PROSPECTUS SUPPLEMENT DATED 10 SEPTEMBER 2007

TO THE BASE PROSPECTUS DATED 8 JUNE 2007

Electricité de France

€ 11,000,000,000 PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS

*This Prospectus Supplement (the "**Supplement**") is supplemental and must be read in conjunction with the Base Prospectus dated 8 June 2007 (the "**Base Prospectus**") granted visa n° 07-173 on 7 June 2007 by the* Autorité des marchés financiers *(the "**AMF**") prepared by Electricité de France ("**EDF"** or the "**Issuer**") with respect to the € 11,000,000,000 Programme for the issuance of debt instruments (the "**Programme**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.*

Application has been made for approval of this Supplement to the AMF in its capacity as competent authority pursuant to Article 212-2 of its Règlement Général *which implements Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**").*

This Supplement has been prepared pursuant to Article 16 of the Prospectus Directive and article 212-25 of the Règlement Général *of the AMF for the purposes of incorporating the 2007 half-year financial statements as well as further additional information as set out in this Supplement.*

*Copies of this Supplement will be available for viewing on the website of the AMF (*www.amf-france.org*), on the Issuer's website (*http://www.edf.fr/*) and may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France and at the specified offices of each of the Paying Agents.*

Saved as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

Contents

1 Key figures

The figures presented in this chapter are taken from the EDF Group condensed consolidated half-year financial statements at June 30, 2007, which in particular describe the Group main accounting principles and methods (note 1) and the comparability between periods (note 3).
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.

They 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 the financial statements at December 31, 2006, taking into consideration changes in accounting policies over the period.

EDF Group: key figures for the first half-year of 2007 are the following :

(in millions of euros)	1st half-year 2007	1st half-year 2006[1]	Variation	Variation (%)
Sales	30,311	30,362	(51)	(0.2)
Operating profit before depreciation and amortization (EBITDA)	8,865	8,388	477	5.7
Operating profit (EBIT)	6,535	6,457	78	1.2
Net income	3,514	4,143	(629)	(15.2)
Net income excluding non-recurring items[2]	3,183	2,918	265	9.1*
Operating cash flow[3]	6,407	6,816	(409)	(6.0)

(in millions of euros)	June 30, 2007	Dec 31, 2006	Variation	Variation (%)
Net indebtedness	14,884	14,932	(48)	(0.3)
Equity, Group share	25,410	23,309	2,101	9.0

* Based on a constant scope of consolidation, the growth in net income excluding non-recurring items is +11.1%.

[1] *The figures published for the first half-year 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.*

[2] *Non-recurring items taken into account on a net-of-tax basis. See section 2.3.*

[3] *EDF uses Operating cash flow, equivalent to Funds From Operations or FFO, as an indicator to assess the Group's capacity to generate free cash flow. Operating cash flow is equivalent to net cash flow from operating activities excluding changes in working capital, less net financial expenses disbursed and income taxes paid, adjusted for the impact of non-recurring tax effect items.*

2 Results for the first half-year of 2007

2.1 Sales

2.2% organic growth in sales, reflecting the mild weather of the early part of the year

Sales for the first half-year of 2007 amounted to € 30,311 million, practically equivalent to the level registered for the first half-year of 2006 (-0.2%). Organic growth[1] was 2.2%.
Negative effects of changes in the scope of consolidation totaled € 771 million, mainly relating to the sale of Light in Brazil in the second half-year of 2006.
Business growth was curbed in Europe by the mild weather, which particularly affected sales volumes.
The foreign exchange effect was marginal (+€ 60 million).

In France, sales increased by +0.3% in the first half-year of 2007.
The positive effects of prices on wholesale electricity market forward sales for periods of more than one year in advance (auctions) which were fixed by contract in 2006 and of rises in regulated electricity sales tariffs in 2006 were offset by the fall in volumes resulting from weather conditions.
54.4% of the Group sales for first half-year of 2007 were generated in France (54.2% in first half-year of 2006).

In Europe excluding France (the United Kingdom, Germany, Italy and Rest of Europe segments), sales growth was 6.2% (4.8% in organic growth), in the same mild weather conditions.
In the first half-year of 2007, sales registered by **Europe excluding France** represented 43.5% of total consolidated sales, against 40.9% in the first half-year of 2006.

[1] *Organic growth is growth that does not incorporate the positive or negative effects of changes in the scope of consolidation (acquisitions or disposals of subsidiaries), or in exchange rates or accounting methods.*

2.2 EBITDA

6.7% organic growth in EBITDA

Consolidated EBITDA reached € 8,865 million for the first half-year of 2007, a year-on-year increase of 5.7% (+€ 477 million). The impact of changes in the scope of consolidation was -€ 92 million, primarily relating to the sale of the Light group in Brazil.
Foreign exchange effects were marginal (+€ 8 million).
Organic growth in consolidated EBITDA was 6.7%.

In France, EBITDA rose by 7.5%.
France contributed 67.6% of Group EBITDA in the first half-year of 2007, compared to 66.5% for the same period of 2006.

In Europe excluding France, EBITDA increased by 7.7% and organic growth was 5.0% The organic growth ma inly concerned Italy (+13.9%) and the Rest of Europe (+8.3%).

In the **Rest of the World**, EBITDA registered organic growth of +6.3%.

Europe excluding France contributed 30.3% to consolidated EBITDA in the first half-year of 2007, compared to 29.7% in the first half-year of 2006.

2.3 EBIT

Stable EBIT (+1.2%)

The Group **EBIT** for the first half-year of 2007 was € 6,535 million, 1.2% higher than for the first half-year of 2006. This near stability results from non-recurring items[1] recorded in 2006 and 2007.

The **net income** for the half-year 2007 was € 3,514 million, against € 4,143 million for first half-year of 2006.

The **net income excluding non-recurring items**[2] amounted to € 3,183 million, an increase of € 265 million or 9.1% compared to the first half-year of 2006.
Based on a constant scope of consolidation, the growth in this item was 11.1%.

Net indebtedness[3] was stable at € 14,884 million at June 30, 2007, € 48 million lower than at December 31, 2006 (€ 14,932 million).

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[1] *See chapter 4, section 4.3 for more details.*

[2] *Non-recurring items in the first half-year 2007: € 331 million: Impact of the changes in useful lives for substation buildings and electronic metering equipment, and recognition of the decrease in renewal costs for this metering equipment (€ 338 million), the balance of -€ 7 million comprising the gain on sale of the residual 25% holding in Edenor (€ 111 million), and recognition of risks on investments (-€ 118 million).*
Non-recurring items in the first half-year 2006: € 1,225 million: recovery of impairment losses on Light and estimate at June 30, 2006 of the tax impact of the legal reorganization of Light (€ 999 million); gains on sales of Egyptian power plants and ASA (€ 339 million); recognition of impairment on EDF's share of goodwill concerning EnBW (-€ 318 million); reversal of the CER provision for exceptional additional pension (€ 215 million); other items (-€ 10 million)

[3] *Net indebtedness comprises total loans and financial liabilities, less cash and cash equivalents and liquid assets. Liquid assets are financial assets comprising funds and 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.*

3 Economic environment and significant events

3-1 Economic environment in the energy sector

Mild weather; lower prices on the energy markets

3-1.1 Economic environment

GDP growth

GDP growth in the Euro zone for the whole of 2007 is expected to be similar to its 2006[1] level (+2.8%).

In June 2007, the French National Institute for Statistics and Economic Studies (INSEE) estimated annual growth for 2007 at 2.1% for France (2.2% in 2006), 2.7% for the UK (2.8% in 2006), 2.9% for Germany (3% in 2006) and 2% for Italy (1.9% in 2006).
For the first two quarters of 2007, growth was generally lower than for the corresponding periods of 2006.

3-1.2 Trends in market prices and sales tariffs for electricity and natural gas

Electricity prices

Spot prices

Spot prices fell back markedly on the main European markets.

In France, during the first half-year of 2007, spot electricity prices[2] stood at an average € 30/MWh baseload and € 40.8/MWh peakload, some 44% lower than the same period of 2006, when the average was € 53.7/MWh baseload and € 72.7/MWh peakload. This downturn is largely attributable to the particularly mild weather of first half-year of 2007, whereas first half-year of 2006 had been marked by harsh weather conditions.

1 Source: Note de conjoncture, INSEE, June 2007
2 Average previous day Powernext price for same-day delivery

In Germany, spot prices[3] were also affected by the weather and fell by over 60%. The average baseload spot price was € 31.5/MWh for the first half-year of 2007 compared to € 51.9/MWh for the same period of 2006, while the average peakload spot price was € 45/MWh for the first half-year of 2007 compared to € 71/MWh for the same period of 2006.

In the United Kingdom, spot prices[4] declined to half their first half-year of 2006 level, with average prices of € 32.2/MWh baseload and € 40.8/MWh peakload. This decline reflects the lower pressure on the supply-demand balance for gas, after new gas pipelines were installed (Langeled and Balgzand-Bacton, linking the UK to Norway and the Netherlands respectively), and additional gas fields and new LNG (liquefied natural gas) terminals were opened.

In Italy, there was a less pronounced decline in spot prices[5] which remained high, at an average € 65.8/MWh baseload and € 94.8/MWh peakload, just under 10% lower than in the first half-year of 2006. Prices in Italy are traditionally higher than in Europe's central platform, because much of the country's electricity is generated by facilities fired by imported oil or natural gas, and because of low-level interconnections with neighboring countries.

3 Average previous day EEX price for same-day delivery
4 Average previous day Platts OTC price (baseload and peakload) for same-day delivery
5 Average GME price (baseload and peakload) for same-day delivery

Forward prices

In France, during the first half-year of 2007, the average price under the 2008 annual contract (baseload[1]) was € 51.1/MWh. In comparison, the 2007 annual contract price (baseload) for the first half-year of 2006 was € 57.0/MWh. However, comparisons between the 2007 and 2008 annual contracts are not necessarily meaningful, particularly in view of the difference in CO_2 emission quota prices with the transition to Phase II (2008-2012) of the emissions trading scheme.
During the half-year, the 2008 annual contract baseload price initially decreased, from € 53/MWh in early January to € 46.2/MWh by mid-February, essentially as a result of lower CO_2 emission quota prices. There was a subsequent upturn under the influence of rising fossil fuel prices and Phase II (2008-2012) CO_2 emission quota prices, to € 53.6/MWh at the end of June 2007.

In Germany, the average price under the same annual contract was lower than French prices in the first half-year of 2007 at € 54.2/MWh, representing an average variance of € 3.1/MWh from French prices. In the first half-year of 2006, the average annual contract baseload price was € 54.7/MWh.

The stability of forward prices in Germany between first half-year of 2006 and first half-year of 2007 largely results from two mutually offsetting effects: the fall in CO_2 emission quota prices, and the rise in coal prices.

In the United Kingdom, the average April 2007 annual contract price for the first quarter of 2007 was € 45.2/MWh (baseload), 43% lower than under the April 2006 contract for the corresponding period of 2006. The decrease under the April 2008 annual contract in the second quarter of 2007 was smaller (close to 25%) than for the April 2007 annual contract in second-quarter 2006, with the average price amounting to € 56.9/MWh. The explanation for this decline in UK forward prices lies in the level of natural gas prices during the first half-year of 2007, which were approximately 40% lower than first half-year of 2006 levels.

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[1] Change between first half-year 2006 and first half-year 2007 in Platts average baseload year ahead index for France and Germany and from April 1, 2008 for the UK.

CO_2 emission quota prices

During the first half-year of 2007, the price of CO_2 emission quotas for Phase I of the trading scheme (2005-2007) collapsed from € 5.7/tCO_2 at the beginning of January to € 0.1/tCO_2 at the end of June[1]. This fall results from the low market demand: in 2005 and 2006 there was a surplus of quotas, and given the particularly mild winter that began the year, 2007 could well see a similar trend. The price of CO_2 emission quotas for Phase II (2008-2012) initially registered a downturn (from € 17.5/tCO_2 at the beginning of January to € 12.2/tCO_2 on February 20, 2007[2]). Subsequently, as National Allocation Plans (NAPs) were announced for Phase II, prices recovered and reached € 22.2/tCO_2 at the end of June 2007. At that date, 21 of Europe's 27 NAPs (covering more than 90% of allocated volumes) are considered final, and indicate a decrease of approximately 10% in allocations between the two phases.

Fossil fuel prices

Coal

Average calendar contract prices for coal were significantly higher than in the first half-year of 2006, rising from $ 63.4/t in 2006 to $ 71.8/t in 2007[3], due to strong supply/demand tension in Asia (demand increased sharply in China and India) and freight pressures (congestion in Australia).

Oil

After an initial dip from $ 60.4/barrel at January 1, 2007 to $ 51.75/barrel at January 18, oil prices (Brent North Sea, Front Month)[4] marked an upturn as a result of increasing political tensions in the Middle East (Iran) and Africa (Niger Delta), and the level of US oil stocks, reaching $ 71.4/barrel by June 30.

The average Brent price for the first half-year of 2007 was $ 63.6/barrel, $ 2.9/barrel lower than in the same period of 2006.

Natural gas

Natural gas prices (in the United Kingdom under the Next Gas Year contract)[5] saw a marked drop in January and February 2007, then recovered in March as a result of oil price rises and speculative trading. Norwegian gas supply uncertainties also kept prices up. The average annual contract price was £ 0.367/therm, down by £ 0.275/therm (43%) from the first half-year of 2006. Supply- demand tension was particularly high on natural gas markets in early 2006 due to high import requirements, but the situation was resolved in late 2006 when new supply sources came into operation.

Electricity and natural gas sales tariffs

There were no significant developments in electricity and natural gas sales tariffs during the first half-year of 2007 in most countries where the Group does business, except in the United Kingdom, where competition intensified and operators reduced their sales tariffs by an average of 10%-15% for natural gas and 5% for electricity. In view of the competition, EDF Energy decided to reduce its gas prices by 10% from June 15, 2007 for residential customers.

[1] Argus index annual contract price for delivery in December / Phase I (2005-2007)

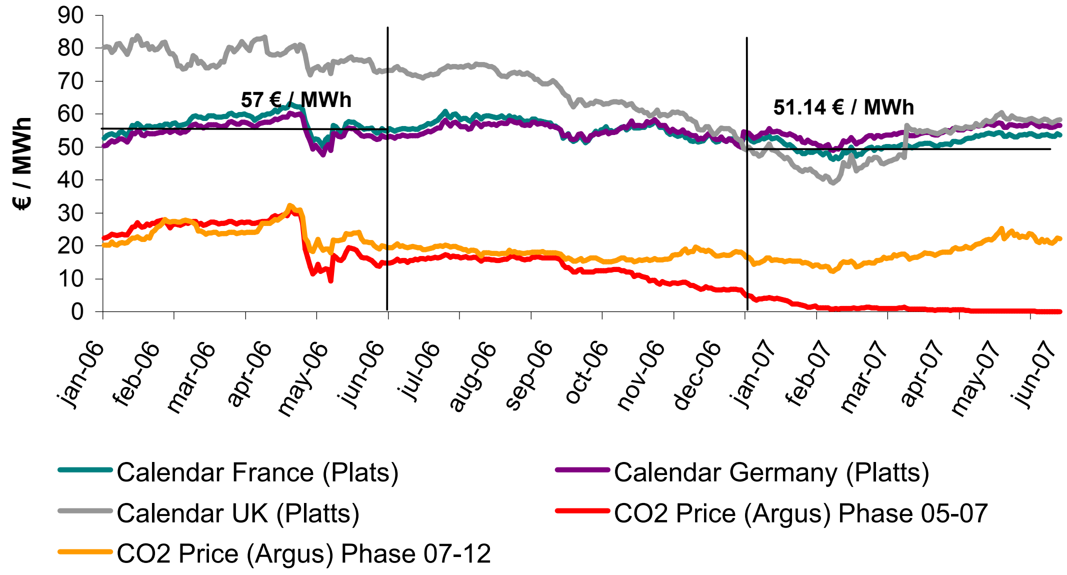
[2] Argus index annual contract price for delivery in December / Phase II (2008-2012)

[3] Average Argus OTC index for delivery in Europe (CIF ARA) the following calendar year

[4] Brent first reference crude oil barrel, IPE index ($/barrel)

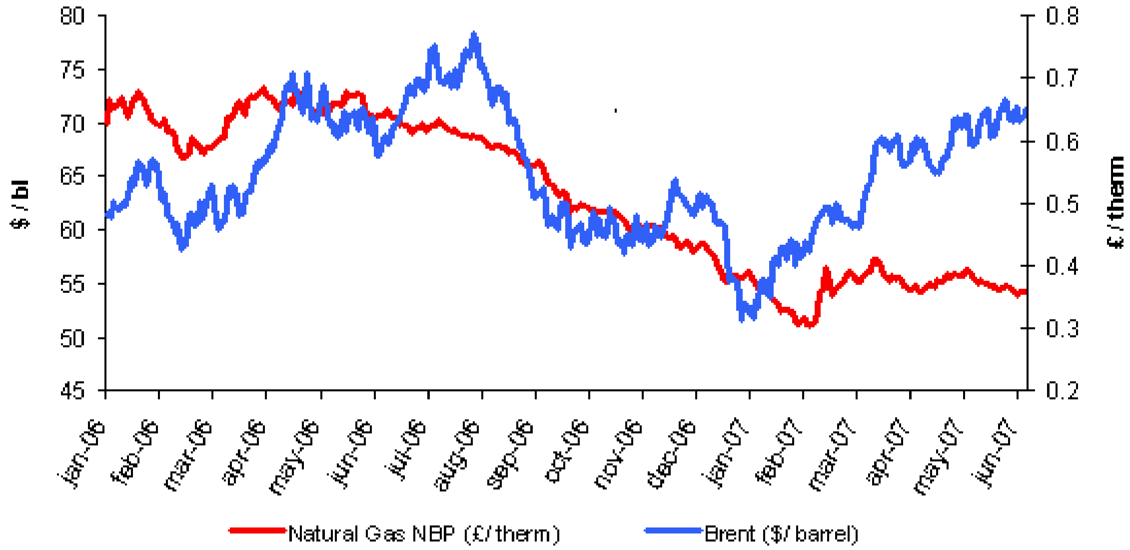
[5] Change between first half-year 2006 and first half-year 2007 in Platts average OTC index for delivery starting from October of the following year for the UK.

Average France
1st half year 2006 : 57 € / MWh
1st halh year 2007 : 51.14 € / MWh



FORWARD ELECTRICITY PRICES IN FRANCE, THE UNITED KINGDOM AND GERMANY AND CO2 EMISSION QUOTA PRICES FOR BOTH PHASES

* "Calendar" means the average Platts OTC index (baseload) for delivery in the next calendar year for France and Germany, and for delivery starting from April, 1 of the following year for the UK.



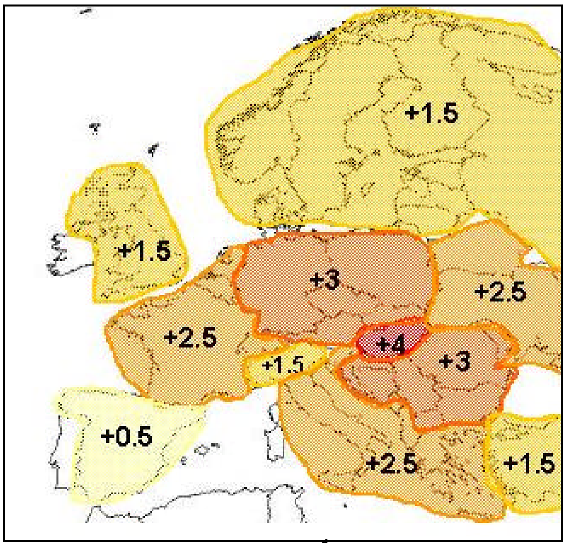
GAS AND BRENT FORWARD PRICES

** "Brent": Brent first reference crude oil barrel, IPE index ($/barrel) / (Average Platts OTC index for delivery starting from October of the following year in the UK (NBP)).

3-1.3 Weather conditions

Weather conditions can significantly affect the Group business, in terms of volumes, prices and costs.

Temperatures



Temperature variance[1] from seasonal norms in the first half-of year 2007 (°C)

All over Europe, the first half-year of 2007 was marked by gross average temperatures that were above normal seasonal levels by 0.5°-4°C, depending on the country.
In France, after weighting for electricity consumption[2], temperatures were 0.8°C higher than normal over the half-year, particularly due to the exceptionally mild weather experienced in January and April (2.3°C above normal seasonal levels on average) and short, moderate winter cold spells.
The average temperature for the six-month period was 2°C higher than in 2006, which was marked by a long spell of winter weather.

Rainfall

While the first half-year of 2006 was strongly affected by drought, rainfall returned to a more normal level in the first half-year of 2007, and notably above-average levels were recorded in the northern half of France and beyond. However, in south-east France (Southern Alps and Southern Massif Central) where many of EDF dams are located, there was a further dry period. In addition, there was little snowfall in mountain areas during the winter and this affected water runoff into the dam lakes during the spring thaws. This led EDF to pursue its prudent management policy for the hydropower stock, in order to fulfill its obligations related to the multiple uses of water (for agriculture, tourism and other purposes).

Electricity consumption

Internal electricity consumption in France for the first half-year of 2007 totaled 239.7 TWh[3], 5% less than for the same period of 2006[4].
This lower consumption is attributable to the mild temperatures during the half-year. After adjustment for the impact of the unusual weather conditions of the first half-years of 2006 and 2007, electricity consumption in France rose by 1.6% compared to the first half-year of 2006.

[1] *As measured from 1982 to 2006, unadjusted for electricity consumption*
[2] *To reflect the impact of temperature on electricity consumption, raw weather data is adjusted to take into account consumption for each region. Source: RTE-EDF Transport*

[3] *1 TWh= 1 billion kWh*
[4] *Source : RTE – EDF Transport*

3-2 Significant events[1]

3-2.1 Changes in market structure and implementation of recent regulatory changes

Preparation for total opening of the electricity and natural gas market in France from July 1, 2007

EDF prepared for the total opening of the French electricity and natural gas markets on July 1, 2007 by adjusting and extending its product and service range, and reorganizing its sales and distribution structures.
Meanwhile, all the necessary steps were taken to guarantee all suppliers access to the electricity distribution network from July 1, in fully equitable and transparent conditions.
(See chapter 7, *Subsequent events*)

Transfer of the distribution activity to a subsidiary

French Law 2006-1537 of December 7, 2006 on energy requires distribution of electricity in mainland France to be carried out by an entity that is legally distinct from EDF in 2007.
On June 14, 2007, EDF Board of Directors therefore authorized signature of a partial business contribution agreement for the transfer of its distribution activity to a subsidiary.
Under the terms of this agreement, EDF will contribute public electricity distribution network facilities, and assets of all kinds owned by EDF which relate to electricity distribution, to the future subsidiary EDF-Réseau de Distribution[2].
The transfer will take place at net book value of € 2.7 billion, with retroactive tax and accounting effect from January 1, 2007.
In consideration of the contribution, EDF will be attributed 540 million fully paid-up shares, to be issued by the future subsidiary EDF-Réseau de Distribution in a capital increase for a total of € 270 million, with a general contribution premium of € 2.43 billion.
This operation will be submitted for approval by EDF shareholders at an extraordinary shareholders' meeting convened for this purpose on December 20, 2007. It will be legally effective at January 1, 2008.

Partnership agreement with 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 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.

3-2.2 Reinforcement and maintenance of generation capacities

Nuclear generation

France

Decree authorizing development of the EPR[3] nuclear power plant in Flamanville

The authorization decree for development of the "Flamanville 3" nuclear power plant, signed by the Prime Minister on April 10, 2007, was a significant milestone in the

[1] *Significant events relating to litigation are described in chapter 9.*
[2] *A wholly-owned EDF subsidiary*
[3] *European Pressurized Reactor*

plant's construction and future operation. The most important construction and engineering work is due to begin in December 2007 now that the principal authorizations (the above decree and planning permission) have been obtained.
Three associations lodged challenges against this decree with the *Conseil d'Etat* on June 5, 2007, and this could cause delays in the plant's general construction schedule.

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 application decree and decision in 2007, EDF will make the necessary adjustments for full compliance with requirements by the 2007 year-end (see notes 22.2 and 22.5 to the condensed consolidated financial statements at June 30, 2007).

Steam generator maintenance

In late 2006/early 2007, EDF observed that in certain nuclear power plants' steam generators, passages for circulation of second circuit water were partly clogged. The cleaning process reduced the availability of nuclear plants by 0.5 points in 2006.
EDF estimates the impact of this process at 2.5 points in 2007 and 2 points in 2008 and 2009, in view of the cleaning operations required for the steam generators concerned (some fifteen 900 MW and 1300 MW units).

EDF intends to moderate this impact on output through better utilization of the available generation facilities.

United Kingdom: EDF intends to participate in British nuclear power projects

Following publication of the Energy White Paper on May 23, 2007 and the announcement of a public consultation to be held on the proposed construction of new plants in the United Kingdom, EDF wishes to contribute its skills and experience in nuclear power to support the process.
EDF intends to be a major player in the international re-emergence of nuclear power, particularly in the United Kingdom. Together with AREVA, the Group has submitted an application for certification of an EPR plant model of the same type as the plant under construction in Flamanville, France.

United States: EDF and Constellation Energy signed a strategic partnership agreement in July 2007 for the joint development of EPR-type nuclear power plants in the United States.

For details, see chapter 7, *Subsequent events*.

Fossil-fired and hydropower generation

EDF steps up its program for construction of new fossil-fired plants

In France, EDF Board of Directors decided on June 14, 2007 to invest € 900 million in the construction of new fossil-fired generation facilities.

Combined-Cycle Gas (CCG) turbine units - a first for EDF in France - and Combustion Turbine units are to be constructed in addition to the fossil-fired generation capacity extension program already begun under the Group's Industrial Plan.

The Group will thus have a further 1,180 MW of generation capacity by 2010[1].

In the United Kingdom, EDF Energy is proposing to construct a 1,260 MW combined-cycle gas plant at West Burton, to come on line in late 2010/early 2011, and is continuing to examine other generation capacity extension projects, particularly through combined cycle gas facilities (natural gas-fired plants) and renewable energies (wind farms).

In Italy, Edison is completing construction of two 850 MW CCG plants. The Turbigo (Edipower) plant and the Simeri Crichi (Edison) plant are scheduled to come on line in the second half of 2007.

EDF has made its entry into the Netherlands through a partnership agreement with the energy operator Delta. The two groups have set up a joint company, Sloe Centrale BV, to construct and operate a combined-cycle gas plant in the Netherlands pursuant to an agreement signed in March 2007.

EDF and Delta will each provide 50% of the financing for construction of a 870 MW plant in the industrial area of Sloe, in the south-west Netherlands, and each benefit from 50% of the electricity generated. The plant is due to come on line in 2009, and the total value of the construction and maintenance contracts is € 550 million.

Hydropower plant performance and safety

In 2006, EDF launched a technical renovation and reinforced maintenance program for hydropower facilities (the SuPerHydro program) worth some € 500 million overall for the period 2007-2011. The objective is to renew certain plants, maintain a high level of hydropower safety in the long term, and preserve technical performance for all the relevant facilities.

3-2.3 Development by EDF Energies Nouvelles in the field of solar energy

EDF Energies Nouvelles has taken a new step forward in development of the solar photovoltaic energy segment with the signature of a photovoltaic module supply contract with US company First Solar. The order covers 230 MWp[2] in modules deliverable progressively between mid-2007 and year-end 2012. The supply of these modules will enable EDF Energies Nouvelles to secure part of its program to construct photovoltaic plants for itself and for other organizations in Europe and the United States. This order consolidates the development strategy in the solar segment already initiated by EDF Energies Nouvelles.

3-2.4 Development of natural gas activities

The EDF Group continued to pursue its development and investment strategy for natural gas activities during the first half-year of 2007.

On May 31, EDF and EnBW announced their joint participation in a plan for gas storage in salt caverns in Germany. Under the agreements signed, EDF and EnBW will, by 2010, have the use of four caverns providing total storage capacity of 400 million m^3 over 35 years.

The Quatar gas group Ras Laffan Liquefied Natural Gas Company Limited (II) (RasGas)

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[1] *Three combustion turbines with combined power of 555 MW will be installed at the Vaires-sur-Marne and Montereau site in France's Seine et Marne area. A 440 MW combined-cycle gas unit will be constructed on the site currently occupied by the Blénod-lès-Pont-à-Mousson fossil-fired plant in the Meurthe et Moselle area. The existing oil-fired plant at Martigues (Bouches-du-Rhône), which has three 250 MW units, will be converted into two CCG units with total capacity of 930 MW.*

[2] *MWp:* Megawatt-peak: *Measurement unit for the power of a photovoltaic installation per unit of time.*

signed a 4½ year agreement with the EDF Group through its wholly-owned subsidiary EDF Trading Ltd, for flexible supplies of liquefied natural gas (LNG). The annual volume concerned is 50 TWh (4.5 billion m^3). EDF set up a consortium with Distrigaz, ENI and Essent, in which EDF acted as the bidder, to reserve the 0.825 Gm^3 of capacity released over 3 years for third party access to the Fos Cavaou LNG terminal due to come into operation in 2008.
In connection with the planned construction of a methane terminal at Dunkerque, EDF and the Dunkerque Port Authorities signed a memorandum of agreement on March 16, 2007 setting forth the general framework of the terms for use of the site, and cooperation between the parties; on April 4, the French Commission for Public Debate decided to organize an open debate on the project scheduled for autumn 2007.
In the south of Europe, on May 22, 2007 the European Commission approved an amendment to the planned IGI/Poseidon gas pipeline between Greece and Italy. This ruling will exempt Edison and Depa, developers of the project, from third party access obligations, therefore entitling them to use the new pipeline's entire transmission capacity.
In Spain, EDF Trading was granted a license to trade on the Spanish market.
With this European approach, EDF is progressively positioning itself as a gas operator in its own right, and has been admitted as a member of Eurogas, the association for Europe's principal gas companies.

3-2.5 Launch by the European Commission of a procedure against France concerning breach of the law on State aid for regulated electricity tariffs in France

In a letter dated June 13, 2007, the European Commission initiated a formal inquiry against France over the aid allegedly granted to medium-sized and large companies through the French regulated electricity tariffs.
The Commission considered that the low level of the standard "green" and "yellow" tariffs compared to market prices conferred an advantage for some companies. The resulting aid would be open to action from July 1, 2004 for non-residential customers other than small companies.
The Commission also considered that for non-residential customers other than small companies, the green and yellow transition tariffs (TaRTAM)[1] may be considered as state aid since their introduction.

3-2.6 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.
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 London Underground. 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.

3-2.7 Changes in the scope of consolidation

The principal changes in the scope of consolidation are presented in note 5 to the condensed consolidated half-year financial statements at June 30, 2007, and relate to the following:

EnBW: sale of U-plus and consolidation of Drewag

[1] *TaRTAM : Tarif transitoire d'ajustement au marché*

In May 2007, EnBW sold its subsidiary U-Plus (a waste processor) to the German company Alba.
The EnBW Group also now includes Drewag (the city of Dresden's municipal operator) in its consolidation, by the equity method.

Exercise of Edison warrants

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.
Following this operation, the EDF Group owned 48.96% of Edison, including potential rights corresponding to warrants held by the Group (see note 4.2 to the condensed consolidated financial statements at June 30, 2007).

Sale by Edison of its investment in Serene

On February 14, 2007, Edison sold its 66.6% investment in Serene SpA (electricity generation plants benefiting from sales contracts under the CIP6/92 incentive system) to BG Italia, a subsidiary of the British Gas Group.

Change in consolidation method for SSE (Slovakia)

The Slovakian company SSE, owned 49.0% by EDF, has been proportionally consolidated since January 1, 2007. It was previously accounted for under the equity method.

Sale of the residual holding in Edenor

On May 4, 2007, EDF sold its residual 25% investment in the Argentinean electricity distributor Edenor. This sale, amounting to US$ 171 million (€ 125 million), took place as part of Edenor's IPO on the New York and Buenos Aires stock markets on April 10, 2007.

Launch of the process for sale of Mexican activities

In mid-January 2007 EDF launched the process to sell its Mexican activities, which is still in process.

3-2.8 Free share plan for Group employees

The General Shareholders' Meeting of May 24, 2007 authorized the Board of Directors to introduce a free share plan for Group employees.
An agreement was signed on June 8, 2007 with the French trade union confederations CFDT, CFE-CGC and CFTC, providing for the allotment to each employee of a fixed number of 10 shares, plus a number of shares in proportion to annual salary. The free shares will be allotted subject to performance targets.

The final conditions for allotment of free shares were approved by the Board of Directors on August 30, 2007. This plan will concern close to 3 million shares and more than 150,000 employees in some twenty countries. Final allotment of free shares will take place in August 2009 subject to achievement of the performance requirements.

4 Analysis of the consolidated income statements for the first half-years of 2007 and 2006

The principles governing the EDF Group segment reporting are described in note 6 to the condensed consolidated half-year financial statements at June 30, 2007.

Half-years ended June 30 **In millions of euros**	**1st half-year 2007**	**1st half-year 2006[1]**
Sales	30,311	30,362
Fuel and energy purchases	(11,902)	(12,494)
Other external expenses	(4,180)	(3,817)
Personnel expenses	(5,025)	(4,833)
Taxes other than income taxes	(1,636)	(1,601)
Other operating income and expenses	1,297	771
Operating profit before depreciation and amortization (EBITDA)	**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	(279)	(264)
Impairment	0	299
Other income and expenses	666	691
Operating profit (EBIT)	**6,535**	**6,457**
Financial result	**(1,255)**	**(1,501)**
Income before taxes of consolidated companies	**5,280**	**4,956**
Income taxes	(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	**1.93**	**2.27**
Diluted earnings per share in euros	**1.93**	**2.27**

[1] *The figures published for the first half-year 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 to the condensed consolidated half-year financial statements).*

4-1 Sales

+2.2% organic growth in consolidated sales, marked by the mild weather

In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)	Organic growth (%)
France	**16,493**	**16,447**	**46**	**0.3**	**0.3**
United Kingdom	4,395	4,022	373	9.3	7.3
Germany	3,497	2,996	501	16.7	10.4
Italy	2,300	2,919	(619)	(21.2)	(8.8)
Rest of Europe	2,986	2,468	518	21.0	10.2
Europe excluding France	**13,178**	**12,405**	**773**	**6.2**	**4.8**
Rest of the World	640	1,510	(870)	(57.6)	0.9
Group Sales	**30,311**	**30,362**	**(51)**	**(0.2)**	**2.2**

The EDF Group consolidated sales totaled € 30,311 million for the first half-year of 2007, practically equivalent to the first half-year of 2006 level (-0.2%). This incorporates the negative impact of changes in the scope of consolidation (€ 771 million) resulting mainly from the sale of Light in Brazil in the second half-year of 2006. Foreign exchange effects were marginal (€ 60 million) and mostly caused by the rising value of the pound sterling.
Excluding the effects of changes in the scope of consolidation and foreign exchange rates, sales for the first half-year of 2007 registered year-on-year organic growth of +2.2%.

This organic growth includes positive price effects, particularly in France and the United Kingdom, following rises in sales prices and tariffs in both countries during 2006. However, organic growth was hindered by the contrasting weather in the two periods (the first six months of 2007 were particularly mild in Europe), which led to lower consumption of electricity and natural gas and unusually low pressure on wholesale prices for this period of the year.

In France, sales for the first half-year of 2007 rose by +0.3% to € 16,493 million, influenced by a positive price effect on wholesale electricity market forward sales for periods of more than one year in advance (auctions) for which prices were set by contract in 2006, and the regulated tariff rise of August 2006.

For electricity sales, volumes were affected over the period by the mild weather[1], and in the second quarter by the lower availability of nuclear facilities due to execution of major maintenance programs. In the same quarter, the introduction of the TaRTAM transition tariff also helped to stabilize sales prices for the customers concerned. Meanwhile, natural gas sales continued to rise, with 47,000 sites supplied at the end of June, 2007.
The Group made 54.4% of its consolidated sales for the first half-year of 2007 in France (54.2% in first half-year of 2006).

In Europe excluding France, sales grew by 6.2% (organic growth of 4.8%) to € 13,178 million in the same mild weather context, indicating that the Group's sustained level of international development continues.

In the United Kingdom, EDF Energy registered sales of € 4,395 million, an increase of 9.3%. The 7.3% organic growth is mainly attributable to the tariff increases for electricity and natural gas introduced in the second half-year of 2006, although the volumes sold were lower due to mild weather conditions in the UK, in the first half of 2007. EDF Energy reduced its natural gas prices on June 15, 2007, with negligible

[1] *First half-year temperatures (weighted according to electricity consumption by region) were, on average, 1°C higher than normal in 2007 and 2°C lower than normal in 2006.*

effect on the results for the first half-year of 2007.

EDF Energy also won some 240,000 additional customer accounts compared to the first half-year of 2006, amongst fierce competition on price.

In Germany, consolidated sales rose by 16.7% to € 3,497 million, with organic growth of 10.4%. Electricity sales increased by 20%, boosted by the volumes sold to industrial customers and on the wholesale markets, as well as a positive price effect. The 25% decline in natural gas sales related to the fall in sales volumes associated with the mildness of the weather.
EnBW's sales include the positive 6.3% effect of changes in the scope of consolidation, principally resulting from full consolidation of its investment in Stadtwerke Düsseldorf (SWD) over the whole half-year, compared to three months in the first half-year of 2006.

In Italy, consolidated sales totaled € 2,300 million, a decrease of 21.2% (organic decline 8.8%). The main factor is the € 2,033 million contribution by Edison.
The organic decline in sales mainly concerns Edison, which recorded lower volumes of natural gas sales due to the mild weather.

In the Rest of Europe, sales reached € 2,986 million, an improvement of 21%. Organic growth (+10.2%) was largely driven by price rises in Hungary, Poland and Slovakia, and by the expansion of EDF Energies Nouvelles.
Sales for this area include the positive effect of changes in the scope of consolidation, principally the change in consolidation method for SSE in Slovakia and EDF Energies Nouvelles, and acquisitions by Dalkia International.

In the Rest of the World, the contribution to Group sales declined by 57.6% overall (with organic growth at 0.9%). This downturn reflects the negative effects of changes in the scope of consolidation (-56.0%) following deconsolidation of Light in Brazil at June 30, 2006. Organic growth mainly related to higher electricity generation levels in Asia.

The Group made 45.6% of consolidated sales outside France.

4-2 EBITDA

6.7% organic growth in EBITDA

In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)	Organic growth (%)
Sales	30,311	30,362	(51)	(0.2)	2.2
EBITDA	8,865	8,388	477	5.7	6.7

Consolidated EBITDA for the first half-year of 2007 was € 8,865 million, a rise of 5.7% compared to the first half-year of 2006.
Organic growth was 6.7%.

In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)	Organic growth (%)
France	5,995	5,579	416	7.5	7.5
United Kingdom	629	643	(14)	(2.2)	(4.2)
Germany	643	593	50	8.4	3.7
Italy	506	468	38	8.1	13.9
Rest of Europe	906	787	119	15.1	8.3
Europe excluding France	2,684	2,491	193	7.7	5.0
Rest of the World	186	318	(132)	(41.5)	6.3
Group EBITDA	**8,865**	**8,388**	**477**	**5.7**	**6.7**

Europe including France contributed 97.9% of Group EBITDA.

In France, EBITDA progressed by +7.5%.
France contributed 67.6% of Group EBITDA in the first half-year of 2007, compared to 66.5% in the first half-year of 2006.

In Europe excluding France, EBITDA increased by 7.7%, with organic growth at 5.0%. This organic growth mainly concerned Italy (+13.9%) and the Rest of Europe (+8.3%).
In contrast, EBITDA registered an organic decline of 4.2% in the United Kingdom.

In the Rest of the World, EBITDA declined substantially (-41.5% with organic growth of 6.3%).

The **EBITDA/sales** ratio for the first half-year of 2007 stood at 29.2% (27.6% in first half-year of 2006), with contrasting trends in different segments: improvements in the Rest of the World (+8.0 points), Italy (+6.0 points), and France (+2.4 points) and declines in the United Kingdom (-1.7 points), the Rest of Europe (-1.6 points), and Germany (-1.4 points).

4-2.1 Fuel and energy purchases

Fuel and energy purchases amounted to € 11,902 million, a decrease of € 592 million (-4.7%) from the first half-year of 2006 and an organic decline of - 0.5%.

This decrease in fuel and energy purchases resulted from a decrease in the Rest of the World (-57.3%), Italy (-32.6%), and to a lesser extent France (-1.5%), partly offset by an increase in Germany (+24.6%), the Rest of Europe (+13.7%), and the United Kingdom (+6.6%).

In the Rest of the World, the 57.3% decrease is largely explained by the effect of changes in the scope of consolidation (-53.9%) due to deconsolidation of Light from June 30, 2006, and a foreign exchange effect (-2.9%) associated with the fall in value of the Brazilian real.

In Italy, changes in the scope of consolidation (disposal of Rete and Serene, and acquisition of EEI by Edison) accounted for -14.4% of the decrease, and the rest (20.1%) resulted from lower sales volumes, optimization of gas supply costs, and to a lesser degree the reduction in electricity purchases caused by the increase in generation capacities.
In France, the 1.5% decrease is mostly attributable to the lower use of oil-fired plants, which led to a fall in fuel consumption.

In Germany, the 24.6% rise in fuel and energy purchases results from a 7.4% effect of changes in the scope of consolidation (mainly relating to Stadtwerke Düsseldorf), and purchases in connection with the growth of business on the wholesale markets.

In the Rest of Europe, the main factor underlying the 13.7% rise was the changes in the scope of consolidation (14.2%), principally the consolidation method change for SSE.

In the United Kingdom, the 6.6% increase in fuel and energy purchases mainly results from lower supply costs, which were primarily reduced by the falling cost of CO_2 emission quotas. The increase also includes the 2% foreign exchange effect associated with the rise of the pound sterling.

4-2.2 Other external expenses

Other external expenses amounted to € 4,180 million, € 363 million (+9.5%) higher than in the first half-year of 2006, with organic growth at + 9.5%.
Other external expenses increased substantially in the Rest of Europe (+75.3%), the United Kingdom (+30.0%) Italy (+10.9%) registered little change in France (+0.2%) and Germany (+1.0%).
In the Rest of the World, other external expenses decreased significantly by 62.0%.

In the Rest of Europe, the 75.3% rise in other external expenses is primarily due to development of new energies, services and projects, and to a lesser extent, changes in the scope of consolidation.

In the United Kingdom, the 30% increase in other external expenses is associated with business growth, particularly the higher volumes of maintenance work (for Trans4m and in the regulated networks) as reflected in sales. A secondary factor was the rise in marketing expenses incurred for commercial development. The increase also integrates the 2% foreign exchange effect associated with the rise of the pound sterling.

In France, the near stability observed (+0.2%) results from productivity gains and non-recurring items, which offset the rise in maintenance costs and the costs involved in preparing for the residential markets' opening to competition.

In the Rest of the World, the decrease in these expenses is mainly due to the effect of changes in the scope of consolidation in Brazil.

4-2.3 Personnel expenses

Personnel expenses stood at €5,025 million, a year-on-year increase of € 192 million (+4.0%), corresponding to organic growth of 3.7%. These expenses saw rises in the United Kingdom (+22.5%), the Rest of Europe (+12.0%), Germany (+10.0%), Italy (+3.4%) and France (+2.4%).

In the United Kingdom, the 22.5% rise primarily results from the growth in workforce numbers as a result of commercial expansion, and salary rises. It also reflects a 2% foreign exchange effect.

In France, the increase of 2.4% in personnel expenses is largely due to non-recurring costs (provision for end-of-career leave). Salary increases were partly offset by the fall in workforce numbers (-2.4%).

In the Rest of the World, the Rest of Europe and to a lesser degree **in Germany,** changes in the scope of consolidation were the principal reason for changes in personnel expenses.

4-2.4 Taxes other than income taxes

Taxes other than income taxes totaled € 1,636 million in the first half-year of 2007, an increase of € 35 million (+2.2%) from first half-year of 2006. Most of this increase concerned France (+2.4%), mainly due to rises in business tax and land tax[1].

4-2.5 Other operating income and expenses

Other operating income and expenses resulted in net income of € 1,297 million for the first half-year of 2007, € 526 million (+68.2%) higher than for the same period of 2006.
Among other factors, this rise reflects a major increase **in France** (+63.1%), primarily due to the rise in the Contribution to the Public Electricity Service (CSPE)[2] received in compensation for the additional costs generated by electricity purchase obligations. These additional costs are assessed with reference to spot market prices, which declined markedly. The rise in other operating income and expenses also results from a 94.2% decrease in net expenses in the **Rest of the World**, principally resulting from changes in the scope of consolidation (deconsolidation of Light).

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[1] *Taxe professionnelle and Taxe foncière.*
[2] *Contribution au Service Public de l'Electricité*

4-3 EBIT and net income
1.2% growth in EBIT

In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)
EBITDA	**8,865**	**8,388**	**477**	**5.7**
Net depreciation and amortization	(2,717)	(2,657)	(60)	2.3
Net increases in provisions for renewal of property, plant and equipment operated under concession	(279)	(264)	(15)	5.7
Impairment	0	299	(299)	NS
Other income and expenses	666	691	(25)	(3.6)
EBIT	**6,535**	**6,457**	**78**	**1.2**

EBIT reached €6,535 million in the first half-year of 2007, an increase of 1.2% from first half-year of 2006. Much of the increase in EBITDA was neutralized by changes in impairment (due to recognition of non-recurring items in 2006).

4-3.1 Net depreciation and amortization

Net depreciation and amortization for the first half-year of 2007 amounted to € 2,717 million, a year-on-year rise of € 60 million (2.3%). That increase mainly concerned the Rest of Europe (+€ 31 million).

4-3.2 Net increases in provisions for renewal of property, plant and equipment operated under concession[1]

These provisions for renewal increased by € 15 million in the first half-year of 2007, +5.7%, more than in the first half-year of 2006. Most of the increase was recorded in the France segment.

4-3.3 Impairment

No impairment was recorded in the first half-year of 2007. In the first half-year of 2006, impairment and reversals resulted in net income of € 299 million, comprising impairment of € 318 million booked in respect of EDF's share of EnBW goodwill, and a reversal of € 624 million from impairment in connection with the sale of Light.

4-3.4 Other income and expenses

Other income and expenses totaled € 666 million for the first half-year of 2007, compared to € 691 million for the first half-year of 2006.
Variations in this item concern France and the Rest of Europe only.

In France, other income and expenses reflect the recognition in first half-year of 2007 of the positive € 555 million impact of changes in the useful lives of substation buildings (extended from 30 to 45 years) and electronic metering equipment (reduced from 30 to 25 or 20 years, depending on the equipment type) and the effect of the reduction in the cost of renewal of electronic metering equipment on the provision for renewal.
In the first half-year of 2006, other income and expenses in France included an amount of € 328 million reversal from the provision for the exceptional additional pension.

In the Rest of Europe, other income and expenses in the first half-year of 2007 show a net gain of € 111 million, corresponding to the gain recorded by EDF International on the disposal in May 2007 of its 25% residual

[1] *The figures published for the first half-year 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.*

investment in Edenor. In first half-year of 2006, the net gain of € 363 million mainly concerned gains on the sale of ASA and two Egyptian power plants.

4-4 Financial result

In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)
Cost of gross financial indebtedness	(750)	(776)	26	(3.4)
Discount expense	(1,314)	(1,280)	(34)	2.7
Other financial income and expenses	809	555	254	45.8
Group financial resultl result	**(1,255)**	**(1,501)**	**246**	**(16.4)**

The financial result of -€ 1,255 million registered an improvement of € 246 million (-16.4%) compared to the first half-year of 2006, mainly attributable to the following:
- A +€ 26 million improvement in the cost of gross indebtedness essentially due to deconsolidation of Light from July 1, 2006 (+€ 56 million), despite rising interest rates,
- A -€ 34 million decrease in discount expenses, particularly for nuclear provisions in France,
- A +€ 254 million improvement in other financial income and expenses, mainly caused by better returns on short-term investments (+€ 99 million), the change in increases to financial provisions (+€ 55 million) and the foreign exchange result excluding indebtedness (+€ 32 million).

4-5 Income taxes

Income taxes for the first half-year of 2007 amounted to € 1,695 million compared to € 888 million for the first half-year of 2006.
This € 807 million year-on-year increase results from the particularly low levels of taxes in first half-year of 2006 resulting from the legal reorganization of the Light group prior to its sale, and the favorable effects of changes in tax legislation in Italy.
At June 30, 2007, income taxes include income of € 111 million in respect of EDF Energy, corresponding to the saving generated by the lower UK corporate income tax rate adopted in June 2007 for application in 2008.

4-6 Share in net income of companies accounted for under the equity method

The share in net income of companies accounted for under the equity method was € 6 million at June 30, 2007, € 178 million lower than at June 30, 2006.
This difference primarily results from an increase in provisions in the United Kingdom, and a decrease in the Rest of Europe (change in consolidation method for SSE) and the Rest of the World (sale of the residual interest in Edenor).

4-7 Net income, Group share

The Group share of net income was €3,514 million in first half-year of 2007, 15.2% lower than first half-year of 2006 (€4,143 million).

The Group share of net income excluding non-recurring items was € 3,183 million in first half-year of 2007, a rise of €265 million or +9.1% from first half-year of 2006.
Based on a constant scope of consolidation, the increase was 11.1%

5 Breakdown of EBIT by geographical area

The Group's segment reporting principles are presented in note 6 to the condensed consolidated half-year financial statements at June 30, 2007.
The breakdown of EBIT by geographical area is as follows:

In millions of euros **1st half-year 2007**	France	United Kingdom	Germany	Italy	Rest of Europe	Europe excluding France	Rest of the World	Total
SALES	**16,493**	**4,395**	**3,497**	**2,300**	**2,986**	**13,178**	**640**	**30,311**
Fuel and energy purchases	(4,126)	(2,720)	(2,151)	(1,486)	(1,024)	(7,381)	(395)	(11,902)
Other external expenses	(2,278)	(580)	(400)	(304)	(582)	(1,866)	(36)	(4,180)
Personnel expenses	(3,767)	(370)	(340)	(92)	(447)	(1,249)	(9)	(5,025)
Taxes other than income taxes	(1,457)	(57)	(7)	0	(108)	(172)	(7)	(1,636)
Other operating income and expenses	1,130	(41)	43	90	81	173	(6)	1,297
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)	**5,995**	**629**	**643**	**506**	**906**	**2,684**	**186**	**8 865**
Net depreciation and amortization	(1,835)	(237)	(176)	(214)	(200)	(827)	(55)	(2,717)
Net increases in provisions for renewal of property, plant and equipment operated under concession	(275)	0	0	0	(4)	(4)	0	(279)
Impairment	0	0	0	0	0	0	0	0
Other income and expenses	555	0	0	0	111	111	0	666
OPERATING PROFIT (EBIT)	**4,440**	**391**	**466**	**292**	**812**	**1,961**	**134**	**6,535**

In millions of euros **1st half-year 2006**	France	United Kingdom	Germany	Italy	Rest of Europe	Europe excluding France	Rest of the World	Total
SALES	**16,447**	**4,022**	**2,996**	**2,919**	**2,468**	**12,405**	**1,510**	**30,362**
Fuel and energy purchases	(4,187)	(2,552)	(1,726)	(2,204)	(901)	(7,383)	(924)	(12,494)
Other external expenses	(2,273)	(446)	(396)	(274)	(332)	(1,448)	(96)	(3,817)
Personnel expenses	(3,679)	(302)	(309)	(89)	(399)	(1,099)	(55)	(4,833)
Taxes other than income taxes	(1,423)	(54)	(12)	(1)	(101)	(168)	(10)	(1,601)
Other operating income and expenses	693	(25)	39	117	50	181	(103)	771
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)	**5,579**	**643**	**593**	**468**	**787**	**2,491**	**318**	**8,388**
Net depreciation and amortization	(1,813)	(216)	(166)	(227)	(169)	(778)	(66)	(2,657)
Net increases in provisions for renewal of property, plant and equipment operated under concession	(260)	0	0	0	(4)	(4)	0	(264)
Impairment	1	0	(318)	(10)	3	(325)	623	299
Other income and expenses	328	0	0	0	363	363	0	691
OPERATING PROFIT (EBIT)	**3,834**	**427**	**109**	**231**	**979**	**1,746**	**877**	**6,457**

5-1 France

In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)	Organic growth (%)
Sales	16,493	16,447	46	0.3	0.3
EBITDA	5,995	5,579	416	7.5	7.5
EBIT	4,440	3,834	606	15.8	N/A

5-1.1 Breakdown of financial information for the "France" segment

The following breakdown is also applied to France's contribution to Group results:
"Regulated activities", comprising:
- Transmission in mainland France;
- Distribution in mainland France;
- Generation and distribution by EDF in the island energy systems (IES).

The Transmission and Distribution activities are regulated by the Tariffs for Using the Public Transmission and Distribution Networks (TURP).
Sales for the regulated activities include the delivery cost included in integrated tariffs.
"Deregulated activities" cover:
- Generation, Supply and Optimization in mainland France;
- Sales of engineering and consulting services.

5-1.2 Market opening

At June 30, 2007, EDF's market share for electricity in France was 83.2% for all eligible final customers, a slight increase from the 82.9% at June 30, 2006.
The French electricity market has been totally open to competition since July 1, 2007.

5-1.3 The supply-demand balance

Hydropower generation increased slightly in the first half-year of 2007 compared to the same period of 2006 (+1.3 TWh or +7%), while nuclear generation declined by 7.8 TWh to 207.7 TWh.

This lower level of nuclear generation resulted from a higher concentration of scheduled shutdowns for the first half-year of 2007 compared to 2006, and an intensified maintenance program including cleaning of steam generators at certain nuclear power plants.
The lack of supply-demand tension in the first half-year of 2007 made it possible to limit use of oil-fired units.
The mild weather during the period led to a noticeable decline (-13.9 TWh) in sales to final customers, in contrast to the first half-year of 2006 when temperatures stayed below seasonal norms for long periods. This weather-related effect was partly offset by higher demand (excluding the weather effect), and an increase in sales on the wholesale market.

5-1.4 Sales

France contributed € 16,493 million to Group sales, slightly more than in the first half-year of 2006 (+0.3%).
Electricity sales benefited from positive price effects (the August 2006 regulated tariff increase and the positive price effect related auction sales fixed by contract in 2006), offset to by lower sales volumes resulting from the mild weather over the half-year, and the lower availability of nuclear plants in the second quarter.
In the same quarter, the introduction of the TaRTAM transition tariff also helped to stabilize sales prices for the customers concerned.
Natural gas sales increased and contributed 0.3% to the rise in French sales.

5-1.5 EBITDA

France's contribution to Group EBITDA was € 5,995 million, an increase of 7.5% from the first half-year of 2006 (€ 5,579 million).

This increase results from the favorable effect of the spot market price decreases on sourcing costs (market purchases and purchase obligations, after CSPE compensation) and the regulatory tariff rise of August 15, 2006. These two factors more than compensated for the unfavorable developments in sales volumes that were caused by the mild weather and lower availability of nuclear plants in the second quarter.

Fuel and energy purchases

In France, fuel and energy purchases totaled € 4,126 million in the first half-year of 2007, a decrease of € 61 million (-1.5%) from the first half-year of 2006.
The lower level of nuclear generation and less extensive use of oil-fired plants led to a fall in fuel consumption, which was partly offset by the rise in gas purchases related to sales development, and the greater cost of energy purchases to compensate for network losses, which had been covered by forward purchases in 2006.

Other external expenses and personnel expenses

Other external expenses amounted to € 2,278 million, a slight increase (+0.2%) compared to the first half-year of 2006.

Productivity gains and non-recurring items offset the rise in maintenance costs and the additional costs incurred in preparation for the opening of the residential market to competition.

Personnel expenses totaled € 3,767 million, a year-on-year rise of 2.4% largely attributable to non-recurring costs (provision for end-of-career leave).

Salary increases were partly offset by the reduction in workforce numbers (-2.4%).

Taxes other than income taxes

These taxes increased by 2.4% (€ 34 million), reflecting a general rise in all taxes (principally business tax, land tax and the INB[1] nuclear tax).

Other operating income and expenses

Other operating income and expenses improved by € 437 million, largely due to the rise in the CSPE (Contribution to the Public Electricity Service), and essentially relate to changes in the compensation receivable in respect of additional costs generated by purchase obligations in mainland France. These additional costs are calculated based on the differential between spot market prices and the actual cost of EDF's purchases from generators benefiting from the CSPE arrangement, and rose significantly due to the decrease of sport market prices in the first half-year of 2007 compared to the first half-year of 2006 (€ 53.7/MWh in 2006, € 30/MWh in 2007).

[1] *Taxe sur les installations nucléaires de base.*

5-1.6 Breakdown of financial information for the "France" segment between regulated and deregulated activities

The following table shows the variations in sales and EBITDA in France for the Regulated and Deregulated Activities respectively between first half-year of 2006 and first half-year of 2007.

In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)	Organic growth (%)
Sales	16,493	16,447	46	0.3	0.3
deregulated	10,525	10,297	228	2.2	2.2
regulated	6,231	6,602	(371)	(5.6)	(5.6)
eliminations	(263)	(452)	189	-	-
EBITDA	5,995	5,578	417	7.5	7.5
deregulated	3,869	3,225	644	20.0	20.0
regulated	2,126	2,353	(227)	(9.7)	(9.7)

Sales for the **regulated activities** declined by € 371 million, principally as a result of the impact of weather conditions on delivery sales.

The **deregulated activities'** sales rose by € 228 million, benefiting from a positive price effect for wholesale market electricity forward sales for more than one year in advance (auctions), fixed by contract in 2006, and the rise in regulated tariffs in 2006. The fall in sales volumes as a result of the weather was partly offset by higher demand and sales growth on wholesale markets.

The **regulated activities'** EBITDA declined by € 227 million, due to the mild weather of the first half-year of 2007 and the greater cost of energy purchases to compensate for network losses, which were covered by forward purchases in 2006.

The **deregulated activities'** EBITDA increased appreciably (+€ 644 million) as a result of price effects on sales and CSPE.

5-1.7 EBIT

France's contribution to Group EBIT was € 4,440 million, 15.8% higher than for the first half-year of 2006. This increase results from the increase in EBITDA, together with the improvement in other income and expenses which were affected by reversals from the provision for renewal in first half-year of 2007 and for the exceptional additional pension in 2006.
Without these factors, EBIT would have increased by 10.8%, more in line with the increase in EBITDA.

5-2 United Kingdom

In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)	Organic growth (%)
Sales	4,395	4,022	373	9.3	7.3
EBITDA	629	643	(14)	(2.2)	(4.2)
EBIT	391	427	(36)	(8.4)	(10.3)

5-2.1 Sales

EDF Energy's contribution to consolidated sales for the first half-year of 2007 was € 4,395 million, an increase of 9.3% with organic growth of 7.3% compared to the same period of 2006. This growth includes a +2% foreign exchange effect associated with the rise of the pound sterling.

8.6% of organic growth was driven by prices and tariffs, principally in the commercial activities, which benefited from electricity and gas tariff rises in 2006, and to a lesser extent in the regulated activities, particularly following increases in network access fees also in 2006.

Net volumes were down slightly (-1.3%), as the growth in the customer base (EDF Energy has won 242,000 new customer accounts since June 30, 2006) was offset by the effects of the exceptionally mild weather.

EDF Energy reduced by 10.2% its gas prices on June 15, 2007, with negligible effect on the first half-year of 2007.

5-2.2 EBITDA

EDF Energy's contribution to Group EBITDA stood at € 629 million for the first half-year of 2007, an overall decline of -2.2% and an organic decline of -4.2%.

This decline comprises contrasting developments in the regulated and deregulated activities. Network activities continued to benefit from a positive price effect (rise in network access fees during 2006) that more than compensated for the lower sales volumes caused by the mild weather.

In the deregulated activities, the mild weather led to lower sales volumes and the resulting long positions in a declining market eroded margins, especially on natural gas. In a highly competitive environment, EDF Energy continued its commercial and marketing investments to maintain and develop its customer base, and this is reflected in the increase in other external expenses and personnel expenses.

5-2.3 EBIT

EDF Energy's contribution to Group EBIT was € 391 million, 8.4% lower than in the first half-year of 2006.

This decline reflects trends in EBITDA and the increase in net depreciation and amortization, which resulted mainly from investments in regulated activities, particularly following the regulator Ofgem's 2005 review for the period 2005-2010, as well as investments in generation plants.

5-3 Germany

In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)	Organic growth (%)
Sales	3,497	2,996	501	16.7	10.4
EBITDA	643	593	50	8.4	3.7
EBIT	466	109	357	N/S	N/A

5-3.1 Sales

EnBW's contribution to Group sales for the first half-year of 2007 was € 3,497 million, a year-on-year increase of +16.7% with organic growth of +10.4%.
This incorporates the effect of changes in the scope of consolidation (6.3%) mainly relating to the full consolidation of Stadtwerke Düsseldorf (SWD) over the whole half-year, compared to three months in first half-year of 2006. The 10.4% organic growth includes a 5.5% price effect and a 4.9% volume effect, primarily in the electricity activities. These activities account for some three quarters of sales and progressed by 20%, principally due to rising sales volumes on wholesale markets and sales to industrial customers, with the balance resulting from a positive price effect. Sales for the gas activities registered an organic decline of 25%, the main factor being the lower volumes sold due to the mild weather.

5-3.2 EBITDA

EnBW's contribution to Group EBITDA increased by 8.4% compared to the first half-year of 2006, with organic growth at 3.7%.

EBITDA growth was lower than sales growth, largely as a result of a significant increase in fuel and energy purchases (+24.6%) associated with the expansion of business on wholesale markets, and the effect of changes in the scope of consolidation.

Operating expenses rose slightly (other external expenses: +1.0%, personnel expenses: +1.9%).
EBITDA for electricity activities increased, whereas EBITDA for natural gas activities declined.
The progression registered by the electricity activities results from good management of power plants, market optimization activities, and improvements in supply margins, whereas in the natural gas activities EBITDA was affected by a fall in volumes sold.
The Services activity also registered an increase.

5-3.3 EBIT

EnBW's contribution to consolidated EBIT was €466 million, a year-on-year increase of € 357 million higher than in the first half-year of 2006. This increase is mainly explained by the rise in EBITDA and the recognition of €318 million of impairment in the Group consolidated financial statements for the first half-year of 2006, in respect of EDF share of EnBW goodwill.

5-4 Italy

In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)	Organic growth (%)
Sales	2,300	2,919	(619)	(21.2)	(8.8)
EBITDA	506	468	38	8.1	13.9
EBIT	292	231	61	26.4	31.2

5-4.1 Sales

Italy contributed € 2,300 million to consolidated sales, a –21.2% decrease from the first-half-year of 2006.

This decrease comprises the effect of changes in the scope of consolidation (-€ 361 million or -12.4%), principally relating to Edisons's acquisition of EDF Energia Italia[1], the dilutive effect of exercise of warrants by the Tassara Group in February 2007 on EDF's investment (from 51.58% to 48.96%[2]), and the sales of Edison's holdings in Rete and Serene.

Sales saw an organic decline of -€ 258 million or –8.8%, mostly concerning Edison.

Fenice's contribution to Group sales was stable compared to first half-year of 2006, and amounted to € 267 million.

Edison contributed sales of € 2,033 million, €161million lower than its €2,194 million contribution in the first half-year of 2006.

This decrease is mainly due to changes in the scope of consolidation (EDF Energia Italia, dilutive effect, sale by Edison of Rete and Serene), and the lower volumes of natural gas sold to residential customers as a result of the mild weather.

5-4.2 EBITDA

Italy contributed € 506 million to the Group's consolidated EBITDA, an increase of 8.1% (organic growth of 13.9%) compared to first half-year of 2006.

This increase, achieved despite a decline in sales, is mainly explained by the significant decrease in fuel and energy purchases (-€ 718 million or -32,6%) caused by changes in the scope of consolidation, the lower sales volumes leading to lower purchases, optimization of gas supply costs, and the decrease in electricity purchases due to the expansion in generation capacity.

Fenice's contribution to Group EBITDA stood at € 58 million for the first half-year of 2007 compared to € 67 million in the first half-year of 2006. This decline results from tariff amendments introduced when contracts with Fiat were extended in January 2007.

Edison contributed € 449 million to consolidated EBITDA in the first half of 2007, compared to € 403 million for the same period of 2006, an increase of € 46 million.

There was a rise in EBITDA for the electricity activities, due to improved optimization of sales operations on the deregulated market. The volumes of electricity generated by Edison increased due to the greater availability of the Torviscosa, Altomonte and Marghera plants, making it possible to reduce electricity purchases and increase sales on the deregulated market.

EBITDA for the gas activities improved substantially, primarily due to the reversal of a provision established in 2006 in connection with resolution 248/04 (capping gas prices).

5-4.3 EBIT

Italy's contribution to consolidated EBIT reached € 292 million, an increase of € 61 million or +26.4% from first half-year of 2006. In addition to the growth in EBITDA, the main factor in this increase was a 5.7%

[1] *EDF Energia Italia, previously 100%-owned by EDF, was acquired by the Edison Group in the first half-year 2007 and is now consolidated in the EDF Group on a 48.96% basis.*

[2] *EDF's investment in Edison takes into account the potential voting rights resulting from warrants held but not yet exercised by EDF.*

reduction in net depreciation and amortization resulting principally from the disposals of Serene and Rete.

5-5 Rest of Europe

In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)	Organic growth (%)
Sales	2,986	2,468	518	21.0	10.2
EBITDA	906	787	119	15.1	8.3
EBIT	812	979	(167)	(17.1)	(20.5)

5-5.1 Sales

The **Rest of Europe's** contribution to Group sales rose by +21.0% or € 518 million to € 2,986 million. This comprises the effect of changes in the scope of consolidation (10.0%), principally the change in consolidation method applied to the Slovakian company SSE (previously accounted for under the equity method and now proportionally consolidated) and EDF Energies Nouvelles (from proportional to full consolidation), plus acquisitions by Dalkia International.
Organic growth in sales by the Rest of Europe reached +10.2%, chiefly generated by business in central Europe (+13.1%) and EDF Energies Nouvelles (+40.0%).

In the central European countries, organic sales growth was mainly driven by business in Hungary (+20.2%) and Slovakia (+16.8%).
In Hungary, Demasz benefited from a positive price effect on distribution and regulated sales, and a positive price and volume effect on the open market. Sales by Bert progressed as the rise in natural gas prices was passed on to residential customers, with no impact on EBITDA.
In Slovakia (SSE), sales growth was mainly due to rising wholesale prices in the supply activity.
In Poland, Rybnik benefited from the increase in sales prices and sold greater volumes, but sales of heat produced by cogeneration fell sharply due to the mild winter weather.

Sales by **EDF Energies Nouvelles** progressed thanks to the existing wind farms' generation activity, and the new wind farms that came into operation in Italy, Greece, the United Kingdom and the United States.

Sales by **EDF Trading**[1] amounted to € 320 million, -6.4% lower than the particularly high sales registered in the first half-year of 2006. The lower pressure and volatility on energy markets limited the options for market transactions.

5-5.2 EBITDA

The contribution to consolidated EBITDA by the **Rest of Europe** was € 906 million, a rise of € 119 million or 15.1% from first half-year of 2006. Organic growth stood at 8.3%.

Organic growth in EBITDA in the central European countries was +7.8%. It mainly concerned Slovakia, where SSE achieved higher margins on supply due to favorable price developments on the open market.
In Hungary, EBITDA growth at Demasz due to price effects was offset by the decline in Bert's heat sales. In Poland too, the rise in prices compensated for the unfavorable weather effects for cogeneration.
Organic EBITDA growth at EDF Energies Nouvelles essentially results from business expansion.
EDF Trading's contribution to Group EBITDA increased due to a reversal from provisions.

[1] *EDF Trading sales consist of trading margins.*

5-5.3 EBIT

The **Rest of Europe** contributed € 812 million to Group EBIT, a decrease of € 867million compared to the first half-year of 2006. For the first half-year of 2006, EBIT included gains of € 354 million on the sales of ASA and the two Egyptian power plants.

In the first half-year of 2007, it includes gains of € 111 million recorded by EDF International on the sale of the residual 25% holding in Edenor.

5-6 Rest of the World

In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)	Organic growth (%)
Sales	640	1,510	(870)	(57.6)	0.9
EBITDA	186	318	(132)	(41.5)	6.3
EBIT	134	877	(743)	(84.7)	2.5

5-6.1 Sales

The contribution by the **Rest of the World** to Group sales declined by € 870 million or -57.6%. This essentially resulted from the sale of Light in August 2006, and the associated change (-56.0%) in the scope of consolidation.
Organic sales growth was +0.9%.
In Mexico, sales fell back slightly, as certain plants were only used to a limited extent in the first half-year of 2007.
In Asia, organic sales growth was 15.2%. Both the Meco plant (higher generation) and the Figlec plant (rise in coal prices, with no impact on EBITDA) contributed to this growth.

5-6.2 EBITDA

The **Rest of the World's** contribution to Group EBITDA declined by € 132 million (-41.5%), and comprises the negative effect of changes in the scope of consolidation (-€ 144 million or -45.3%) relating to the sale of Light.
Organic growth stood at 6.3%. The main factor was the improved productivity by Meco in Vietnam.

5-6.3 EBIT

The contribution by the **Rest of the World** to Group EBIT declined by € 743 million. This essentially reflects trends in EBITDA, and a € 624 million reversal of impairment (related to the sale of 79.4% of Light) in the first half-year of 2006, that had no equivalent in 2007.

6 Financing and indebtedness

6-1 Net indebtedness

The Group's net indebtedness stood at € 14,884 million at June 30, 2007 compared to € 14,932 million at December 31, 2006, a € 48 million reduction over the first half-year of 2007.

This reduction at June 30, 2007 primarily results from the free cash flow generated (€ 2,771 million). In addition to this factor, sales undertaken under the Group's program for 2005-2007 had an impact on indebtedness of € 308 million at June 30, 2007, and Edison's indebtedness benefited from the positive effect of payment of € 520 million (EDF's share: € 254 million) when warrants were exercised, modifying EDF's percentage holding in Edison.

Gross allocations to dedicated assets amounted to € 1,174 million, in line with commitments. Net financial investments totaled € 169 million, and dividends paid out totaled € 2,159 million.

Variations in the Group's net indebtedness were as follows:

Half-year ended June 30 In millions of euros	1st half-year 2007	1st half-year 2006 (1)	Variation	Variation (%)
EBITDA	**8,865**	**8,388**	**477**	**5.7**
Cancellation of non-monetary items included in EBITDA	(1,153)	(508)		
Net financial expenses disbursed	(555)	(488)		
Recurring taxes paid	(848)	(552)		
Other items (2)	98	(24)		
Operating cash flow (FFO)	**6,407**	**6,816**	**(409)**	**-6.0**
Change in net working capital	(696)	(399)		
Net non-financial investments (CAPEX)	(2,940)	(2,296)		
Free cash flow	**2,771**	**4,121**	**(1,350)**	**-32.8**
Dedicated assets	(1,174)	(844)		
Financial investments	(169)	(364)		
Dividends paid	(2,159)	(1,504)		
Other changes (3)	452	(397)		
Decrease in net indebtedness, excluding the impact of changes in scope of consolidation and exchange rates	**(279)**	**1,012**	**(1,291)**	**-127.6**
Effect of change in scope of consolidation	58	392		
Effect of exchange rate fluctuations	89	198		
Effect of other non-monetary changes (4)	180	(62)		
(Increase)/Decrease in net indebtedness	**48**	**1,540**	**(1,492)**	**-96.9**
Net indebtedness at the 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 for net increases in provisions for renewal of property, plant and equipment operated under concession.
(2) Mainly correspond to dividends received from companies accounted for under the equity method.
(3) Principally the Marcoule payment in 2006 and the Edison capital increase in 2007.
(4) Mainly corresponds to changes in fair value and accounting reclassifications affecting components of net indebtedness.

Variations in the contribution to net indebtedness by each geographical area are as follows:

At June 30 In millions of euros	June 30 2007	December 31 2006	Variation	Variation (%)
France	6,584	5,940	644	10.8
United Kingdom	6,782	6,413	369	5.8
Germany	1,688	1,766	(78)	(4.4)
Italy	(629)	(99)	(530)	(535.4)
Rest of Europe	(758)	(501)	(257)	(51.3)
Rest of the World	681	1,398	(716)	(51.2)
Total	**14,348**	**14,917**	**(569)**	**(3.8)**
Net indebtedness of companies reported under non-current liabilities held for sale	536	15	521	NS
Group Total	**14,884**	**14,932**	**(48)**	**(0.3)**

The reduction of net indebtedness in Italy mainly relates to the payment of € 520 million (EDF share: € 254 million) following exercise of warrants, but also to a reduction in the Edison's debt. The reduction in net indebtedness in the Rest of the World is explained by the fact that the Mexican subsidiaries' debt has been transferred to the heading "Net indebtedness of companies reported under non-current liabilities held for sale", as these companies are in the process of being sold.

6-2 Operating cash flow

Operating cash flow totaled € 6,407 million, € 409 million or -6.0% lower than for the first half-year of 2006 (€ 6,816 million).

This contrasts with the +5.7% growth in EBITDA, and results from the year-on-year increase in financial expenses and taxes paid, as well as an increase in the non-monetary components of EBITDA. This increase amounted to € 645 million following larger reversals of provisions than in first half-year of 2006 (relating to downstream of nuclear fuel cycle in France, and CO_2 emissions in the UK).

Free cash flow stood at € 2,771 million, € 1,350 million less than in June 2006 (€ 4,121 million), affected by changes in working capital and non-financial investments (capital expenditure).

6-3 Change in working capital

Increase of € 696 million

In France, working capital increased by € 864 million in the first half-year of 2007. This is mainly due to the rise in receivables related to the CSPE, and to a lesser extent the rise in receivables related to various taxes payable (VAT, local taxes and taxes specific to the nature of EDF's business). Working capital optimization measures under the Altitude plan generated € 235 million of additional savings (on trade receivables and payables). The seasonal cycle effect on working capital is favorable at June 30. However, inventories increased due to unfavorable volume and price effects.

Outside France, there was a € 168 million reduction in working capital, resulting from the seasonal nature of business together with price and volume effects (related to the mild weather). In the United Kingdom, EDF Energy is pursuing its customer cycle optimization program which has achieved savings of approximately € 76 million since it was launched in September 2006.

6-4 Gross non-financial investments
An increase of close to 25% compared to first half-year of 2006

Gross **non-financial** investments (gross Capex[1]) amounted to € 3,023 million, an increase of € 602 million (+24.9%) compared to the first half-year of 2006[2].

Variations over the half-year in the Group's **non-financial** investments were as follows:

At June 30 In millions of euros	1st half-year 2007	1st half-year 2006	Variation	Variation (%)
France: Regulated activities	1,021	992	29	2.9
France: Deregulated activities	797	578	219	37.9
Total France	**1,818**	**1,570**	**248**	**15.8**
United Kingdom	505	409	96	23.5
Germany	151	90	61	67.8
Italy	156	131	25	19.1
Rest of Europe	382	150	232	NA
Europe excluding France	**1,194**	**780**	**414**	**53.1**
Rest of the World	11	71	(60)	(84.5)
Gross non-financial investments (capital expenditure)	**3,023**	**2,421**	**602**	**24.9**

[1] Capital expenditure comprises purchases of property, plant and equipment and intangible assets, and the change in associated debts to suppliers

[2] Sales of property, plant and equipment and intangible assets totalled € 83 million, including € 38 million of real estate sales in France. Net investments amounted to € 2,940 million at June 30, 2007, an increase of € 644 million (+28%) compared to June 30, 2006 (€2,296 million).

Gross capital expenditure grew by +15.8% in France, and mainly concerned the deregulated activities (+€ 219 million), particularly generation, where investments rose by € 204 million (41.2%) to reach € 699 million at June 30, 2007 (€ 495 million at June 30, 2006). The objective of these investments is to develop capacities in nuclear plants (construction of the EPR at Flamanville) and non-nuclear plants (reactivation of oil-fired units, combustion turbines), and to maintain assets (for example through the Superhydro program for hydropower facilities).

Investments in the networks rose by 2.9%. For the transmission networks, they primarily concerned the major networks and interconnections, as well as development and renewal of regional networks; for the distribution networks, they concerned development, reinforcement and replacement of networks and preventive work to protect against weather risks.

Capital expenditure increased in all other geographical areas except for the Rest of the World, where the decrease reflects the sale of Light.

The most significant increase was at EDF Energies Nouvelles (€ 208 million, included in the Rest of Europe), principally for development of the various wind farms in Europe (Portugal, Greece, Italy, UK) and the US.

The +23.5% increase in capital expenditure in the United Kingdom was primarily for development of networks, and to a lesser extent development of commercial and generation activities.

6-5 Net financial investments

Ongoing increase in dedicated assets, refocusing on core activities

The gross allocation to dedicated assets for the nuclear activities amounted to € 1,174 million.

Other net financial investments totaled € 169 million. This comprises € 245 million for development and external growth (acquisitions by EnBW, particularly additional investments in Enso, ESW and GSW, Dalkia and EDF Energies Nouvelles), and the sales of Finel and Serene in Italy, Edenor in Argentina and U-Plus in Germany, which had a combined € 308 million impact on net indebtedness at June 30, 2007. Other financial investments also include financial operations undertaken in the normal course of business such as short-term cash investments and financial advances.

7 Subsequent events

Information on events subsequent to the end of the half-year is given in note 29 to the condensed consolidated half-year financial statements at June 30, 2007.
The main events are described below:

Total opening of the French electricity and gas markets to competition from July 1, 2007

The EU directive of June 2003 set the timetable for opening up the electricity market to competition.
After non-residential customers, who became eligible to choose their supplier from July 1, 2004, residential customers have also been eligible since July 1, 2007[1]. The French electricity market is thus now totally open to competition.
National natural gas markets have also been totally open for all customers since July 1, 2007.
EDF has taken all the necessary steps to guarantee all suppliers access to the electricity distribution network from July 1, in fully equitable and transparent conditions.

Tariff increases in France from August 16, 2007

The electricity sales tariffs fixed by the authorities in France increased from August 16, 2007 by 1.1% for residential customers and 1.5% for business customers[2]. This change applies to EDF customers who have chosen to remain on the regulated tariff following the opening of the market.

Exercise by Edison of its call options on Edipower shares

On July 16, 2007 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 for the value of € 126 million (EDF's share). The shares will be transferred at the end of January 2008.

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

Edison's development in Greece

On July 11, 2007, Edison's Board of Directors ratified the signature of a memorandum of 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 subsidiary T-Power, which owns a 390 MW combined-cycle gas power plant located in Thessalonica. Edison will contribute its equity investment in a 420 MW combined-cycle site being developed in Thisvi, and in a project to construct a 600 MW coal-fired plant.

The new venture is expected to form the second-largest operator on the Greek market.

Strategic partnership agreement signed between EDF and Constellation Energy in July 2007 for joint development of EPR-type nuclear power plants in the United States

EDF and the US electricity group Constellation Energy (CEG) have signed an agreement to form a 50/50-owned company for joint development, construction, ownership and operation of EPR-type nuclear power plants in the United States.

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[1] *An "eligible" customer can enter into an electricity purchase contract with the producer or supplier of his choice established in the territory of the European Community or the territory of a State that has signed an international agreement with France (article 20-III of Law 2000-108 of February 10, 2000).*
[2] *The "yellow" and "green" tariffs*

This agreement follows a Memorandum of Understanding announced on June 1, 2006 under which both companies agreed to work together on the development of advanced EPR-type nuclear power plants in the United States, with high performance standards and very high safety levels.

Under the terms of the agreement, EDF made an initial investment of US$ 350 million into the joint venture, which may be followed by subsequent contributions of up to US$ 275 million upon reaching certain milestones. In exchange, Constellation Energy contributed its shareholding in UniStar Nuclear and its development projects for four standardized EPR nuclear plants on the sites of the Calvert Cliffs Nuclear Power Plant, Nine Mile Point Nuclear Station and R.E. Ginna Nuclear Plant.

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.

Opening of proceedings by the European Commission against EDF concerning long-term electricity supply contracts

On July 18, 2007, the European Commission decided to open proceedings against the EDF Group concerning its business in France. It is alleged that the Group has concluded long-term electricity supply contracts that prevented entry into the market, which would represent abuse of a dominant market position as defined by article 82 of the EC Treaty.

This move follows the Commission's energy sector competition inquiry concerning the European gas and electricity markets, the results of which were published on January 10, 2007 in the *Final Report on the Energy Sector Competition Enquiry* (see section 6.5.1.1, "European Legislation" in the EDF Group's 2006 *Document de Référence*).
It does not imply that the Commission already has conclusive proof of the alleged infringement.
EDF currently has no information on the timescale of the Commission proceedings.

National Association of Independent Producers (*Syndicat National des Producteurs Indépendants* or SNPIET)

In 1996, France's Competition Council (*Conseil de la Concurrence*) ruled against EDF on the basis that it had abused its dominant position by hindering the conclusion of electricity supply agreements with independent providers.
After this ruling, the SNPIET and other producers claimed damages of €70 millions million before the Paris Commercial Court (*Tribunal de Commerce*).
The long ensuing proceedings ended with the signature of a settlement agreement on July 20, 2007, bringing this dispute to a close.

Appointment of Pierre-Marie Abadie to EDF's Board of Directors

By a decree of August 29, 2007, Pierre-Marie Abadie, Director of the Department of Energy Markets and Demand *(Direction de la demande et des marchés énergétiques)* was appointed to EDF's Board of Directors as a Director representing the French State. He replaces François Jacq.

8 Principal risks and uncertainties for the second half-year of 2007

The EDF Group policies for risk management and control are described in section 4.1 of the 2006 *Document de Référence*.

The principal risks and uncertainties to which the Group considers itself exposed are described in section 4.2 of the 2006 *Document de Référence*.

Those descriptions remain valid at the date of publication of this report for assessment of the major risks and uncertainties for the second half-year of 2007, and the Group remains subject to the usual risks specific to its business.

9 Significant events related to litigation in process

Direct Energie

On February 22, 2007, Direct Energie filed a complaint and an application for interim measures with France's Competition Council[1], claiming that EDF SA had used several practices allegedly constituting abuse of a dominant market position. In a ruling of June 28, 2007, the Council stated that it considered the requirements for issuing interim measures to be fulfilled in this case, and ordered EDF to submit to the Council, within two months of publication of the ruling, "a proposal for electricity wholesale supplies or any other technically or economically equivalent solution enabling alternative suppliers to compete effectively with EDF's retail offers to electricity consumers on the free market". The ruling stipulated that EDF could, as it had proposed on June 20, 2007, implement this injunction by submitting one or more commitments (under the procedure set forth in article L.464-2 I of the French Commercial Code) by July 14, 2007.

EDF made a formal proposed commitment on July 13, 2007, which was published with a summary of the case on the Council's website on July 19, 2007 and is subject to a market test to collect comments from interested parties by September 15, 2007.
If EDF proposed commitment is accepted by the Council after this test, these proceedings will be closed with no further enquiry into the substance of the matter. The proposal of the commitment can under no circumstances be interpreted as an acknowledgement by EDF that there was any justification for the allegations against the company, nor more broadly that any infringement of French and/or EU competition law took place. The commitment proposed by EDF concerns the introduction of a long-term baseload electricity supply mechanism that will enable other suppliers to compete effectively with EDF on downstream markets in France, particularly on the "mass" market, while respecting the needs of the nuclear electricity generation economy for long-term sustainability.
The proposed mechanism covers a quantity of some 10 TWh of baseload electricity supplies annually, for a period of 10 to 15 years as the purchaser wishes. EDF intends to implement this mechanism through a call for tenders open to alternative suppliers, for deliveries starting in 2008.
The price structure proposed by EDF is split into two separate periods, with a lower price over the first three-year period – determined with reference to the regulated "blue" tariffs – and a price for the second period that comprises a portion reflecting the generation costs of EDF nuclear facilities, and the capacity access price proposed by the purchaser. The discounted average price of the proposals submitted in response to the call for tenders cannot be lower than a reserve price coherent with development costs for the Flamanville 3 EPR; this requirement is necessary for sustainable development of the electricity sector in the long term. Purchasers have the option to convert financial payment into payment in kind.
The purchasers are free to use energy purchased from EDF on the retail market or wholesale market, but the contract includes an additional price clause intended to preserve the beneficial effect of the mechanism for development of competition on the open mass market in France.

On July 26, 2007, Direct Energie filed a further complaint with the Competition Council over compliance with article 2 of the ruling of June 28, 2007 ordering EDF to "enter into good faith negotiations with Direct Energy in order to conclude a provisional wholesale supply contract [at] a price reflecting total production costs". Direct Energie alleges that EDF has ignored this

[1] *Conseil de la Concurrence*

order, and the matter is currently under examination by the Rapporteur heading the case.

Decision of June 26, 2007 by the Paris Appeal Court on the KalibraXE litigation

KalibraXE filed a complaint with the French Competition Council on January 22, 2007 concerning anti-competitive practices allegedly implemented by EDF. The complaint was accompanied by an application for protective measures. KalibraXE claimed that EDF recent contracts contained clauses with the purpose and effect of preventing new suppliers from entering the market and developing their business.
On April 25, 2007, the Council ruled that an examination of the substance of the case was warranted, but rejected KalibraXE's application for protective measures.
However, it did issue an interim measure ordering EDF to amend its general terms and conditions of sale, inform customers exercising their eligibility that no penalty will apply upon the normal termination date of their contract, and send the Competition Council a copy of the amended terms and conditions of sale.
EDF was also obliged to report to the Council on the action taken for this second injunction, within two months of notification of the decision.
KalibraXE appealed against this ruling but on June 26, 2007 the Paris appeal court rejected its appeal.

10 Outlook

The results for the first half-year of 2007 are in line with the multiannual financial objectives announced for the period 2006-2008.
The Group is pursuing its investments to develop and strengthen generation capacities and networks both in France and internationally, and investments in gas infrastructures.
It also intends to participate in the re-emergence of nuclear power in the world.
The Group has taken a significant step forward in this strategy through the signature of a partnership agreement with the US electricity operator Constellation Energy.

11 EDF SA Financial information[1]

EDF SA net sales for the first half-year of 2007 amounted to € 17,131 million, and EBITDA stood at € 4,477 million.

[1] *Reported under French GAAP*

INTERIM FINANCIAL STATEMENTS

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

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 <u>Management judgment and estimates</u>

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 Specific points concerning the French electricity distribution concession

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:

(in millions of euros)	06.30.2007 Total	Maturity < 1 year	Maturity 1 - 5 years	Maturity > 5 years	12.31.2006 Total
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.

(in millions of euros)	06.30.2007 Total	12.31.2006 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:

(in millions of euros)	06.30.2007 Current	06.30.2007 Non-current	06.30.2007 Total	12.31.2006 Current	12.31.2006 Non-current	12.31.2006 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: Utilizations	Decreases: Reversals	Other changes	06.30.2007
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:

	12.31.2006	Increases	Decreases		Other	06.30.2007
(in millions of euros)			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).

	06.30.2007				12.31.2006
		Maturity			
(in millions of euros)	Total	< 1 year	1 - 5 years	> 5 years	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.

Rapport des Commissaires aux comptes
sur l'information financière semestrielle 2007
Période du 1er janvier au 30 juin 2007

Aux actionnaires,

En notre qualité de Commissaires aux comptes et en application de l'article L. 232-7 du Code de commerce, nous avons procédé à :

- l'examen limité des comptes semestriels consolidés résumés de la société Electricité de France S.A., relatifs à la période du 1er janvier au 30 juin 2007, tels qu'ils sont joints au présent rapport ;
- la vérification des informations données dans le rapport financier semestriel.

Ces comptes semestriels consolidés résumés ont été établis sous la responsabilité du Conseil d'administration. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes.

Nous avons effectué notre examen limité selon les normes professionnelles applicables en France. Un examen limité de comptes intermédiaires consiste à obtenir les informations estimées nécessaires, principalement auprès des personnes responsables des aspects comptables et financiers, et à mettre en oeuvre des procédures analytiques ainsi que toute autre procédure appropriée. Un examen de cette nature ne comprend pas tous les contrôles propres à un audit effectué selon les normes professionnelles applicables en France. Il ne permet donc pas d'obtenir l'assurance d'avoir identifié tous les points significatifs qui auraient pu l'être dans le cadre d'un audit et, de ce fait, nous n'exprimons pas une opinion d'audit.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la conformité, dans tous leurs aspects significatifs, des comptes semestriels consolidés résumés avec la norme IAS 34 –norme du référentiel IFRS tel qu'adopté dans l'Union européenne relative à l'information financière intermédiaire.

Sans remettre en cause la conclusion exprimée ci-dessus, nous attirons votre attention sur les points suivants exposés dans les notes aux comptes semestriels consolidés résumés :

- l'évaluation des provisions de long terme liées à la production nucléaire, dont les modalités de détermination sont décrites dans les notes 4.1.4, 22.2, 22.3 et 22.4 résulte comme indiqué en note 1.3 des meilleures estimations de la Direction. Cette évaluation est sensible aux hypothèses retenues en termes de coûts, de taux d'inflation, de taux d'actualisation à long terme, d'échéanciers de décaissements, ainsi qu'à l'issue des négociations en cours avec Areva. Compte tenu des éléments de sensibilité évoqués, la modification de certains paramètres pourrait conduire à une révision significative des provisions comptabilisées.
- l'approche privilégiée par EDF dans le cadre des normes existantes pour représenter au bilan ses obligations dans le cadre du renouvellement des biens du domaine concédé relevant de la distribution publique d'électricité en France décrite

en note 2 repose sur la spécificité des contrats de concessions. Elle consiste à retenir le montant des engagements contractuels tel qu'il est calculé et communiqué annuellement aux concédants dans le cadre des comptes-rendus d'activité. Une approche alternative, fondée sur la valeur actuelle des montants à décaisser pour faire face au renouvellement de ces biens à l'issue de leur durée de vie industrielle, donnerait une représentation différente des obligations vis-à-vis des concédants. Les effets qu'aurait eus l'adoption de cette dernière approche sur les comptes semestriels consolidés résumés sont présentés à titre d'information dans la note 2. L'évaluation des passifs de concessions est sujette à des aléas, entre autres en termes de coûts et de dates de décaissements.

Nous avons également procédé, conformément aux normes professionnelles applicables en France, à la vérification des informations données dans le rapport financier semestriel commentant les comptes semestriels consolidés résumés sur lesquels a porté notre examen limité.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes semestriels consolidés résumés.

Paris La Défense et Neuilly-sur-Seine, le 30 août 2007

Les Commissaires aux comptes

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

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

PERSON RESPONSIBLE FOR THE SUPPLEMENT

Individual assuming responsibility for the Supplement to the Base Prospectus

In the name of the Issuer

Having taken all reasonable measures for this purpose, I declare that the information contained in this Supplement is true to my knowledge and there has been no omission of material facts.

The consolidated condensed financial statements for the first half-year of 2007, prepared in accordance with IAS-IFRS standards and included in chapter 12 of the present Supplement to the Base Prospectus, were subject to a report by the statutory auditors set forth in chapter 13 of the present Supplement (page 91) and which includes comments in relation to such statements.

The consolidated financial statements for the financial year ended December 31, 2006, prepared in accordance with IAS-IFRS standards and included in the *Document de Référence* registered with the *Autorité des Marchés Financiers* (hereafter the "AMF") on April 19, 2007 under number R.07-036, were subject to a report by the statutory auditors set forth in section 20.2 of such *Document de Référence* and which included comments in relation to such statements.

The consolidated financial statements for the financial year ended December 31, 2005, prepared in accordance with IAS-IFRS standards and included in the *Document de Référence* registered with the AMF on May 18, 2006 under number R.06-0061, were subject to a report by the statutory auditors set forth in section 20.2 of such 2005 *Document de Référence* and which included comments in relation to such statements.

Issued in Paris, on 10 September 2007

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Mr. Daniel Camus
Chief Financial Officer *(Directeur Général Délégué Finances)*
Electricité de France

VISA OF THE *AUTORITÉ DES MARCHÉS FINANCIERS*

In accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Réglement général*) of the *Autorité des marchés financiers* ("**AMF**"), in particular articles 212-31 to 212-33, the AMF has granted to this Supplement to the Base Prospectus *visa* n°07-318 on 10 September 2007. This Supplement may only be used for the purposes of a financial transaction if completed by Final Terms. This Supplement was prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.612-8-1-I of the French *Code monétaire et financier*, the *visa* was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This *visa* has been granted subject to the publication of Final Terms in accordance with article 212-32 of the AMF's General Regulations, setting out the terms of the Instruments being issued.

RESPONSABILITE DU SUPPLEMENT

Personne qui assume la responsabilité du présent Supplément au Prospectus de Base

Au nom de l'Émetteur

Après avoir pris toutes mesures raisonnables à cet effet, je déclare que les informations contenues dans le présent Supplément sont, à ma connaissance, conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

Les comptes semestriels consolidés résumés de la société relatifs à la période du 1er janvier au 30 juin 2007, préparés conformément au référentiel IAS-IFRS et inclus dans le présent Supplément au Prospectus de Base au sein du chapitre 12, ont fait l'objet d'un rapport des contrôleurs légaux figurant au chapitre 13 du présent Supplément (page 91), qui contient des observations.

Les comptes consolidés de l'exercice clos le 31 décembre 2006, préparés conformément au référentiel IAS-IFRS et inclus dans le Document de Référence enregistré par l'Autorité des marchés financiers (ci-après l' « AMF ») en date du 19 avril 2007 sous le numéro R. 07-036, ont fait l'objet d'un rapport des contrôleurs légaux figurant à la section 20.2 dudit Document de Référence, qui contient des observations.

Les comptes consolidés de l'exercice clos le 31 décembre 2005, préparés selon les normes comptables internationales et inclus dans le Document de Référence enregistré par l'AMF en date du 18 mai 2006 sous le numéro R. 06-0061, ont fait l'objet d'un rapport des contrôleurs légaux figurant à la section 20.1 dudit Document de Référence 2005, qui contient des observations.

A Paris, le 10 septembre 2007

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M. Daniel Camus
Directeur Général Délégué Finances
Electricité de France

VISA DE L'AUTORITE DES MARCHES FINANCIERS

En application des articles L.412-1 et L.621-8 du Code monétaire et financier et de son règlement général, notamment des articles 212-31 à 212-33, l'Autorité des marchés financiers (l'"**AMF**") a visé le présent Supplément au Prospectus de Base le 10 septembre 2007 sous le numéro 07-318. Ce Supplément ne peut être utilisé à l'appui d'une opération financière que s'il est complété par des Conditions Définitives. Il a été établi par l'Emetteur et engage la responsabilité de son signataire. Le visa, conformément aux dispositions de l'article L.621-8-1-I du Code monétaire et financier, a été attribué après que l'AMF a vérifié "si le document est complet et compréhensible, et si les informations qu'il contient sont cohérentes". Il n'implique pas l'authentification par l'AMF des éléments comptables et financiers présentés. Ce visa est attribué sous la condition suspensive de la publication de Conditions Définitives établies, conformément à l'article 212-32 du règlement général de l'AMF, précisant les caractéristiques des titres émis.