving the operational performance. The announcement last week of the new construction schedule for Flamanville goes in the same direction and fits into our new approach to organising the project and sharing of information that is fully transparent.

The first 2011 semester was impacted by two key events. First of all, we have strengthened our position in renewables, with the decision of buying out EDF Énergies Nouvelles. We now own 97% of EDF EN shares and following the mandatory squeeze out, we will own 100%. The second highlight is the decision of the ARENH price set at €42 as of January 2012. The NOME Law came into effect on 1st July 2011 and the regulator CRE has already mentioned that our competitors have requested 61 TWh over 12 months. I will remind you that the total amount that EDF can sell to its competitors is 100 TWh. This leads me to deduct that those who were claiming that the ARENH price was not competitive enough are actually finding it attractive. So, overall a very active semester, with important and positive decisions impacting EDF's future and which enable us to reassert our ambitions for organic growth. Priority to profitable growth, this may not be very original, but that is the meaning that we want to give to the Group's strategy.

As I mentioned earlier in my introduction, this first half of this year was hit by the events at Fukushima as well as the contrasted and sometimes drastic reactions that led to some governmental decisions in Europe and elsewhere. Let me add that nuclear power has its role

to play in the future energy mix. Neither the US nor China, Russia, nor the UK are even considering doing without nuclear power, neither South Africa, India and many other countries.

I told you earlier that the British government adopted two weeks ago the approval of building new nuclear power plants. The reform of the electricity market actually confirms the implementation of favourable conditions to invest in carbon-free energy, which clearly includes nuclear power. This illustrates another vision of the energy mix expansion, different from what was chosen by a country East of France. France has opted for nuclear power and my conviction, I say it again, is that nuclear power is a carbon-free energy and safe energy, provided that we devote the necessary investments, and is entrusted to competent operators. Beyond the performance of the fleet, we're fully aware of our strong responsibility as an operator of course – a role that places us on the forefront, as you know, in the nuclear sector and this is probably the very first lesson to be learned from Fukushima. As you know, the safety culture is part of EDF's DNA and is reflected in an ongoing approach to improve the safety and performance of our fleet, hence the important level of investments necessary to cover for maintenance, for the ongoing operations of the plants and eventually the extension of their operating life. In 2009, we have dedicated €1.7 billion for the maintenance of the nuclear fleet in France compared to €1.5 billion in 2009. In 2011 the number should be between €1.8 and €2 billion to reach between €3.4 and €4 billion by 2015. Of course our ambition is not limited to nuclear only. At the latest Shareholders' Assembly last 24th May I presented the Group strategic orientations – orientations that intend to position EDF as a global electricity operator, operating in all of its businesses with one goal: to be the global

leader of carbon-free electricity. By 2020, I would like to renew and restate our ambition to have an electricity generation fleet which is 75% carbon-free. We also intend to sustain and continue our leadership in nuclear. To this purpose, EDF can and must propose its skills and expertise to support other operators and countries particularly in developing a safer nuclear power.

In renewable energies, our commitment is clearly stated by our takeover of EDF EN. We are now fully in charge to develop projects and draw the benefits in line with our investments. Our commitment in renewables will also involve our determination and our commercial ability to win future tenders in hydropower concessions in France, of course, as well as in other countries worldwide.

Lastly, within this energy mix we are not neglecting thermal power. Gas and coal remain important components of the global energy mix. It is up to us to help countries develop technologies that are more modern, more environmentally friendly, as we will be doing in Poland, by developing super critical coal technology, or in Asia and in Latin America with combined cycle gas turbines.

As you see, our expertise, which is recognised on a global level, legitimates our growth ambitions provided of course that this growth must be profitable. To do so, we need to have higher demand in terms of return on investments, Thomas will be speaking about that. We've reviewed the investment criteria to ensure that all projects will create value, and still in the perspective of optimising the profitability of our growth we've also redefined our key development areas. This involves first of all clarifying our international partnerships. We were able to clear several complex and sometimes constraining situations. In the US in particular,

we've put an end to the threat of the put that could have been exercised by Constellation that could have cost us several billion dollars. In Germany, we exited from EnBW at a time when the context was becoming unfavourable. Initially the decision may have been surprising but the recent political choices in Germany probably now prove us right. Without forgetting Edison, as you know our Shareholders' Agreement has been extended up to 15th September, and we've been working with A2A to plan a solution and comfort Edison's position as the second electricity operator in Italy. Now that the situation with our partners has been clarified or is being clarified with regards to Edison, and along with the takeover of EDF EN, we have now full control of our strategy to keep going forward.

Our ambition of being a global benchmark of electricity is consistent with the Group's identity. This ambition is actually facilitated by EDF's integrated model, vertical integration of all businesses from downstream to upstream, from design and build all the way to operation and management of services. Within all its businesses, EDF is and must remain a global reference. A vertical integration of our businesses but an open architecture worldwide allowing for all forms of alliances, partnerships, contract management in France or elsewhere. The only key word is to capture growth where it is and we will, to this purpose, use our key assets, mainly the diversity of our skills in response to the diverse situations and expectations of our clients everywhere across the world – expertise in hydropower engineering, fossil fuel power plants, design and operation of networks, skills and expertise in optimisation and trading.

To remind, on 17th June, ERDF has signed a first of a kind partnership agreement with MRSK, the Russian electricity distributor, relative to the maintenance and quality of the distribution covering this important region in Russia. In this country, we've also initiated collaboration with

Gazprom and Rosatom in complementary areas. While our domestic playing field is Europe, we also intend to develop in countries where we already enjoy historical partnership and very strong competences, as in China, for instance, where we've been working for the past 25 years with CGNPC or in the US with EnXco or in South Africa.

Our target is to boost our presence in high growth countries, with considerable energy requirements – Poland, Turkey or Brazil among many others. In Brazil in particular, where we want to develop our presence, we have inaugurated last June the very first solar power plant in the state of Rio de Janeiro. To sum it up, every day, EDF group is more open to the world with an output capacity that has grown 50% internationally. Being a benchmark electricity operator means also to anticipate the future and prepare for the challenges of the 21st century in a world that will be faced with major issues of global warming, security of supply or doubling the global electricity demand by 2050. And to this purpose, and this is another asset we possess which is perhaps less known, we will continue to strengthen innovation and our R&D, which has always been a key strength for EDF and we intend to bolster our technology potential over the coming years. 2,000 engineers and technicians have already been mobilised to develop the Group's ability to anticipate and develop all of these businesses, be it material ageing, CO₂ capture and storage, new generation of solar photovoltaic, offshore wind, concentrated solar power, marine turbines, etc. Those are as many areas of major potential for the future where we intend to develop. And for instance R&D will also include efforts in networks, energy demand, to make sure that electricity becomes the energy of the sustainable city. Among other examples is the development of smart grids and smart systems, including smart meters like the Linky meter experimented successfully by ERDF. Low energy buildings

reasonably priced, smart buildings, innovative usage of electricity for transport, for comfort or dedicated to the industry. This is the reason why we inaugurated the new R&D centre of the Group in Beijing dedicated to CO₂ capture and storage and to smart grids – two sectors that represent a significant opportunities for China, facing the major challenge of turning into a sustainable city. Anticipating the future for EDF will also guarantee that the skills and expertise will be kept within the company. We are all mobilised to meet this major challenge, and make sure that EDF cannot just only renew its skills and expertise but also develop these skills to respond to our future growth. This is a brief summary of the semester which was full of events and progress for our Group. Within 18 months of presence together with my team we have solved four key medium term challenges for the Group. First of all, operational performance has been increased thanks to the nuclear output in France and in the UK, among others. Secondly, defence of our interest under the new Nome Law in France and defence of our interest everywhere in the world, management of international partnership and lastly deleveraging of the Group.

I can also mention the decision of the French Nuclear Safety Authority to extend the operating life of the Fessenheim power plant for ten years. This decision, of course, independent of the safety audits and stress tests to be conducted after Fukushima, reflects nevertheless the quality of EDF's work and achievements in terms of maintenance and safety – success that many are attempting to minimise.

Within 18 months, our Group has gained in strength and consistency. Out of all of these priorities, we've actually achieved better than our expectations and hopefully, better than

your expectations even though – and I regret it – none of this is truly reflected in our share price.

Over the long term, last May we announced that we wanted to increase our installed capacity to 200 GW by 2020. In a few words, being a reference benchmark operator in 2020 means that we need to have an energy mix that will be competitive and diversified, with projects that will enable us to reach this ambition of 200 GW of gross capacity – up approximately 30% versus today. As I said, the 2020 energy mix in EDF will be broken down into 50% nuclear power, 25% fossil fired and 25% hydropower plus other renewable energy sources, which implies an ambitious development in these forms of energy.

The Group will thus have a 75% CO₂-free energy fleet and 50% international, which of course means that three quarter of these new capacities will be built outside of France. These developments will be based on new forms of contractual agreements, meaning that we will not necessarily have to hold 100% of the assets, using other forms of agreements ranging from management for third party account, concessions, O&M contracts, IPP type, or significant position which could take form of a minority stake. We will thus be able to limit our risk exposure while endorsing the full responsibility of the industrial and technological choices of our Group. These new capacity projects are not new to you as we have already mentioned them. Projects under constructions already account for approximately 8 GW, including the EPR at Flamanville plus two EPRs at Taishan in China, and in thermal capacity, the two CCGTs being built in France at Blénod and Martigues and one in the UK. Other projects have been identified for approximately 34 GW, such as the EPR in the UK and we could also consider other hydropower international projects based on the Nam Theun model in Laos. The example of

Nam Theun shows actually that the increase in the Group's installed capacity does not necessarily involve a heavy capital investment, since we have a 40% stake in the company that owns the power plant, but we do have full industrial control. Thus we estimate that within 40 GW of capacity for the Group 20 GW should be commissioned to reach the 200 GW project in 2020. I deem it was important to clarify these elements but without further ado I will now handover the floor to Thomas PIQUEMAL. Thank you very much.

Thomas PIQUEMAL

Good morning ladies and gentlemen. I'll now give you a detailed explanation of our results for the first half of 2011, confirming our objectives for the current year and I will share with you our medium term outlook and the targets we have set for 2011 –2015. But before talking about the present and future I suggest we should look back at the past using one slide which explains the presentation of our first half results. Under IFRS 5, EnBW contribution has been restated as assets available for sale in our published 1H 2010 results but these do include the contribution of other assets sold in 2010 such as the UK networks and Eggborough, which have been restated, together with RTE which is now consolidated under equity method income, in our adjusted 1H 2010 results. These adjustments allow for a better comparison so that you can properly measure the operational performance of EDF in the first half of 2011.

Our CEO gave you the main key figures: the turnover increased, organic sales up 2.7%, EBITDA at €8.616 billion, +6.2% on a like for like basis vs. 1H 2010, net Income Group share multiplied by almost 2.4 on a like for like basis. Let me point out that last year in the first half of 2010, we had recorded non recurrent charges, related to our US activities for almost €1 billion. Of

course, we do not have this impact in the first half of 2011. Excluding the effect of these non recurring items net income is up by +12.5% to €2.629 billion. The debt has been reduced vs. 31st December 2010 and is now below €30 billion, as at €29.2 billion, namely twice our EBITDA.

As I said, sales are up 2.7% that is plus €870 million in sales, thanks to a good performance of our French business (+€650 million), to a lesser extend outside of France (+€200 million) but this variation is due to the fact that revenue in the UK is down due to the drop in volume in the lowest margin part of our B2B business. EBITDA is up by 6.2%, driven as well by the performance in France plus €400 million EBITDA out of a total of €500 million organically.

Internationally, all of our businesses are growing, aside from Italy which I'll tell you more about in just a few moments. EBITDA is up by 6.2%, amortisations are more or less stable as compared to the previous year, no losses in value especially in the United States, so EBIT of €5.256 billion, + 40% compared to the previous year. The slight improvement in our financial income down by 7.3% has enabled us therefore to have a significant improvement in the net income group share, multiplied by 2.4, as well as in the recurrent net income up by 12.5%.

Non recurrent items offset each other in this first half, with the positive impact from the net capital gains made on the sale of our German subsidiary for €263 million. This operation was finalised in February. In view of this capital gain of €263 million, we had a loss of value recorded on Dalkia International, mainly in Italy, where we have a 50% share consolidated in our accounts for a total of €170 million, combined with other non-recurrent items which give us a rather low total of -€75 million as compared to -€1.3 billion last year.

Let me point out that under the item "other" of -€150 million we also accounted for the consequences of the regulation published at the beginning of July regarding the compensation

of our competitors, with TaRTAM, even though it's very difficult for us to understand it and we hope we will have clarifications from the French regulatory authorities during the second half of this year.

The good performance of the French business (+8.3% in organic growth) is mainly driven by the increase in nuclear output generating €717 million in EBITDA, offsetting the drop in hydropower generation as well as the negative effect of milder weather conditions in the first half of 2011 compared to 2010. We also benefited from higher prices on the wholesale market thanks to the excess nuclear output.

Operational expenses are up by €300 million which reflects the impact of choices made in terms of human resources at the beginning of 2010 and specifically acceleration in the recruitment campaign.

We look at our EBITDA growth in 2 parts, first the regulated activities which now include mainly ERDF since we're now consolidating RTE under equity consolidation and on the other hand the unregulated business, meaning production and downstream and optimisation. You can see that EBITDA of the regulated business is up 2.2% with the effect of TURPE offsetting the drop in volume due to a milder weather condition in 2011 versus 2010. In the unregulated activities the progression is quite significant up 10.8%. As you can see on the bottom left of the chart it is linked to the improvement in nuclear production, +15.5% which offsets the lower hydro production (-7,6 TWh); whereas the demand for end customers is down by 18.6 TWh, mainly due to milder weather conditions, which explains the 13 TWh fall. We were thus able to take advantage of the wholesale markets and benefited from higher margins thanks notably to a positive price effect.

Nuclear production has improved significantly, a constant progression every month. This chart replicates what was already in 2010 a positive trend and we said back in May last year that we had reached a new inflection point. Nuclear output has been rising month over month in 2011 to reach +7.7% cumulated for the half year, over 15 TWh in excess generated, all of this due to the fact that shutdowns have been better managed. As you can see here on this chart, be it in blue the unplanned outages or be it the extended outages, both are dropping quarter after quarter, as compared to what we saw in 2010. This enables us to upgrade our nuclear output target to 411 to 418 TWh, while maintaining conservatively our availability target of 78.5%. The hydro situation is quite different, due to the deterioration in hydrological conditions in the first half of 2011 – very poor vs.. historical data as you can see in blue and vs. 2010 in black. You have understood that I'm referring to the red curve for the first half of 2011, which although we have not extrapolated till the end of July, could see a slight improvement given the weather conditions in France today, but it won't really change much or even nothing to the actual status of the reservoirs and we therefore remain cautious when it comes to hydropower output in the second half of 2011. This gap explains the 35.2% drop in output vs.. 1H 2010 which is quite significant of course in terms of our results but which we managed to offset thanks to better nuclear output.

Nuclear output was also strong in the UK, explaining the good performance of our UK subsidiary, +20% EBITDA in organic growth, due to the fact that nuclear production was up by 6.2 TWh in the semester, half of which was achieved thanks to the fact that there were no generic problems compared to last year when we were impacted by the unplanned shutdown of the Sizewell B power plant, which accounted for 3 TWh of lost output.

I will run quickly through the upstream/downstream balance where you can see that nuclear production is rising, sales in B2B are declining, but these are selective choices made to preserve margins (down by 5 TWh) and which overall enabled us to buy less on the market as you can see in the top left of the chart (-10 TWh). All of our international operations are improving except in Italy. These figures as presented here are down by 40% including Edison and Fenice. I have to highlight that we did not account for the very positive impact for Edison of the renegotiation of gas supply contracts with Promgas, contracts signed about one week ago and which made it possible for Edison to record extra gains in this period. We did not account for it due to the timetable and as it is not deemed material at the Group level even though it is significant for Edison. We would have added €56 million on this chart. We will do that of course in the second half of this year. Aside from these good news, which enabled Edison to confirm its objective of €900 million in EBITDA for 2011, you can see that performance is dropping, showing difficulties on the Italian markets especially with shrinking margins in the field of electricity and gas.

Internationally, all businesses are improving except in the United States, because we are now putting new nuclear projects development costs as a charge, but these are becoming marginal. EBITDA is up by 10% and driven by the very good performance of our subsidiary in Belgium. Amongst our other activities, EDF Énergies Nouvelles reported its results yesterday, and our trading business is up 5.7% following a difficult start of the year with high volatility. In our renewable business the EBITDA growth is significant (+18%) even though we expect more disposals in the second half, so the progression throughout the rest of the year will be even more significant.

Free cash flow in the first half is positive, +€300 million, to be compared to the first half of 2010 at €1.3 billion, but it included the first Exceltium payment for €1.7 billion, therefore if you exclude for this, you can see that we've improved as compared to the first half of 2010. And all of this was achieved even though there is still an increase in the CSPE deficit affecting this semester for about €500 million our working capital requirement, in line with last year. Free cash flow is positive therefore and improving vs. last year (excluding Exceltium), even though we are continuing to invest significantly with gross capex up 2.7% as compared to the previous year with the same breakdown as presented at the AGM, of course taking into account the deconsolidation of RTE, that is about 30% in the regulated business, the remaining 50/50 between maintenance and development.

Net financial debt is dropping sharply, €29.2 billion versus 34.4 at the end of December 2010, thanks to the disposal of EnBW (€7.1 billion) which includes both the value of the shares and the deconsolidation of the debt. It is worth mentioning that this figure does not include the €2 billion off balance sheet put option owned by the minorities so this is merely the impact with respect to our debt. A positive cash flow of €300 million, and we have allocated €200 million to the dedicated assets over the period, less than in the previous period, thanks to the positive effect of the allocation of 50% of RTE, allowing us to build up over a longer period the contribution of our dedicated assets. We paid out the remaining dividends (€1.2 billion) in cash and we have acquired EDF Énergies Nouvelles minorities. This transaction is a success, as we now own 96.7% of EDF EN capital starting from 50%. We thus have launched a mandatory squeeze out procedure which will allow us to own 100% of the capital by the autumn.

Just to remind you that the offer had a cash part, at €40 per share (ex dividend) and one in shares, and it included an important share buy-back program of EDF shares to cancel the dilution effect linked to the share offering. So if we were to add up the cash portion, the share buy-back programme, as well as the minority squeeze out in the coming weeks, the total cost for EDF in cash will be €1.5 billion, meaning that the average price per EDF EN shares is €38, which is a 5% premium on EDF EN's share price before the announcement.

Now, all of this allows us to confirm our objectives for 2011: EBITDA will rise by 4 to 6%, before taking into account the unexplained compensation due to TaRTAM. Once again, we hope we'll get clarifications on this in the second half. We do not really understand the TaRTAM cost, which is clearly linked to the fact that our competitors did not hedge themselves on the market as we would have done at the end of the year. But the TaRTAM will disappear as of 1st July, adding to the non-recurrent aspect of this charge. So we expect therefore an EBITDA growth of between 4 and 6%.

Our net financial debt over EBITDA ratio target is also maintained. I had said 2 to 2.2 at the beginning of the year, and including the impact of EDF Énergies Nouvelles we add 0.1x hence a 2.1 to 2.3 range, and finally we maintain our dividend objective which is at least flat vs. 2010.

As I pointed out in the introduction, I seize the opportunity to share with you our medium term outlook and our objectives for 2015.

Our objective is to sustain a profitable growth for EDF, based on six key drivers. First of all, anticipating on the renewal of skills which will allow us to deal with the significant churn due to retirements over the next 5 to 10 years and prepare for our international development.

I'll cover all the drivers one after the other. The second driver consists in capitalising on know-how, in R&D, as well as in contractual engineering.

Thirdly, investing in the power generation fleet and the networks and I will try to demonstrate that these investments can create value even though we're talking about maintenance.

Fourthly, we want to pursue a more selective development. As our Chairman mentioned in his introduction, we now have investment criteria that are far more selective than in the past.

Fifthly, reinforce financial solidity and lastly, step up transformation and synergy efforts.

The first driver is a key challenge for the Group – renewing skills, and our anticipation in doing so. Let me give you one example: in the field of production and engineering in France, from 2011 to 2015 we will be hiring more than 10,000 new employees –i.e an increase of our staff by 2,300, net of retirements. That's just one example, I could have taken many others and of course we could spend much more time on this but once again I must point out that this is our key growth driver for profitable growth and it is a huge challenge for our Group to enable skills to be renewed and to develop its engineering capacities, at a time when we'll be conducting major growth projects abroad in particular and to support the capitalisation of our know-how abroad.

No need to invest to grow profitably. Growth will be based on an R&D effort that will be intensified. Our R&D budget is now €500 million per year more or less, and we have 2,000 people working there, under the supervision of Bernard SALHA who is here today, focusing on three major areas for R&D. First, the energy mix, carbon-free that is, notably in nuclear with one example amongst many others, with respect to ageing materials or in renewable energies,

with again one example amongst many others with regards to R&D in new generation of photovoltaic technologies to make them more competitive.

The second key area for R&D refers to networks, at a time when we will have more decentralised energy, when we will need more renewable energies and smart meters. Of course, I'm referring there to smart grids in which we are investing significantly, more particularly in research and development.

The third main area is in energy demand management, energy efficiency and also the issue of the sustainable city. To capitalise on know-how also means contractual engineering and partnerships, no need to invest to develop the Group, specifically abroad if we are able to capitalise on its know-how.

For example, this contract engineering and partnerships that Chairman PROGLIO mentioned earlier in his presentation in the field of delegated network management, for instance, with the MRSK agreement in Russia. We have now a team in charge of improving the network efficiency and that's an excellent example of what could be done in terms of network improvement and I'm sure there will be many more over the coming months.

Second example in the US, where we manage 15 GW for third party accounts in the field of optimisation and trading. This is a key success for EDF Trading North America that should continue expanding as well. In the US through our subsidiary EnXco, we also manage wind farms for third party account (4.8 GW). There again, we want to capitalise on the Group's expertise and know-how without additional financial investments. And naturally there will be project by project partnerships, the latest example being the Nam Theun partnership in Laos that Chairman PROGLIO mentioned.

As I mentioned in the introduction, one of our key drivers for medium term growth is to continue investing in our nuclear generation and in the power plants and the networks. In France, our target is to multiply by two the maintenance capex over the period 2011–2015, in all areas, including ten year inspections. This should be expected as the more we go over time the more expensive these ten year inspections will be as we are now looking at the 1,300 MW plants vs. the 900 MW which are currently under way. We'll also continue investing in replacing major components, as well as power plant operation.

All of these investments, as I said, create value. First of all because they enable us to anticipate on the extended operating life: as long as you change major components you don't do that for just five or six years, you do it for several tens of years. Secondly, over the period, this type of capital expenditures up to 2015–2018 will enable us to increase by approximately 400 MW our capacity. This is the case for the 900 MW units where we changed the rotors; we replaced them with rotors that increase the generation output.

Lastly, these capex are linked to the fact that we're intensifying preventive maintenance with the AP913 plan thereby improving the availability of our power plants and thereby better planning the maintenance shutdown or anticipating on any possible failure. All of that, while benefiting from the best safety standards and safely preparing our plants operating life beyond the 40 years.

We'll also continue our selective developments. Every year, we plan to devote €4 billion to development capex and we will go from four to approximately five by 2015, due in particular to the capex now planned in new nuclear power in the UK. Our investment criteria are extremely strict, measured in terms of value creation at 300 basis points over the Group

WACC, which imply 100 to 150 basis points increase in profitability compared to previous criteria. This also includes a revised investment process which allow for a stronger involvement of all the operational managements as well as the Finance department. In view of these investments in maintenance, in networks and in developments, we plan to go from approximately €11 billion up to around €14 billion on average, while preserving the financial soundness of our Group thanks to control of our debt with a ratio that should remain below 2.5 x and thanks also and mostly to the high visibility of our cash flows. Our cash flow is visible thanks to our regulated activities but we also have renewable businesses which benefit from PPA contracts, and we also benefit from the reforms of the French and UK markets so that we can de-risk, if you will, our investments. I am obviously referring to the Energy Market Reform confirmed by the UK government in July. This allows us to keep our rating and I could mention that S&P has upgraded our rating from A+ to AA- that is one notch above our previous rating.

Final major driver which will enable us to deliver a profitable growth is our renewed efforts in delivering synergies and transformation within the Group. Over the past ten years, EDF has gone through major transformations in all areas. Our intention is to continue these efforts based on three essential pillars. First of all, procurement performance, secondly synergies within the Group, as we want to capitalise on the size effect resulting from the significant expansion outside of France. Third driver will be a continuation of our “operational excellence” approach which is now perfectly integrated into the Group, and which involves simplifying processes and ongoing surge to improve our performance everywhere.

Overall, our target is to reach a cumulative gain of €2.5 billion between 2010–2015, broken down as you see here on this slide, €600 million in gains in profit margins. These gains will be

broken down as shown here with 23% to be saved on support functions. In IT for instance; we've already reduced costs by 6%. That was a key challenge for us.

On the right side here, you see that this is spread 50/50 between sourcing and synergies and operational excellence. In sourcing, the Group has already made considerable efforts over the last 10 years. We've centralised the sourcing. We've optimised the procurement. Our ambition under the supervision of Bruno CRESCENT is to be more forward looking, through a greater anticipation and determination of business lines needs and industrial policies with gains that we expect at approximately €400 million. We want to also optimise our supply chain and our size through more Group-level pooling, and we want to strengthen the execution of negotiated contracts. This is a major gains target totalling €1.3 billion over the period.

We have a lot of projects in terms of synergies. I'll show you two examples. Abroad, for example in Poland and Gérard ROTH is here with us to reply to any questions you may have on Poland. I'll remind you that for the past ten years we've been present in Poland and we now have 4,000 employees, €275 million in EBITDA and we are spread basically over the entire Polish territories with projects there. As you know, there are good prospects in this country which is of great interest for us. But there are also synergies to be gained in the current scope. This is just one example among many others. We have developed the shared service centres based on EDF experience in France that we have now exported there. In Poland overall estimated gains are to reach approximately €30 million by 2015. Second example is optimisation in trading and Mr BENAYOUN is here with us. He also can reply to your questions. In the field of optimisation, our competitors have several systems. The graphic illustration shows some of our competitors' on the left; trading optimisation is centralised. Our model is

on the right side, i.e., one local optimiser so that you can draw on the local expertise and skills and knowledge of local market and a global trader that can capitalise on the Group's strength in terms of trading, so that we can generate significant synergies in this area by 2015 as well. This programme is being rolled out in all of our subsidiaries. This is what's being shown here with the green dots corresponding to subsidiaries/commodities where it has been deployed, in blue for what is currently under way and in orange for what will be done by 2015. This is a highly structuring project for the Group that should create and generate a lot of value.

Let me talk now about our targets for 2015, based on these drivers that I have described in detail earlier. Our targets are targets for profitable growth. By 2015, we continue with our average annual EBITDA growth, a target of 4 to 6% which translates into a net income growth of 5 to 10% per annum on average, a net debt/EBITDA ratio below 2.5x and a payout ratio in the range of 55 to 65%. I'd like to thank you for your attention and I'll give the floor back to Chairman PROGLIO. Thank you.

Henri PROGLIO

Thank you, Thomas, for all these details. It is time now perhaps to open the floor to discussions and to take any questions you may have, whether you're a journalist or a financial analyst, ladies and gentlemen you now have the floor.

We have a number of written questions just like at the AGM. Martin YOUNG has a question about the operating life extension of our power plants and our level of confidence in obtaining it.

This is difficult to give you any comment. As you might know the process is as follows: the Nuclear Safety Authorities is the one who grants extensions or authorisation to extend and it is done plant by plant, and for a ten year period based on the ten year inspections visits. We have just been granted by the ASN the approval to extend the operating life at Fessenheim as I mentioned earlier. We are very confident in being able to get such authorisations. We target operating life of 40 to 60 years per tranches and we're quite confident in our ability to get approval on these operating life extensions. So, if the question is "how confident are you?" my answer is we are confident. But of course, we have to look at each site and be able to convince the ASN to grant these extension approvals. So yes, we're quite convinced of our ability to do so and we shall demonstrate it as the permits are delivered over time. Thomas will read two other written questions, than I'll give the floor to Mr Honoré...

Thomas PIQUEMAL

Martin YOUNG again, question regarding the TarRTAM cost that I was mentioning earlier. Now the TaRTAM transition price is very complex. To sum it up EDF has the obligation to compensate its competitors for the difference between a theoretical sourcing cost and the TaRTAM price which is set by regulation. Therefore, we're supposed to be paying the difference. Traditionally, every year we provision this cost at year end based on forward prices, hence anticipating what any normally wise operator would lock as a sourcing. So we've been provisioning that into our accounts and that was done at year-end 2010. Our feeling is that the sourcing cost is in excess of the hedging cost that should have been if that policy had been implemented by our competitors. This gap is significant for the Group: €170 million is what we

had not provisioned so we've asked the regulator CRE to speed up their audits with our competitors so that we can get additional explanation in the second half. The TaRTAM mechanism is over since 1st July but it imposed on EDF the hedging risk taken by its competitors. And of course this is something that will be reviewed in the second half of the year.

John HONORÉ

Good morning, John HONORÉ, Société Générale, I have three questions. First of all, you're reviewing your annual nuclear output targets upwards. You're also catching up on Edison, €50 million for the year. Does that give you more comfort on the annual guidance perhaps or don't you think you're a bit shy here? I mean you're doing better, slightly better than your annual growth rate in the first half year. On the midterm, you're basically giving us 4 to 6%, that's basically the annual guidance, yet you have a new cost reduction plan 1.2–1.3% additional growth should be generated thanks to this. So is your guidance not a little bit timid based on what you are doing and implementing? And third question has to do with the hydropower concessions. They seem to be postponed because of political issues, related to the appointment of special advisors to the government. How long do you think this will be postponed?

Thomas PIQUEMAL

Let me come back on the issue of the guidance. 4 to 6%, these are targets that we gave earlier this year with an ARENH price of €42 as of 1st January 2012. Difference of €2 in the second half

year for ARENH (set at 40€/MWh as of 1st July 2011) is costing us €70 millions. Now our competitors were asking for much more than what was planned initially based on this ARENH price. Delivery rate is 85% which is in excess of our estimates, which is also an additional cost, costing us approximately €100 million— that is, ARENH price-based deliveries. But we will be offsetting that thanks to what you mentioned, higher output in nuclear power. So this is why we keep our 4 to 6% target but we also want to remain cautious in terms of nuclear output for the second half.

We have still 2/3 of our planned outages to go through looking at it from 30 June. We have completed three ten year inspections, we have three ongoing and three are still to be launched. Of course, that forces us to be very cautious on nuclear output for the second half given the important plant maintenance program ahead of us. On the mid-term guidance, yes our synergy and transformation plan will generate efficiency, naturally. But as I mentioned earlier, one of our key challenges is to renew our skills. Therefore, we need to invest in skills and personnel and that's why overall we set this 4 to 6% EBITDA growth rate for over the period 2011–2015. As for the hydropower concessions, I really would not like to make any comments beyond what has been said. Let me just add, regarding the postponed renewals... All I can say is that we are prepared, we are set, we have great ambitions and our teams are mobilised on this important subject.

John HONORÉ

Can I add one more question? First half year we had a lack of water flows in the hydropower plant, can you give us an idea of how much that represented as a loss? Particularly in view of the water fall we've had since July, could we expect to see a positive effect in the second half?

Thomas PIQUEMAL

Indeed, I can say that the effect on our result is significant. Now, can we be more optimistic in view of the rainfall in July? My reply would be no, because what's important is to fill up your reservoir during the winter season, i.e. the first half year, so we remain very cautious regarding the hydro output in the second half. However yes, you're right that the rainfalls in July can reduce the threat of a heat wave for example or any drought but I do not want to play weather forecaster.

Emmanuel TURPIN

Good morning, Emmanuel TURPIN from Morgan Stanley. My first question relates to your vision for 2015. My question relates to the parameters you're using. First parameter: what do you use for electricity prices, is it an internal forecast or are you using forward curves?

The second parameter on nuclear production in France and the UK: could you quantify and give us a range in TWh? And lastly, what could you tell us – and this is more tricky – about your assumptions regarding your philosophy regarding pricing or the ARENH? Secondly on capex, you spoke of increasing from 1.9 to around 3.5 billion for nuclear maintenance in France;

which amount of that relates to preparing for the extension of the operating life? And for 2011 are you still comfortable with respect to the consensus net income? Thank you.

Thomas PIQUEMAL

For electricity prices, our assumptions for France is around €60/MWh which is slightly higher than current forward curves, and our assumption for the UK is consistent with this number. We don't give any estimates for nuclear output for 2015 in France or the UK, it's an overall objective that we have set and which we share with you.

Similarly, I won't be very satisfactory in answering your third question regarding our pricing philosophy or changes in the ARENH pricing – these are decisions that are not up to us, it's up to public authorities. As far as the ARENH is concerned, we are facing a very important discussion on the formula dictating the evolution of the €42/MWh. This formula must take into account all of our costs of operations, capex as well as the remuneration on an economic basis of the invested capital. Regarding the share of our maintenance expenses linked to the extension of operating life, it's not that I don't want to answer but it's extremely difficult to answer that question because when we change a steam generator you're preparing for an extension of operating life. This is a major investment of around €250 million when you do that. What portion of that investment would enable you to prepare for the future? I would say the full extent. What portion could avoid a short term breakdown? It's also the entire portion. Once again, it is extremely difficult on these details to draw a distinction in our capex programmes of what prepares for the extension of operating life or what's only a matter of maintenance.

Henri PROGLIO

Well, in general, we're preparing our plans for operating life extensions, investments are made for that, that's what we can say. As for an analysis between the portion that's linked to that decision and what's due to current maintenance, that's a bit complex in an industrial operation. But the Group's philosophy is that all investments for the coming years are decided upon and managed in view of the extension of the operating life of all reactors for a 60 year period.

Thomas PIQUEMAL

The last question about net income; the answer is yes, we still feel comfortable with that consensus of 3.3 billion (net income for 2011).

Marco MOUSSANET

Good morning Sir, Marco Moussanet from Italian newspaper Il Sole 24 Ore. As always, we'd like to find out more regarding negotiations in Italy on Edison. You're always a bit reluctant to give us more information. I would like to know in particular if 15th September could be a deadline in terms of changes in Edison's plans, from a technical perspective? Thank you.

Henri PROGLIO

Well, the date is contractual, all contracts may be amended but we normally abide by a contract. So, we consider that the agreement will be complied with and the date will be

upheld. In Italy, it's hard to make comments because the talks are not over yet, you know that our relations with A2A, our Italian partner are good quality relations. We had concluded the main guidelines of an agreement suitable to both parties and the Italian public authorities' reaction did not enable the agreement to be signed. I will not express myself more than that, with respect for the public authorities' decisions, because this is a very complex matter. We have ambitions for Edison as I said before, these are major industrial ambitions. Now we express that, as a matter of fact it was well accepted in Italy by the public authorities and by our partners. I have no doubts that we will achieve this but, right now, I can't tell you more because we don't have in our hands the answers. So this is the situation, one uncertainty that is still continuing. Our vision is clear, once again, and I hope that the decision will be taken so that Edison, which needs it, will have a better visibility regarding its future.

Vincent AYRAL

Hello, Vincent AYRAL from UniCredit. To come back to tariff, now we have the NOME Law that was adopted, the way it was voted if I understand in fact, implies a convergence of residential tariffs. That wasn't necessarily in the initial Champsaur report and the tariff increase this year did differentiate residential from industrials. So my first question is: can you confirm a convergence between residential tariffs for 2015 is still to be maintained? If that were the case, and if you use the assumptions for the historical nuclear cost, what would be the required increases on the residential segment for the next five years? Now, we know this is a very political issue, it may be difficult to voice your opinion on this, but instead of speaking about a scenario where we will be setting a historical cost of nuclear, but if we were to talk

about eligibility of residential tariffs, and if we imagine that we are at 42 for ARENH today and in 2015 what will be the increases in residential tariffs for you? 3% to 4% per year, would that be realistic in your opinion?

Henri PROGLIO

Well we won't use any assumptions. We'll take things that are certain, 42€/MWh, that's certain, it's not an assumption. Let's talk about things that are clear.

Certainly, you said it yourself, it's a political issue. The prices are regulated in France. You can understand that's a bit difficult for me to give any visibility on prices instead of a government which would be deprived of taking any decisions. That would be a bit surprising in terms of each party's role, so I will not go there. You speak about convergence or the ability to challenge pricing – it's a very technical issue. The tariffs will be set by the government up to 2015, to ask me to give you an answer for the government regarding pricing, well let's be very clear, the talks held on the NOME Law concern the full economic costs of the historical nuclear plants in France, because a law required us to provide to competitors 20% of our power generation capacity over a 15 year period. It was therefore legitimate for the company to ask for the selling price to competitors to be economical, the full economical cost of the historical facilities. This is how the law was adopted in a country where the laws are supposed to be respected. By application of the law as adopted, the government has decided for a selling price as of 1st July 2011 of €40/MWh on and €42/MWh as of 1st January 2012. Logically, these changes in this price, this transfer price will enable the company to be compensated for its full economic cost by 2015. That is the issue. That's the only issue with respect to the

implementation of this law, so it will be natural to move from €42 to €46 at the end of this transition period. But that's the only answer I can give you as regards the transfer price of nuclear output to our competitors. As regards tariffs and tariffs for residential customers, that's up to the government and I will not voice any opinion on that, because furthermore it's a very complex matter, specifically if you take into account differentiated "social tariffs", enabling access to electricity for some fellow citizens who deserve getting better access to electricity, which are in the hands of the government. I will not permit myself to anticipate on decisions in that respect, that's all I can tell you. My only position is that it is legitimate that in application of the law, the transfer price to EDF's competitors by EDF should be compliant with pricing trends that enable the company at the end of a transition period to arrive at a transfer price that is compliant with the full economic cost.

Thomas PIQUEMAL

Let me seize this opportunity to answer a few written questions. Myriam COHEN: "What's the consolidated tax rate for this year?" It's 31%, as compared to the previous period.

A question from Per LEKANDER: "With 13 to 15 billion in capex in the period and a payout ratio of 55% to 65%, can you really maintain your gearing stable and are you not left with a negative cash flow after the pay out of dividend?" Gearing will remain below 2.5x, you saw that we're now in the range of 2.1 to 2.3. Our cash flow is largely positive before developments and we're controlling our development projects, so as not to exceed a gearing of 2.5 times. This is how we set our medium term plan.

One last written question from Peter WIRTZ relates to the cost of €6 billion for Flamanville 3, is that EDF's share or not? Yes it is. What's the excess cost for competitors? You have to ask them. Of course, we will also negotiate some contracts, but the 6 billion as reported are EDF's costs.

The second question from Mr WIRTZ: "Why is it that the nuclear production objective of the second half in France is stable as compared to the first half of 2011?" according to Mr WIRTZ's calculations. This is because we have planned more outages in the second half, and mainly due to the six ten year inspections versus three in the previous period.

Finally last question. "What potential impact in the medium term forecast related to the loss of our hydro power concessions?" We have no plans to lose any hydropower concessions and this is why I can't give you any estimate of the impact. But I can tell you that if we were to win them all, given that we would have to pay a fee which has not yet been determined, the impact on our EBITDA would be marginal. Once again, I'm thinking of a situation where we took in all concessions.

Benjamin LEYRE

Good morning, Benjamin Leyre from Exane BNP Paribas. I have three questions, first of all linked to your rating. You plan to maintain your rating, and your rating was upgraded by one notch, would you be ready to go down to A+ or do you like to stay at AA-? Secondly, regarding the cost of a new power plant in the UK but not "first of a kind", given the slight gap in terms of the cost in Flamanville and your objective of profitability that were increased, what

according to you is the full cost of a nuclear plant today in the UK? Thirdly, could you tell us how you calculate the formula for the total economic cost in France? Thank you.

Thomas PIQUEMAL

For rating, we plan to maintain our “Standalone” rating. For the full cost of a UK nuclear plant we had an Investors’ Day dedicated to that on 17th December 2010, when we pointed out that we expected a minimum return of 10%. No need to change that criterion, all of that will be updated in autumn subject to what Vincent de RIVAZ could tell us.

With respect to the formula as known today, these are principles enshrined in the NOME Law voted at the end of 2010 which I already mentioned: covering our costs and investments, including the initial investments, our cost of capital under economic conditions. What’s essential for us is first to value the French nuclear fleet at its economic value and clearly not using book value which would be meaningless in terms of determining a cost price for a company. Above and beyond these principles enshrined in the law, I have nothing further to tell you about that. This is the third and last point to be clarified with respect to the reform of the French electricity market.

Vincent de BLIC

Hello, Vincent de BLIC from JP Morgan, three questions if I may. The first one still refers to 2015. You reminded us that tariffs are in the hands of the government. Could we use the assumption that the path you use in your objectives is conservative or do you have a safety margin with respect to a theoretical path of convergence between the ARENH and the full cost

of nuclear and of convergence between the energy component of the tariffs with Arenh? This is the first question.

Secondly, you have not spoken about the 85% of the availability factor, it is still your objective?

And thirdly, in the €2.5 billion of operational gains with respect to 2010, does it include any improvement in the Kd, or is it completely separate?

Thomas PIQUEMAL

I think Mr PROGLIO said we have no comments to make on changes in tariffs, or the link with our guidance. We have set our objectives for 4 to 6% growth in EBITDA. This is our commitment. And there you have it, we have no extra comments to make or no links or simulations or any assumptions to comment upon for reasons that you can certainly understand. Regarding the availability factor, there are no reasons at present for us to call into question our objectives to reach the maximum availability that is 85%. This will be reached thanks to the big component replacement program, which has been boosted, but also thanks to a better management of our planned outages. We have seen the positive impact in the first half and, thanks to preventive maintenance with the so-called AP913 program, as I pointed out earlier, so that we can achieve this unprecedented level of 85%. Of course, as the ASN (the nuclear safety operator) will submit its report on the consequences of Fukushima by the end of the year, there is no point for us talking about the consequences on our Kd but technically our analysis have not changed. With respect to the €2.5 billion, no there's nothing with respect to the availability factor. We are talking about a synergy and performance program, about cost

optimisation. The remarkable performance of the management of the nuclear fleet is included in our EBITDA margins as part of normal operations.

Michel DEBS

Good morning Sirs, Michel DEBS, Crédit Suisse. One question about evaluating know-how. You spoke about an R&D programme, half a million euro per year. Can you tell us what your objectives are in solar and the level of efficiency you'd like to achieve, and the financial impact it can ultimately have on your financial statements? You also spoke about service contract, maintenance and engineering. What sales figure would you like to achieve in that business? Would it be a supplementary business or a new activity in the medium term?

Henri PROGLIO

The idea is not to create a new activity, a new division, a new branch. The idea is just to deploy our current expertise and skill set on a broader contract base. In other words, rather than systematically being operator and owner, the idea is to extend opportunities for growth, which are less demanding on our balance sheet by being more of an operator and service provider, in other words supply our skills and expertise to governments or regions who would finance the infrastructure and would, and just to us, design and build, design, build and operate under long term contracts, referring to O&M concession type contracts. Type of contracts that could be spread out into various countries of the world, so it's both to broaden the potential for Group expansion without being demanding on investment. That is, keeping capital expenditures to upgrading and/or support of investments made by the concession owners. And basically to

continue our international development in a form that would be adapted to these types of services. That's what we've done with networks with the first major contract in Russia with MRSK. ERDF intends to continue its international expansion in major geographic areas, densely populated areas, using its expertise. You can imagine that investing in the ownership of networks in regions like that is not our first priority and certainly would not be ERDF's or EDF's priority goal, so there again it's just a way of applying our expertise, rather than creating a new division. We're not going to identify specific headcounts within the groups, as we're talking of the same skills and expertise that would be delivering growth potentials for public service delegations or those services that will manage or develop activities for own account. The idea is to open up the contractual system to new horizons, opening up new geographic horizons as well that would not be accessible in the absence of such an approach.

As for quantifying current capex or targeting sales revenue, that's not really our goal. What we target is profitable growth. The growth of the economic performance will be more dependent on our bottom line results than our sales revenue. There are some revenues that may be low but yet that have a strong potential for enrichment, if only in terms of feedback on experience and expertise. And then you have high revenues with very low profit margins, so there's a mix there. In any case, the Group defines itself in its industrial dimension and expertise with a strategy based on developing, deploying and expanding the application of this expertise, on a broader geographical scale and on the longer term. The Group has a responsibility towards the shareholders to have a good return on investment and to create shareholders' value. And as for sales revenue, it will be what it will be, but the Group does not envision having a guidance only based on sales revenue.

Bernard SALHA

A few words about R&D. Our programme covers all types of activity based on energy. We've been working on renewable, of course, with the outlook and prospects that were mentioned. In solar power we're working on disruptive technologies, basically thin film CIGS type panels and we have a major research programme in this respect.

Thomas PIQUEMAL

A question from the Internet. Somebody is requesting clarification or details about the optimisation of a trading business. Maybe Marc can reply to that and detail the synergy and transformation programme in the optimisation and trading sector in Europe.

Marc BENAYOUN

Good morning. We saw a slide presenting the model that EDF implemented to link up its French activities and EDF Trading. It's what we call the "EDF Way" – a major principle in fact because it empowers the management teams and it splits the optimisation activities where you close your position from a trader's activity of taking positions. There are three or four models on the market, but in the competing model on the left, all of these activities are centralised, meaning that you cannot give clear incentives or measure the performance on local activities of generation and distribution separate from optimisation. And this model from our standpoint presents a major drawback, namely the markets are very specific locally in terms of liquidity, organisation, market design and we're not seeing very quickly any kind of harmonisation of market rules in Europe. And this is why the model that we have and that

we're proposing should be much more efficient. In terms of synergies, estimated synergies with this model should reach approximately €50 to €60 million annually to be reached by 2015. And this will result from the roll out of our EDF Way programme regionally in countries where we have not yet set it up as well as on the commodities market, because all commodities that are traded and mobilised by the Group in France are managed under this system. In other countries we'll start with the easiest things as spot market for electricity and we'll spread it out. So, our target is by 2015 to have fully implemented these principles so that in the future this entire double entry chart should only have green dots.

Géraldine AMIEL

Good morning, Géraldine AMIEL, Dow Jones Wall Street Journal. I have three questions: what happened at Dalkia in the first half year, is it linked to the announcement that was made this morning by Veolia Environnement? Second question: could you clarify your strategy in the US? Third question: now that you've reduced your debt what is your strategy in terms of external growth and acquisitions, have you identified any kind of markets where you want to go or go back? I'm thinking about Germany in particular. Thank you.

Thomas PIQUEMAL

The question on Dalkia. We have exceptional expense for loss of value for Dalkia International and that affects primarily Italy. In Italy, Dalkia has a new management team and they've redefined their strategies since late last year. They concluded it was necessary to exit from a number of low margin activities, meaning that the growth prospects in that country have been

reviewed triggering this loss of value for this half year in line with accounting principles. Whenever you have new elements we have to revise the value of our assets for half year accounts. Regarding the US and our strategy there, our target today is to pursue the expansion of the Group backed by all of the skills and expertise that are numerous in the US with EnXco. In the US, we have over 600 people working on renewable energy, wind power and solar power, backed by optimisation and trading activities as well. I've shown you that we also have a team out there doing optimisation for third party accounts and that business is very valuable and with major growth prospects. We're already managing nearly 15,000 MW for third party accounts. This is what you see here on this slide. We have ability to intervene throughout the USA to take advantage of arbitrages in the various markets and, thanks to our team's know-how we're talking about remarkable optimisation. Lastly, in nuclear power, at a time when Exelon and Constellation are currently merging, our strategy is to ensure that all synergies can be achieved, stayed within our joint venture CENG with regards to synergies in our generation fleet. This is why we got involved in the merger procedure in the US. We have highly constructive talks with all stakeholders, all of this in the perspective of pooling all of our support functions and development functions, so that we can fully capitalise our strength for all of these businesses in the US. Something that is perfectly achievable, particularly with renewable energy since we own 100% of the EnXco renewable subsidiary in the US. In terms of external growth and acquisitions, all I can say is that the targets that I announced this morning are primarily industrial or straight organic growth, and we have a strategy based on industrial development. We have identified several projects, we have highly selective investment criteria and that is the very basis of our strategy. Now, we will not ignore anything and it's our duty to

see what is going on in the industry worldwide, but once again, the requirement for profitability and financial solidity for the Group are prerequisites and naturally beyond that we shall not comment on any specific details we may have in terms of targets East or West of the world.

Henri PROGLIO

Indeed, the numbers we have shown this morning include almost exclusively organic growth. Naturally, if by any chance we were to consider an external growth operation that would be over and above the figures that we've presented this morning.

Thibaut MADELIN

Thibaut MADELIN, Les Echos. Can you update us on the provisions for decommissioning and spent fuel processing? In that respect, do you feel that what the Cour des comptes, the French administrative court or accounting court is working on, do you feel that may be detrimental to you? Could you also comment your talks ongoing with l'ANDRA regarding the storage project in Bure? Lastly, could you give us the impact of the synergy and transformation programme on the annual EBITDA by 2015? Thank you.

Thomas PIQUEMAL

Regarding nuclear provisions, they involve various components of course. Maybe we can show this slide again. So you see, we have a total of €28.6 billion including provisions for spent fuel, €8.9 billion treatment of spent fuel, provisions for long term management of radioactive waste

€6.5 billion, and that figure includes the deep storage projects led by ANDRA that you mentioned. Provisions for decommissioning of nuclear power plant, €11.2 billion and last core – the fuel that is within the reactor of the plant at the end of its operating life. So, a total of €28.6 billion including €11.2, €6.5 and part of the €1.9 is covered by regulatory obligation to constitute a portfolio of dedicated assets. Other questions relate to the level of these provisions I would imagine. And the question on the audit carried out by the Cour des comptes, this provisioning level is reviewed and audited constantly by statutory auditors based on peers and using estimates that we have for dismantling, based on our own experience. As a matter of fact, since we are currently decommissioning and dismantling some power plants, you heard about the recent announcement at Brennilis but it was our international benchmarks that gave us a lot of comfort on this level of provisioning. Now obviously you raised the issue with ANDRA and the deep storage, these calculations were based on the budget that was defined with ANDRA. We don't have any additional budget or a different budget, we are waiting for another estimate by late 2012, and we are a fully fledged stakeholder in the context of ongoing legal and regulatory obligation to find any solution, to look at any kind of solution so that we can stick within that budget. But once again, there will be no future review of the estimate until late 2012.

Last question: what would be the effect on the EBITDA of the synergy and transformation plan? Well, I won't go into the details of the various drivers that I mentioned already, but I would like to confirm my target namely an EBITDA annual growth of 4% to 6% every year, without detailing the various effects.

Other Internet question, Martin YOUNG: the €46 ARENH price is that in 2010 €? The answer is: it is in 2009 €.

Another question of Martin YOUNG, purchase price accounting, do you have that for EDF EN? The answer is no, we're buying a minority stake. We already had control since we had over 50% of the capital at EDF EN. What would have been recognized as goodwill will be deducted from equity, meaning that this will slightly reduce our consolidated shareholders' equity, so there's no goodwill and therefore no purchase price accounting linked to this acquisition of the remaining stake in EDF EN.

Other question from the Internet, Eric LOPEZ, in your investment assumption have you included the renewal of the hydro concession contracts? The answer is yes.

Other question regarding the contribution of the EPR Flamanville to the EBITDA. That goes beyond the 2015 timescale, since you know the new schedule now targets 2016, but a full year should be for 12 or 13 TWh, in terms of output from the EPR Flamanville, then you multiply by what is your own price assumption. A question on the results of EDF trading. You will find in the presentation more details on the financial results of EDF trading, and I suggest that you refer to it.

Benjamin MALLET

Good morning, Benjamin MALLET from Reuters. AREVA announced recently that the cost of the additional safety measures for a nuclear power plant could reach up to €100 to €200 million per plant, does that estimate seem adequate to you? Second question regarding

the EPR at Penly or rather the project, do you think that project is still needed? Can you tell us how far you are in terms of considerations and any timescale or calendar on this project?

Henri PROGLIO

Regarding the announcement made by AREVA... Well, that's quite natural for any kind of industrial company like AREVA to issue proposals saying, well what I intend to do is that type of work in the context of this or that. All I can say is that of course this does not commit us in any way, even though I can understand that kind of approach. But secondly, our estimates are done quite naturally by taking into account our own estimates on investments made in terms of maintenance and extension of the operating life of the power plants. We can't breakdown whatever is linked to safety measures as specifically linked to Fukushima. It is of course our obligation to make sure that our investments guarantee the safety regardless of what has happened and these are the assumptions used to calculate our figures.

As for orientations to be taken by the ASN – the French nuclear safety authority – let's wait and see what they say. But our responsibility in nuclear power just like in any other areas and wherever we are, France, UK or elsewhere, is to provide the safety and security of our facilities, over time, sustainably and under the strictest standards, and that is why we have provisioned the necessary investments in our accounts. That is basically the only answer I can give you. Regarding the EPR project in Penly, well this is ongoing as you know, there are a number of enquiries and investigations going on, so let's just wait and see for that procedure to go ahead without trying to anticipate anything for the future. These procedures are necessary and everything is going along with the plans.

Thomas PIQUEMAL

Question from the Internet from Per LEKANDER regarding the capex outlook after 2015. It's rather difficult because we stop at 2015. Naturally capex efforts will continue beyond that and the more we go over time the more there will be needs for replacement and maintenance in order to extend the operating life, but for today we have used 2015 to calculate our figures.

Vincent AYRAL

Vincent AYRAL from Unicredit. Question is linked to the operational performance programme. In the first half of the year we've seen a good improvement of operational performance. Is this sustainable, to what extent can we expect it to be sustained? Do you expect any positive effect on the nuclear load factor due to the ten-year inspection decrease in 2012?

Thomas PIQUEMAL

Yes, indeed, in 2011 we have 9 ten-year inspections against 5 in 2010 and we will have 6 in 2012. The fact that we have 4 more this year is costing us around 1.5 points of Kd. Hence you should expect a mechanical improvement in 2012 as we will be back to a more normalised level of ten-year inspections. It also means that while keeping an objective of stable Kd at 78.5%, similar to last year, it means that the intrinsic availability of the facilities has actually improved 1.5 points in 2011, with better management of the shutdowns thanks to the positive effect of the major components replacement. And you're right, in 2012 mechanically, we can expect 1.5 additional points in availability, simply because there will be less ten year inspection shutdowns.

Tara PATEL

Good morning, Tara PATEL, Bloomberg. First question addresses the UK. Do you think that you will need to have more support or subsidies from the government in view of increased costs for the EPR that you have experienced in Flamanville for instance?

Vincent de RIVAZ

The principle of the electricity market reform is not to have the customer bear the responsibility of the operator or builder in terms of deadlines and cost. The purpose is to guarantee a certain stability and predictability, both for investors and for customers on the revenue linked to the electricity output. That is the purpose of that reform, so our responsibility is to control our cost, to commit ourselves, to make sure that we can secure revenues to keep control over the construction cost as well, and in return the UK government will look at the different contracts and then, based on current prices and costs and so on, will make a commitment on a strike price over a certain length of time, could be 15 to 20 years. So the mechanism planned by the UK government is intended to provide stability on prices, both for the investor and the customer, it's a win/win mechanism really. It is not a mechanism that would enable us to pass through to the client any surplus cost in terms of the construction costs or others.

Tara PATEL

My second question regards the Atmea projects. Do you think that it will see the light of day and do you think that it is really adapted to the 1,000 MW reactor as you have at EDF?

Henri PROGLIO

We are not really there to discuss at length all the 1000 MW reactor models, it would be too long. Atmea is a project that was initiated by Mitsubishi-AREVA and it has the merit of existing. Now our co-operation with AREVA is being strengthened and among other we ambition to add or to integrate into our review a 1,000 MW reactor that would be adapted to the needs of customers that are geographically differentiated and that will demand technologies that are suitable for their own needs, with industrial partnerships that are also diversified, and we have taken a clear orientation towards these technologies. Now recently, together with AREVA – Hervé MACHENAUD would probably tell you more about it – we had a discussion regarding projects that are currently being investigated. I cannot give you any final judgement on this or that type of reactor model, we are not builders of reactors, we are operators. We're very much aware of our responsibility as a leader of the nuclear French industry and we are working in close co-operation with all partners of the industry to enable them to secure the best opportunities for development throughout the world. And that is a topic currently being investigated and discussed and I cannot discuss it from an industrial perspective about this or that type of reactor. It depends on the typology of the clients as much as the typology of the industry operators concerned.

Chiara RANCATI

Good morning, Chiara RANCATI from ANSA, two other questions on Edison. You spoke about the public authorities that blocked the first agreement, do you think that could happen again

or can you make sure that it won't take place? Secondly, would you be ready to let an Italian take over the chairmanship of Edison?

Henri PROGLIO

Well, your second question is really surprising, I don't see why we would forbid an Italian to be the chairman of Edison. The first question, it's not up to me to guess what the public authorities will plan to do, there are contracts that have been signed and so far, they all look well intentioned, but once again I won't speak for the Italian public authorities, it's for the public authorities to speak for themselves and you will certainly understand that. Given the agitation at present on the markets, the landscape is a bit agitated today around the world, be it in Europe or even in Italy. And amongst the priorities, this has not been viewed as being a greater priority than others. Once again, we have made proposals, we proposed an industrial action plan in the best interest of Edison, Italy. That's all I can say and I will abstain from any comments on the reactions of the Italian public authorities. We are waiting for them to make their announcements. We've heard comments by members of government who seem to have understood or taken on board our proposals in their studies.

I have a question from Mr LEKANDER : "Do you see a risk that Fessenheim 1 and 2 may be shut down after the stress tests or because the concrete floor (*"radier"*) cannot be reinforced?" No, there's no problem there, and it's not up to me to comment on stress tests. Let me repeat quite simply, because each time I hear this type of question, my answer can only be the same. Don't even imagine for a second that EDF or our Group in general can take any risks regarding safety to keep a plant up and running if it does not meet the criteria for safety for over

ten years. That's the only answer I can give to that question. Now, it is understandable that supervisory bodies like the French nuclear safety authorities would independently ensure and check the safety of a nuclear plant. No, I cannot imagine for a second that Fessenheim may be shut down because it is my responsibility to see that Fessenheim is at the highest level of safety so as to guarantee safety for our fellow citizens, and that is our primary responsibility from day one and will continue to be our responsibility and our number one mission, way above any economic rationale, to ensure our public service mission. That's the only answer I can give you.

No further questions? No comments and no questions? I would just like to thank you for attending and of course see you again in the future regarding EDF.