

**PROSPECTUS SUPPLEMENT DATED 2 SEPTEMBER 2009
TO THE BASE PROSPECTUS DATED 18 MAY 2009**



Electricité de France

€16,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

*This prospectus supplement (the "**Supplement**") is supplemental and must be read in conjunction with the Base Prospectus dated 18 May 2009 (the "**Base Prospectus**") granted visa No. 09-151 on 18 May 2009 by the Autorité des marchés financiers (the "**AMF**"), prepared by Electricité de France ("**EDF**" or the "**Issuer**") with respect to its € 16,000,000,000 Euro Medium Term Note Programme (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 recent events in connection with the Issuer's position, activities and status.

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 to the Base Prospectus, 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.

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In this Supplement, unless otherwise stated, the references to "Company" or "EDF" refer to EDF S.A., the parent company, and the references to "EDF Group" and "Group" refer to EDF and its subsidiaries and shareholdings.



EDF GROUP

Half-year Financial Report June 2009

This Half-Year Financial Report contains information relating to the markets in which the EDF group is present. This information has been taken from surveys carried out by external sources. Considering the very rapid changes that characterize the energy sector in France and in the world, it is possible that this information could prove to be erroneous or outdated. Developments in the Group's activities could consequently differ from those described in this Half-Year Financial Report and the declarations and information appearing in this Report could prove to be erroneous.

The forward-looking statements contained in this Half-Year Financial Report, notably in section 15 ("Financial Outlook for 2009"), are based on assumptions and estimates that could evolve or be impacted by risks, uncertainties (relating particularly to the economic, financial, competitive, regulatory and weather environment) or other factors that may cause the future results, performances and achievements of the Group to differ significantly from the objectives expressed and suggested. These factors may include changes in the economic and commercial environment, regulations, and the factors set forth in section 4.2 of the EDF Group's 2008 Document de Référence ("Risk Factors").

Pursuant to European and French legislation, the entities responsible for the transmission and distribution of electricity within the EDF group may not communicate certain information gathered in the course of their activities to the other entities of the Group, including its Management. Similarly, certain data specific to generation and supply activities may not be communicated to the entities responsible for transmission and distribution. This Half-Year Financial Report has been prepared by the EDF group in compliance with these rules.

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1 Key figures

The figures presented in this document are taken from the EDF Group's condensed consolidated half-year financial statements at June 30, 2009.

Key figures for the first half-year of 2009 are as follows:

Extracts from the consolidated income statements

(in millions of euros)	H1 2009 ⁽²⁾	H1 2008 ⁽¹⁾	Variation	Variation (%)
Sales	34,897	32,239	2,658	8.2
Operating profit before depreciation and amortization (EBITDA)	10,141	9,041	1,100	12.2
Operating profit (EBIT)	6,775	5,913	862	14.6
Income before taxes of consolidated companies ⁽³⁾	4,573	4,447	126	2.8
Group net income	3,117	3,116	1	0.0
Net income excluding non-recurring items ⁽⁴⁾	2,926	3,096	(170)	(5.5)

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs" (see notes 1 and 2 to the condensed consolidated half-year financial statements at June 30, 2009).

(2) Figures for first-half 2009 include the effects of consolidation of British Energy from January 5, 2009.

(3) The income before taxes of consolidated companies corresponds to the EDF Group's net income before income taxes, the share of net income of companies accounted for under the equity method and minority interests.

(4) Net income excluding non-recurring items is not defined by IFRS, and is not directly visible in the consolidated income statements. It corresponds to the Group's net income excluding non-recurring items, net of tax (see section 5.8).

Operating cash flow

(in millions of euros)	H1 2009 ⁽¹⁾	H1 2008	Variation	Variation (%)
Operating cash flow ⁽²⁾	6,862	6,358	504	7.9

(1) Figures for first-half 2009 include the effects of consolidation of British Energy from January 5, 2009.

(2) EDF uses Operating cash flow as an indicator to assess the Group's capacity to generate free cash flow. Operating cash flow is not defined by IFRS, and is not directly visible in the consolidated cash flow statements. Also known as Funds From Operations or FFO, it is equivalent to net cash flow from operating activities (Cash flow statement) excluding changes in working capital, less net financial expenses disbursed and income taxes paid, adjusted for the impact of non-recurring tax effects.

Net indebtedness

(in millions of euros)	H1 2009 ⁽¹⁾	H1 2008	Variation	Variation (%)
Net indebtedness	36,791	24,476	12,315	50.3
Equity (EDF's share)	26,016	23,197	2,819	12.2

(1) Figures for first-half 2009 include the effects of consolidation of British Energy from January 5, 2009.

2 Economic Environment and Significant Events

2.1 Economic environment

2.1.1 GDP growth¹

After a sharp slowdown in late 2008 that intensified in most countries in the first quarter of 2009 (in the first quarter, the OECD² countries' economies continued to contract considerably: -2.1% after -1.9% in the previous quarter), there were signs of a less negative trend in the second quarter of 2009.

In the second half-year of 2009, the effects on the economy of the increasing number of economic plans to support public spending and household demand may begin to be seen, although a further slowdown during the second half-year in the economies of OECD countries is still possible.

In the **Euro zone**, where the EDF group does most of its business, a 5.2% decline in GDP is anticipated for 2009 after a 0.6% growth in 2008 (and a 2.7% growth in 2007).

2.1.2 Trends in market prices for electricity and the main energy sources

2.1.2.1 Wholesale spot electricity prices in France, Germany, the United Kingdom and Italy³

Spot electricity prices in Europe excluding Italy fell by more than 30% in first-half 2009 compared to first-half 2008, in line with trends in fossil fuels and CO₂ emission quota prices.

In France, average spot electricity prices for the first half-year of 2009 stood at €41.5/MWh

baseload and €52.8/MWh peakload, down by almost 36% for baseload (-€23.5/MWh) and 38% for peakload (-€32.8/MWh) compared to the same period of 2008.

In Germany, spot prices averaged €39.8/MWh baseload and €51.3/MWh peakload, a decrease of 35% (-€21.1/MWh) and 36% (-€29.3/MWh respectively) from first-half 2008 levels. The decline was less pronounced than in France due to lower windpower output in Germany over the first three months of 2009 (-1.6 GW). First-half spot prices were higher in France than Germany by an average of €1.7/MWh in 2009 and €4.1/MWh in 2008.

In the United Kingdom, spot prices in the first half-year of 2009 were on average €44.7/MWh baseload and €54.4/MWh peakload, 45% lower than in first-half 2008 for both baseload (-€37/MWh) and peakload (-€45.1/MWh). This significant fall is largely attributable to the collapse of gas prices between first-half 2008 and first-half 2009. Prices were also brought down by lower CO₂ emission quota prices and the smaller impact of constraints under the European Large Combustion Plant Directive (LCPD) as a result of depollution investments in the UK.

In Italy, baseload spot prices followed the same trend, retreating by almost 18% from first-half 2008 levels to an average of €66.3/MWh. This less severe decrease compared to other European countries is principally explained by a more limited fall in gas prices: in Italy, gas contract prices are generally calculated based on sliding averages over periods of up to 6 months.

¹ Source: Note de conjoncture, INSEE, June 2009 – extracts. Figures for the first quarter and the year 2009 are estimates supplied by INSEE.

² Organisation for Economic Cooperation and Development

³ France: average previous day Powernext price for same-day delivery; Germany: average previous day EEX price for same-day delivery; UK: Average previous day Platts OTC price for same-day delivery; Italy: average previous day GME price for same-day delivery.

2.1.2.2 Forward prices in France, Germany, and the United Kingdom ⁴

In the first-half of 2009, European forward electricity prices also followed the same trends as fossil fuel and CO₂ emission quota prices, declining by over 20% compared to first-half 2008.

In France, the average price under the 2010 annual contract was €52.4/MWh baseload and €74.4/MWh peakload, in both cases 24% lower than in the first half-year of 2008 (-€16.6/MWh and -€20.8/MWh respectively). The 2010 annual contract baseload price fell sharply at the beginning of the year from close to €60/MWh in early January to €43.8/MWh at the end of February, before recovering to a stable level of around €54.3/MWh since April. It ended the half-year at €53.1/MWh.

In Germany, the 2010 annual contract price followed the same pattern and stood at €50.8/MWh baseload in the first-half of 2009, down by 24% (-€16.2/MWh from first-half 2008). The contract price differential between France and Germany remained stable compared to first-half 2008; German prices were lower by an average of €1.6/MWh.

In the United Kingdom, the 2009 April Ahead baseload contract price moved in line with forward prices for gas and CO₂ emission quota prices, to an average €52.6/MWh or 37% (-€30.6/MWh) less than in the first half-year of 2008. At June 30, 2009 it stood at €53.8/MWh, compared to €112.3/MWh one year earlier.

2.1.2.3 CO₂ emission quota prices ⁵

The price of CO₂ emission quotas under Phase II of the trading scheme (2008-2012) for delivery in December 2010 fell by €11/tCO₂ between first-half 2008 and first-half 2009 to €13/tCO₂. This 46% drop was driven by the overall decline in energy commodity prices and the worldwide economic slowdown.

⁴ France and Germany: Platts average 2010 annual contract price; UK: Platts average annual contract prices from April 2009 then April 2010 (in the UK, annual contract deliveries take place from April 1 to March 31). There are no forward price listings in Italy.

⁵ Average Argus index for the annual contract of Phase II (2008-2012).

2.1.2.4 Fossil fuel prices

Forward prices for coal⁶ in Europe began a sharp downturn in the summer of 2008. The annual contract price was \$84/t on average over the first half-year of 2009, down by 39% from \$138/t in first-half 2008. This was caused by a worldwide downturn in demand for coal, particularly in Europe, and resulted in high inventories works levels in the main ports. There was also a marked decrease in maritime freight prices as international maritime trade declined. The 2010 annual contract price ended the half-year at \$86/t.

The average price of oil⁷ (Brent) for first-half 2009 was \$52/barrel, compared to \$110/barrel in first-half 2008, down by 52%. This fall is linked to the fall in worldwide demand for oil products despite the significantly lower output by OPEC member countries. However, Brent prices started to rise again in April, reaching \$69/barrel on June 30.

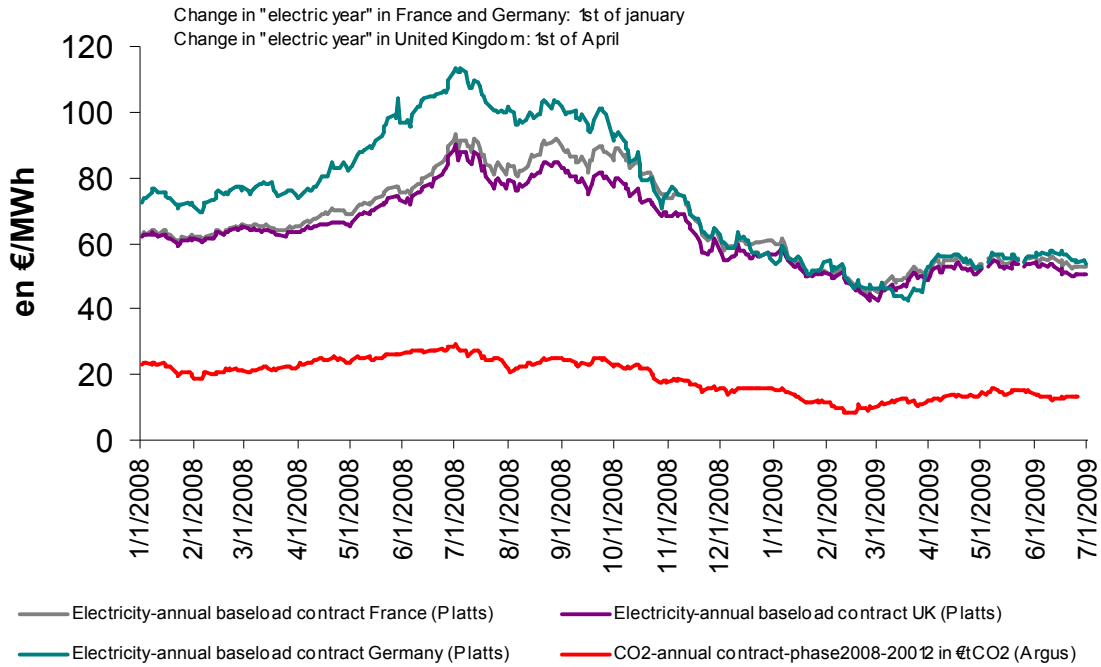
Natural gas⁸ prices under the United Kingdom's annual contract averaged 51p/therm in first-half 2009, down by 28% from first-half 2008. They followed the same downward trend as oil prices until the end of April, and then continued to decline against forecasts of lower industrial demand and high stocks, standing at 45p/therm at the end of the half-year.

⁶ Average Argus index for the annual contract delivery in Europe (CIF ARA)

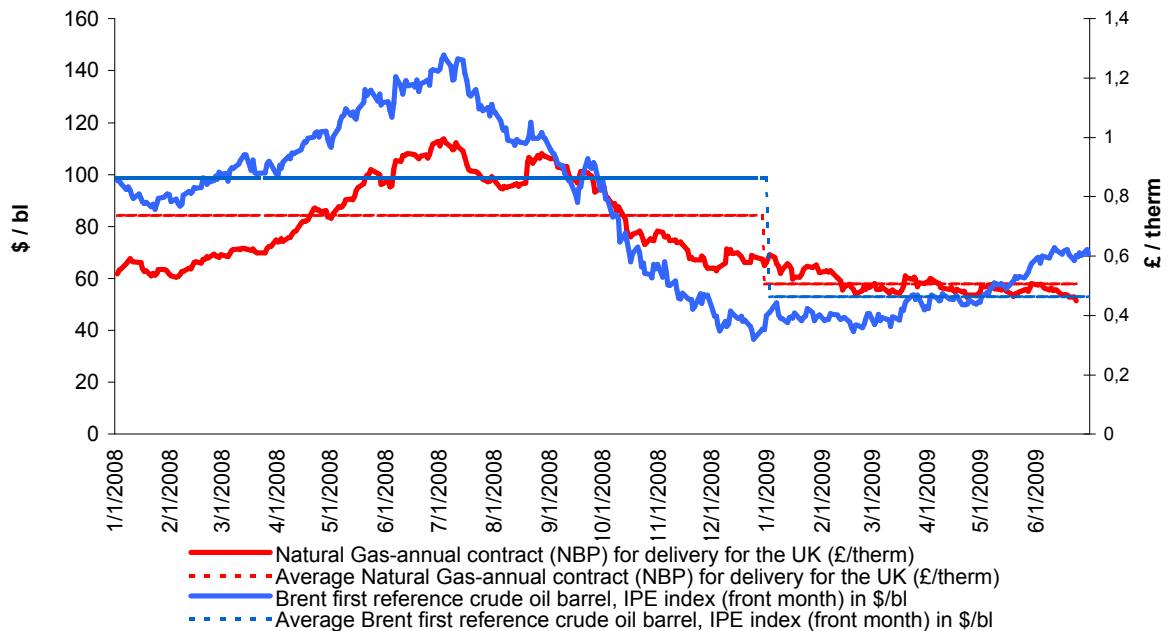
⁷ Brent first reference crude oil barrel, IPE index (front month)

⁸ Platts average index, for delivery starting from October of the following year for the UK (NBP)

Forward electricity prices in France, Germany and the United Kingdom and CO₂ emission quota prices (Phase II, 2008-2012)



Natural gas and oil prices



2.1.3 Electricity consumption

In France, internal electricity consumption⁹ for the first half-year of 2009 totaled 251.1 TWh, 0.9% lower than for the same period of 2008. Consumption in January and February 2009 was an average of 6.3% higher than in the same months of 2008 due to colder temperatures. Demand began to recede from March as the weather grew milder and industrial consumption was reduced as a result of the economic crisis. Electricity consumption in France for the second quarter was 5.5% lower in 2009 than 2008.

Domestic electricity consumption was lower in first-half 2009 than first-half 2008 by 5% in the United Kingdom, 6.5% in Germany and 8.6% in Italy¹⁰.

2.1.4 Electricity and natural gas sales tariffs

In **France**, electricity sales tariffs were raised on August 15, 2008 by 2% for the "blue" tariff, 6% for the "yellow" tariff and 8% for the "green" tariff.

In **Germany**, the basic electricity price increased by an average 4.9% from July 1, 2008, with a guarantee of stability for one year.

For natural gas, prices were raised by 19.7% on November 1, 2008, then reduced by 4% on January 1, 2009 with a further 5.1% reduction scheduled for July 1, 2009.

In the **United Kingdom**, EDF Energy increased its tariffs in July 2008 by 17% for electricity and 22% for natural gas.

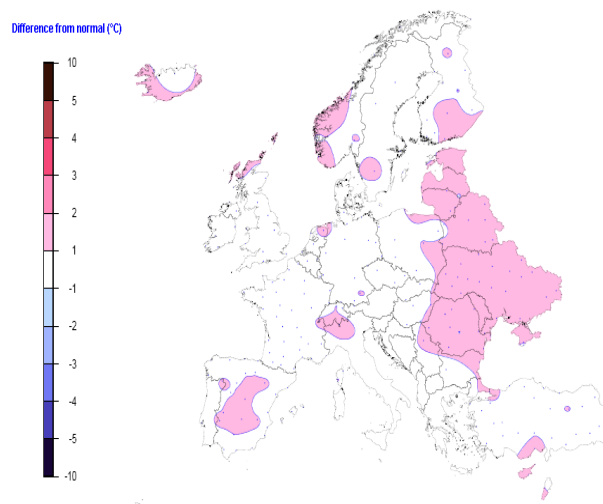
In early 2009, EDF Energy lowered electricity tariffs for residential customers and small and medium business customers by 8.8% from March 31, 2009.

⁹ Source: RTE : gross provisional data unadjusted for weather events

¹⁰ For countries other than France, estimates are supplied by local EDF subsidiaries; the estimates for Italy cover the period January to May.

2.1.5 Weather conditions

2.1.5.1 Temperatures



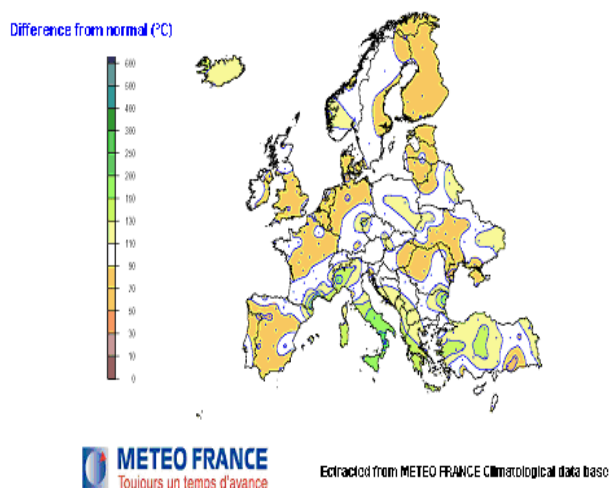
Extracted from METEO FRANCE Climatological data base

Temperature variance from normal levels, January to June 2009¹¹

In France, temperatures during the first half-year of 2009 were an average of 0.8°C lower than normal seasonal levels, whereas they were at the normal seasonal levels in first-half 2008. The months of January and February were particularly cold, with temperatures 2.5°C and 1.8°C, respectively, below normal levels. Spring temperatures remained close to normal levels in 2009; in the same period of 2008 they were 0.5°C lower than normal.

¹¹ Provisional data: Map comparing average rainfall to normal levels measured over 30 years (1971-2000 for Western Europe and 1961-1990 for Eastern Europe).

2.1.5.2 Rainfall



Rainfall: December 2008 to May 2009¹²

North and south France registered strongly contrasting rainfall levels. The precipitation led to very large stocks of snow in the Pyrenees Mountains, and the Southern Alps had above-normal snow stocks.

In the other European countries, rainfall was above normal in Mediterranean arc countries (apart from Spain) while there were shortages in the northern half of Europe.

2.2 Significant events^{13/14}

2.2.1 Strategic developments

The Group is implementing its strategy: being a key player in the worldwide nuclear renewal, strengthening its European leadership and promoting energy efficiency and renewable energies.

Several major strategic transactions were carried out in the first half-year of 2009: completion of the acquisition of British Energy in the UK and the announcement of a partnership with Centrica that should lead

to the takeover of SPE in Belgium, and the investment in the new Swiss entity Alpiq.

There has been a substantial increase in operational investments across all of the Group's activities.

2.2.2 Principal significant events of the first half-year of 2009

January 2009

Acquisition of British Energy

EDF completed the takeover of British Energy on January 5, 2009.

British Energy shares were removed from listing on February 3, 2009 (for more details, see note 3 to the condensed consolidated half-year financial statements).

Group Strategy Financing

On January 23, 2009, EDF issued two Euro bonds totaling €4 billion.

On January 26, 2009, EDF issued a \$5 billion bond on the US market in the form of a private placement reserved for qualified institutional buyers (issue governed by Rule 144A of the US Securities and Exchange Commission).

In March 2009, EDF issued a CHF 650 million bond.

EDF also issued a £1.5 billion bond on June 2, 2009 and "Samurai bonds" in Japan in July 2009 totaling 110.4 billion yen.

In June and July 2009, the Company also launched a bond issue for retail investors in France with a principal amount of €3.3 million. This 5-year bond bears interest annually at the fixed rate of 4.5%.

For a more detailed description of these bonds see note 28 to the condensed consolidated half-year financial statements.

These operations contribute to the financing of the Group's investment strategy and early repayment of the £11 billion bank loan contracted in September 2008 for the

¹² Provisional data: Map comparing average rainfall for the period December 2008 to May 2009 with normal levels.

¹³ Significant events related to litigation are described in chapter 14.

¹⁴ The Document de Référence and the full list of press releases are available from EDF's website: www.edf.com.

acquisition of British Energy, used in early 2009. On June 30, 2009, an amount of £4.8 billion remained outstanding on this loan.

Gales in south-west France

Several areas of south-west France were hit by exceptionally fierce gales early in 2009. EDF estimates the resulting cost at approximately €150 million, with ERDF particularly affected.

Change in EDF's investment in Alpiq Holding SA (formerly Atel Holding SA)

Following the agreements signed in December 2008, by the end of January 2009 EDF held a direct 25% share in the new Swiss energy operator Alpiq Holding SA, resulting from the combination of the activities of Swiss energy companies ATEL and EOS.

The total cost of this transaction for EDF was CHF 1,058 million (approximately €705 million at the exchange rate of €1=CHF 1.5), financed through contribution of the energy rights deriving from EDF's 50% share in the Emosson dam on the French-Swiss border, valued at CHF 722 million (approximately €481 million) and a cash contribution of CHF 336 million (approximately € 224 million).

February 2009

EDF and ENEL signed an industrial partnership agreement for development of nuclear power in Italy on February 24, 2009

In late 2008, the Italian government announced its intention to launch a nuclear programme, aiming to begin construction work for the first plants in 2013. France and Italy signed a nuclear cooperation agreement on February 24, 2009 covering the entire nuclear industry, and opening up the Italian market to French nuclear operators. This agreement also allows Italian groups to participate in the development of non-military nuclear power in France, and encourages cooperation between France

and Italy for the export of nuclear technology to other countries. EDF and Enel thus signed two agreements: the first concerns the formation of a 50/50 consortium between EDF and Enel to carry out feasibility studies for development of at least 4 EPRs in Italy, and the second extends Enel's participation in the French new nuclear programme, including involvement in the construction and operation of the new EPR at Penly.

Enel already has a 12.5% interest in the EPR under construction at Flamanville, and along with other partners will take a similar stake in this second French EPR, to be built by EDF and commissioned in 2017.

March 2009

Edison, the Egyptian government and EGPC signed the operation concession for the Abu Qir gasfield off the coast of Egypt.

A new hydrocarbon discovery followed

In January 2009, Edison acquired the exploration, production and development rights for the offshore Abu Qir gasfields, thereby increasing its hydrocarbon reserves by 27 billion m³. The annual natural gas output at Abu Qir is 1.5 billion m³.

On March 31, Edison announced that new hydrocarbon resources had been discovered at Abu Qir, with the potential to increase current output levels by approximately 30%.

April 2009

United Kingdom: auction of sites for new nuclear plants

Following the auctions held in application of the Simultaneous Marketing Agreement with the Nuclear Decommissioning Authority (NDA), EDF's Wylfa site was sold, subject to conditions, to the RWE/E.ON consortium on April 29, 2009. In the same auctions, the EDF group subsidiary EDF Development Company Limited acquired land owned by the NDA at Bradwell in south-west England.

EDF invests in supercritical coal-fired electricity generation in China

On April 2, 2009 the EDF Group received the approval of the Chinese authorities to acquire a 35% holding in a joint venture with Chinese partners to operate two 600-MW units of a supercritical coal-fired power plant in Henan province, which came on line in 2007 at Sanmenxia.

French Competition Authority ruling of April 8, 2009 following the complaint against EDF by Solaire Direct

On May 19, 2008, Solaire Direct filed a complaint and an application for interim measures with France's Competition Council (*Conseil de la Concurrence*), complaining of "practices by the EDF Group and its subsidiaries on the global services market for photovoltaic electricity generation", which it alleged constituted abuse of a dominant position likely to hinder the arrival and development of new entrants on that market. In a ruling issued on April 8, 2009, France's new Competition Authority ordered EDF to remove all references to services offered by EDF Energies Réparties (EDF-ENR) from all its communication on the "Bleu Ciel" brand, and also to forbid agents answering calls on 3929 to refer to those services. It also stipulated that information EDF possesses due to its business as a supplier of electricity at the regulated tariffs must not be shared with EDF-ENR.

EDF is in compliance with these injunctions.

May 2009

Centrica -EDF agreement

Under an agreement signed on May 11, 2009, Centrica is going to invest in EDF's nuclear operations in the UK, comprising the current fleet of British Energy nuclear plants, and development and construction of a new generation of nuclear plants. Centrica will acquire 20% of the capital of British

Energy¹⁵, which has been controlled by EDF since the takeover in January 2009.

The key terms of the transaction are as follows:

- Centrica will invest £2.3 billion (€2.5 billion) to purchase 20% of Lake Acquisitions Limited, the vehicle used by the EDF group to acquire British Energy,
- EDF and Centrica will be able to draw electricity generated by British Energy on an 80/20 basis,
- EDF will supply an additional 18 TWh of electricity to Centrica at market prices, over a 5-year period starting from 2011,
- EDF and Centrica will set up a joint venture for pre-development of a new nuclear programme,
- EDF and Centrica's objective under this programme is to build, operate and eventually decommission four EPR type nuclear reactors,
- EDF will acquire Centrica's indirect holding of 51% in SPE for €1.3 billion.
- Centrica's investment in British Energy and the acquisition of SPE by the EDF Group are each conditional on the other taking place. They were approved by the shareholders of Centrica at their extraordinary meeting of June 2009 and are now subject to approval by various regulatory authorities in the UK and Europe.
- The total net amount payable by Centrica to EDF in connection with this operation is approximately £1.1 billion (€1.2 billion).
- The transactions are expected to close around the end of the third quarter of 2009.

Penly (Normandy) EPR project

On May 1, 2009 it was announced that EDF would hold 50% plus one share, and GDF Suez would hold 33.33% plus one share, in the company formed to build France's second EPR at Penly in Normandy under the control of EDF. On May 4, 2009 GDF Suez and Total announced that GDF was to sell 25% of its holding to Total. EDF will decide if

¹⁵ Through its parent company Lake Acquisitions Ltd

and which other operators should be involved in the project, through the residual 16.66% of the capital of the project entity.

EnBW acquires shares in E.ON plants and strengthens its position in electricity generation

EnBW purchased E.ON's 50% share in the Lippendorf coal-fired power plant and its 8.3% share in the Bexbach coal-fired power plant.

As a result, EnBW now has more than 880 MW of production capacity in Lippendorf.

June 2009

EDF Energies Nouvelles commissions the Sauveterre wind farm in France

EDF Energies Nouvelles commissioned a 12 MW windfarm in the south of France.

12 MW in Fiennes in the Pas-de-Calais and 28 MW in Fierville in the Calvados areas of France were also commissioned during the first half-year.

It commissioned a total of 311 MW during the first half-year of 2009, mainly in the USA, France, Portugal, Greece and Belgium.

EDF raises its holding in the Austrian energy operator ESTAG from 20% to 25%

EDF bought out GDF Suez's 20% interest to become the sole shareholder of the holding company SIA (Société d'Investissement en Autriche), which owns 25% of Austrian energy supplier ESTAG (Energie Steiermark). The remaining 75% belongs to the Austrian region of Styria.

Ongoing acquisition of 49.99% of the nuclear assets of Constellation Energy Group (CEG)

On June 11, 2009, the Maryland Public Services Commission (MPSC) declared itself competent to authorize the acquisition by EDF of 49.99% of the nuclear assets of CEG, stating that this acquisition could give EDF substantial influence over CEG's regulated operations (Baltimore Gas &

Electricity, BGE). The MPSC announced that it would issue its decision by early September 2009 to fit in with the provisional schedule for completion of the transaction.

Both CEG and EDF appealed against this declaration of competence by the MSPC, but the appeal was rejected on July 2. The deadline for the MSPC's decision remains set at September 2009, and could lead to further appeal proceedings by CEG and EDF.

2.2.3 Regulatory environment (France)

2.2.3.1 Hydropower concessions

Article 7 of the French Law 2006-1772 of December 30, 2006 on water and aquatic environments removed the outgoing operator's preferential right instituted by the law of October 16, 1919 on the use of hydropower.

Article 33 of the French Law 2006-1771 of December 30, 2006, amending the 2006 finance law, sets out the principle of an indemnity for the outgoing operator in respect of the unamortized portion of investments made during the second half of the agreement (the final 10 years at least), with the exception of investments required to return the assets in good condition at the end of the concession.

The implementation decree 2008-1009 of September 26, 2008 clarified the terms of indemnification for work carried out prior to its publication during the second half of the concession. As required by this decree, EDF submitted a statement of the relevant expenses to the ministry for approval early in 2009, and its claim is currently being processed by the administration.

In view of these changes in regulations, the depreciation schedule has been modified from January 1, 2009 for facilities that are to be returned for nil consideration at the end of the concession and do not qualify for an indemnity. Depreciation for these items has been accelerated over the residual term of the concession when it is shorter than their technical useful life. This has led to an

additional €7 million expense over the first half-year of 2009.

2.2.3.2 French laws on urban solidarity and renewal, and town planning and habitat

The implementation provisions for the sections of the French solidarity and urban renewal law (*SRU - Solidarité Renouveau Urbains*) and town planning and habitat law (*UH - Urbanisme et Habitat*) concerning connection to the public electricity distribution network introduce a new system, with the following main features:

- definition of connection operations, separating network extension from network connection, with clear identification of the beneficiaries (local authorities in charge of town planning and connected customers),
- establishment of a single price scale for all connection operations,
- direct inclusion of part of the connection price in the delivery tariff, using reduction rates applicable to the basic price scale. The portion invoiced to beneficiaries is now named "contribution" and replaces the previous systems (connection fees, participations and assets contributed for no consideration by fitters).

In 2008 a price scale was proposed to, and approved by, the French energy regulator (CRE - Commission de Régulation de l'Énergie). These new rules were set out in the decision published on November 20, 2008, and took effect from January 1, 2009. Contributions received in execution of this decision are treated as sales for the financial year concerned.

2.2.3.3 The Champsaur Commission

On April 27, 2009, the Champsaur Commission (a French government inquiry) submitted a report to the Ministries of the Economy and Ecology, in which it recommended "assigning every supplier the right of access to baseload electricity at a regulated price that reflects the economic

conditions of the established fleet of nuclear plants, for a volume proportional to its client portfolio on national territory".

The Commission also proposes abolishing regulated sales tariffs for industrial clients (the "green" tariffs and some of the "yellow" tariffs), as well as the transition tariff TaRTAM (*Tarif réglementé transitoire d'ajustement au marché*), which was implemented in 2007 and is valid until mid-2010. However, it recommends that regulated tariffs should continue for private individuals and SME consumers (the "blue" tariffs and some of the "yellow" tariffs), while specifying that "the level of these tariffs should allow competitors to develop competing offers based on supply through regulated access to baseload output". It also states that "customers should be able to move freely back and forth between regulated and non-regulated offers" and "all suppliers will be able to offer regulated tariff contracts".

After a phase of consultation with industry actors and the European Commission in May 2009, the relevant laws should be drawn up in the second half-year of 2009.

2.2.3.4 Change in the network access tariff (TURPE 3)

Following a proposal to the French government by the regulator CRE, network operators will apply a new network access tariff (TURPE 3) to replace the TURPE 2 tariff. This will enable ERDF to increase investments and implement its targeted quality improvement programme. The new tariff also provides an incentive to raise performance and will encourage energy efficiency.

The TURPE 3 tariffs will apply for 4 years. The first rises will apply on August 1, 2009 (3% for supply and 2% for transmission) and subsequent adjustments will be made annually.

2.2.4 Governance

By a decree of April 1, 2009, Mr Pierre Sellal¹⁶ was appointed a director of the EDF group representing the French government. He replaces Mr Gérard Errera.

2.2.5 Changes in the scope of consolidation in the first half-year of 2009

United Kingdom

- Following completion of its takeover, British Energy has been fully consolidated in the EDF Energy subgroup since January 5, 2009.
- The acquisition price for British Energy including the 26.5% purchased in September 2008 amounts to £12,603 million, the equivalent of €13,466 million based on the exchange rate on the date of acquisition of control was acquired (January 5, 2009: £1 = €1.0686).

Germany

- Acquisition on March 31, 2009 of 100% of Plambeck Neue Energien Windpark Fonds LX GmbH & Co.KG, Cuxhaven, Plambeck Neue Energien Windpark Fonds CI GmbH & Co.KG, Cuxhaven and Plambeck Neue Energien Windpark Fonds CIV GmbH & Co.KG, Cuxhaven, for €33 million (EDF's share: €15 million).
- Acquisition on in late May, 2009 of 100% of Lippendorf GmbH, which owns 50% of the Lippendorf plant, and 100% of Bexbach GmbH, which owns 8.3% of the Bexbach coal-fired plant. The total acquisition price amounts to €915 million (EDF's share: €421 million). The provisional goodwill amounts to €485 million (EDF's share: €223 million). In compliance with IFRS 3, the Group has 12 months to finalize allocation of the acquisition price.

Italy

- Acquisition in January 2009 of the Abu Qir gas concession in Egypt, for €1,011 million (EDF group's share: €495 million).
- Acquisition in March 2009 of a 80% investment in AMG Gas SRL, for €25 million (EDF group's share: €12 million).
- Acquisition in March 2009 of 100% of Energiaki Thessaloriki SA (T.Power) through the 50/50 Edison-Hellenic Petroleum joint venture Elpedison BV.

Other international

- Purchase in March 2009 from the Polish state of 28.05% of the shares of ECK, raising EDF's holding in ECK from 66.26% to 94.31%.
- Purchase in June 2009 from GDF Suez of 20% in SIA by EDF International, a fully-owned EDF group subsidiary, resulting in full ownership of SIA and a 25% holding in Estag.

Other activities

- Additional investment in EDF Investissements Groupe in June 2009, raising the Group's percentage interest from 84.85% to 92.13%.

¹⁶ Pierre Sellal (born in 1952) is a graduate of Strasbourg's faculty of law and economic science, and the Ecole Nationale d'Administration. In April 2009 he became Secretary General of the French ministry of Foreign and European affairs.

3 Introduction to analysis of results for the first half-year of 2009

This analysis of the Group's results at June 30, 2009 should be read in conjunction with the condensed consolidated half-year financial statements prepared by the Group. These financial statements comply with IAS 34 standard on interim financial reporting and the IAS/IFRS international accounting standards released at June 30, 2009, in the form in which they should be mandatory at December 31, 2009. 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, 2008.

The accounting and valuation methods applied by the Group are presented in note 1 to the consolidated half-year financial statements. The valuation methods specific to interim financial statements, are presented in the same note 1 to the consolidated condensed half-year financial statements.

The figures previously published for the first half-year of 2008 have been adjusted for the impact of application of revised IAS 23, "Borrowing costs" (see notes 1 and 2 to the consolidated financial statements at June 30, 2009). The figures reported for first-half 2009 include the effects of consolidation of British Energy from January 5, 2009.

4 Segment reporting of financial information

Segment reporting presentation complies with IFRS 8, "Operating segments", which replaced IAS 14 from January 1, 2009.

In accordance with IFRS 8, the breakdown used by the EDF group corresponds to the operating segments as regularly reviewed by the Management Committee. The reporting segments are:

- "**France**", which refers to EDF and its subsidiaries RTE EDF Transport and ERDF, comprising the deregulated activities (mainly Generation and Supply), network activities (Distribution and Transmission) and island activities;
- "**United Kingdom**", which comprises the entities of the EDF Energy subgroup including British Energy and EDF Development UK Ltd;
- "**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;
- "**Other international**", which covers other gas and electricity entities located principally in continental Europe, but also in the USA, Latin America and Asia, and EDF International.
- "**Other activities**", which groups together all of the Group's other investments, including EDF Energies Nouvelles, EDF Trading, Electricité de Strasbourg, Dalkia, Tiru, and EDF Investissements Groupe.

The effects from introducing this new segmentation are limited, and mainly concern reassignment of entities from the former "Rest of Europe" and "Rest of the World" segments between the new segments "Other International" and "Other activities".

Segment information for the first half-year of 2008 has been restated according to the new segments.

Segment information for the EDF Group is reported in note 7 to the condensed consolidated financial statements at June 30, 2009.

5 Analysis of the consolidated income statements for the first half-years of 2009 and 2008

(in millions of euros)	H1 2009	H1 2008 ⁽¹⁾
Sales	34,897	32,239
Fuel and energy purchases	(13,860)	(12,947)
Other external expenses	(5,138)	(4,296)
Personnel expenses	(5,758)	(5,281)
Taxes other than income taxes	(1,650)	(1,562)
Other operating income and expenses	1,650	888
Operating profit before depreciation and amortization (EBITDA)	10,141	9,041
Net depreciation and amortization	(3,383)	(2,812)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(296)	(295)
Impairments	(17)	1
Other income and expenses	330	(22)
Operating profit (EBIT)	6,775	5,913
Financial result	(2,202)	(1,466)
Income before taxes of consolidated companies	4,573	4,447
Income taxes	(1,520)	(1,442)
Share in income of companies accounted for under the equity method	138	191
Group net income	3,191	3,196
Minority interests	(74)	(80)
EDF net income	3,117	3,116
Earnings per share in euros	1.71	1.71
Diluted earnings per share in euros	1.71	1.71

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs" (see notes 1 and 2 to the condensed consolidated financial statements at June 30, 2009)

(2) Figures for first-half 2009 include the effects of consolidation of British Energy from January 5, 2009

5.1 Sales

4.9% organic growth in consolidated sales

The EDF Group's consolidated sales totaled €34,897 million for first-half 2009, a rise of 8.2% compared to first-half 2008 corresponding to an organic growth of 4.9%.

The effects of changes in the scope of consolidation totaled €1,802 million (5.6%), resulting mainly from the acquisition of British Energy. The negative foreign exchange effects of €717 million or -2.2% were essentially attributable to the fall of the

pound sterling, and to a lesser extent the Polish zloty and the Hungarian forint, against the Euro.

In **France**, sales amounted to €18,322 million, recording growth¹⁷ of 2.8% over first-half 2008.

This growth was mainly driven by positive price effects (+3.5 percentage points, chiefly resulting from the August 2008 rise in

¹⁷ In France, organic growth corresponds to nominal growth

electricity tariffs). Expanding natural gas and services activities accounted for 1.5 percentage points of growth, while electricity volumes sold to final customers and on the markets were down by –2.2 points.

Sales **outside France** saw a 14.9% increase, corresponding to organic growth of

7.4%. Organic growth was particularly strong in the UK and the Other Activities segment (with the development of the activities of EDF Energies Nouvelles and Dalkia). Sales for the Italy segment showed organic degrowth of 8.7%.

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)	Organic growth (%)
France	18,322	17,817	505	2.8	2.8
United Kingdom	5,757	3,945	1,812	45.9	15.2
Germany	3,778	3,707	71	1.9	1.6
Italy	2,525	2,817	(292)	(10.4)	(8.7)
Other international	1,556	1,480	76	5.1	13.6
Other activities	2,959	2,473	486	19.7	18.5
Total excluding France	16,575	14,422	2,153	14.9	7.4
Group sales	34,897	32,239	2,658	8.2	4.9

The Group made 47.5% of its sales outside France in the first half-year of 2009 (compared to 44.7% in first-half 2008).

5.2 EBITDA

Consolidated EBITDA up by 12.2%, with organic growth of 2.4%

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)	Organic growth (%)
Sales	34,897	32,239	2,658	8.2	4.9
EBITDA	10,141	9,041	1,100	12.2	2.4 ^(*)

^(*) +6.6% including the increase in British Energy's business between first-half 2008 and first-half 2009.

Consolidated EBITDA for the first half-year of 2009 amounted to €10,141 million, up by 12.2% from first-half 2008. This includes the €995 million (+11.0%) effects of changes in the scope of consolidation, mostly associated with the first consolidation of British Energy.

Excluding these effects and the –€113 million (–1.2%) foreign exchange effect, the 2.4% organic growth in EBITDA reflects the Group's good resistance in a difficult economic context.

This organic growth in EBITDA is lower than organic sales growth, due to the movements in fuel and energy purchases (for which 71% of organic growth was located in France), other external expenses (56.1% of organic growth located in France, 20.7% in Other Activities and 16.3% in Germany) and personnel expenses (71.8% of organic growth located in France).

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)	Organic growth (%)
France	5,956	6,067	(111)	(1.8)	(1.8)
United Kingdom	1,611	587	1,024	174.4	27.8
Germany	655	634	21	3.3	2.2
Italy	393	457	(64)	(14.0)	(13.8)
Other international	297	310	(13)	(4.2)	5.5
Other activities	1,229	986	243	24.6	20.1
Total excluding France	4,185	2,974	1,211	40.7	11.1
Group EBITDA	10,141	9,041	1,100	12.2	2.4

In France, EBITDA declined by 1.8%, registering a growth of 11.5% in the deregulated activities and a 23.2% decline in network activities, which were particularly affected by the rise in the costs of network losses and surplus costs resulting from the gales of early 2009.

scope of consolidation and foreign exchange effects, organic growth was supported by performances in the United Kingdom and Other activities, and reached 11.1% despite a downturn in Italy caused by the economic crisis.

Outside France, EBITDA progressed by 40.7% including the effect of consolidation of British Energy. Excluding changes in the

The Group's EBITDA/sales ratio for the first half-year of 2009 stood at 29.1% (compared to 28.0% in first-half 2008).

5.3 EBIT

14.6% increase in EBIT

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)
EBITDA	10,141	9,041	1,100	12.2
Net depreciation and amortization	(3,383)	(2,812)	(571)	20.3
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(296)	(295)	(1)	0.3
Impairments	(17)	1	(18)	N.S.
Other income and expenses	330	(22)	352	N.S.
Operating profit (EBIT)	6,775	5,913	862	14.6

EBIT totaled €6,775 million for the first half-year of 2009, up by 14.6% from first-half 2008, with organic growth standing at 7.4%. This mainly reflects the changes in EBITDA and changes in "Net depreciation and amortization" (largely resulting from the first consolidation of British Energy)

and "Other income and expenses" (mainly the share of the gain on the transfer to Alpiq of Emosson dam drawing rights for €331 million).

5.4 Financial result

(in millions of euros)	H1 2009	H1 2008	Variation (1)	Variation (%)
Cost of gross financial indebtedness	(1,271)	(761)	(510)	67.0
Discount expense	(1,592)	(1,420)	(172)	12.1
Other financial income and expenses	661	715	(54)	(7.6)
Financial result	(2,202)	(1,466)	(736)	50.2

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs".

The financial result for the first half-year of 2009 was -€2,202 million, a €736 million decline compared to first-half 2008, mainly due to the following factors:

- the €510 million rise in the cost of gross indebtedness resulting from the increase in average gross indebtedness.
- the €172 million increase in discount expenses essentially caused by consolidation of British Energy,
- a -€54 million negative change in other financial income and expenses, notably driven by lower returns on investments.

5.5 Income taxes

Income taxes amount to €1,520 million at June 30, 2009 compared to €1,442 million at June 30, 2008, a €78 million increase chiefly as a direct result of the rise in pre-tax income.

The effective tax rate is 33.2%.

5.6 Share in income of companies accounted for under the equity method

The Group's share in income of companies accounted for under the equity method was a positive €138 million at June 30, 2009, compared to €191 million at June 30, 2008. In the first half-year of 2008, the Group registered reversals from provisions that had no equivalent in first-half 2009.

5.7 EDF Group net income

The EDF Group net income was €3,117 million at June 30, 2009, stable compared to first-half 2008 (€3,116 million).

5.8 Net income excluding non-recurring items^{18 19}

The Group net income excluding non-recurring items stood at €2,926 million at June 30, 2009, 5.5% lower than at June 30, 2008, or 4.4% lower based on a constant scope of consolidation and exchange rates.

¹⁸ Net income excluding non-recurring items is not defined by IFRS, and is not directly visible in the consolidated income statements. It corresponds to the Group's net income excluding non-recurring items, net of tax.

¹⁹ Non-recurring items in first-half 2009 totaled €191 millions d'euros, comprising the Emosson transfers for the formation of Alpiq (€209 million) and provisions for impairment of available-for-sale assets at EnBW (-€18 million).

Non-recurring items in first-half 2008 totaled €20 million, corresponding to the partial reversal of the provision established in the UK in 2007 (€33 million) and the net effect of the pension reform in France (-€13 million).

6 Breakdown of EBIT by geographical area

The Group's segment reporting principles are presented in note 7 to the condensed consolidated half-year financial statements at June 30, 2009.

The breakdown of EBIT by geographical area is as follows:

(in millions of euros) H1 2009	France	United Kingdom	Germany	Italy	Other international	Other activities	Total
SALES	18,322	5,757	3,778	2,525	1,556	2,959	34,897
Fuel and energy purchases	(5,334)	(2,908)	(2,282)	(1,843)	(934)	(559)	(13,860)
Other external expenses	(2,875)	(753)	(499)	(209)	(166)	(636)	(5,138)
Personnel expenses	(4,167)	(534)	(360)	(99)	(102)	(496)	(5,758)
Taxes other than income taxes	(1,513)	(40)	(6)	(3)	(42)	(46)	(1,650)
Other operating income and expenses	1,523	89	24	22	(15)	7	1,650
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)	5,956	1,611	655	393	297	1,229	10,141
Net depreciation and amortization	(1,993)	(678)	(185)	(237)	(104)	(186)	(3,383)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(296)	0	0	0	0	0	(296)
Impairments	0	0	(5)	(10)	(1)	(1)	(17)
Other income and expenses	330	0	0	0	0	0	330
OPERATING PROFIT (EBIT)	3,997	933	465	146	192	1,042	6,775
(in millions of euros) H1 2008	France	United Kingdom	Germany	Italy	Other international	Other activities	Total
SALES	17,817	3,945	3,707	2,817	1,480	2,473	32,239
Fuel and energy purchases	(4,624)	(2,508)	(2,350)	(2,085)	(883)	(497)	(12,947)
Other external expenses	(2,582)	(425)	(406)	(229)	(112)	(542)	(4,296)
Personnel expenses	(3,943)	(346)	(345)	(95)	(116)	(436)	(5,281)
Taxes other than income taxes	(1,391)	(47)	(6)	(3)	(71)	(44)	(1,562)
Other operating income and expenses	790	(32)	34	52	12	32	888
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)	6,067	587	634	457	310	986	9,041
Net depreciation and amortization	(1,938)	(221)	(180)	(230)	(101)	(142)	(2,812)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(293)	0	0	0	0	(2)	(295)
Impairments	0	0	0	(3)	0	4	1
Other income and expenses	(20)	0	0	0	0	(2)	(22)
OPERATING PROFIT (EBIT)	3,816	366	454	224	209	844	5,913

6.1 France

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)	Organic growth (%)
Sales	18,322	17,817	505	2.8	2.8
EBITDA	5,956	6,067	(111)	(1.8)	(1.8)
EBIT	3,997	3,816	181	4.7	4.7

6.1.1 Breakdown of financial information for the "France" segment

The following breakdown is used in presenting France's contribution to Group sales and EBITDA:

- **"Deregulated activities"** covering Generation, Supply and Optimization in mainland France, and sales of engineering and consulting services.
- **"Regulated activities in mainland France"** (Transmission and Distribution). Transmission and Distribution are regulated via the network access tariff TURPE (Tarifs d'Utilisation des Réseaux Publics d'Electricité). Sales for the regulated activities include the delivery cost included in integrated tariffs.
- **"Island activities"**, covering EDF's Transmission and Distribution activities in the island energy systems (IES).

6.1.2 Market opening

On June 30, 2009, EDF's market share for all final customers was 85.7%.

6.1.3 The supply-demand balance

Nuclear generation produced in the first half-year of 2009 was 203.7 TWh, (211.5 TWh in first-half 2008). Output was affected by industrial action, which caused an estimated output loss of 7.6 TWh due to reduced power levels at units in operation, and longer shutdowns.

Hydropower generation was stable compared to 2008.

Fossil-fired generation produced was 8.8 TWh, +10% more than in first-half 2008.

Sales volumes to final customers (including local distribution companies) decreased by 1.9 TWh. The rise caused by colder weather (+6.2 TWh) and continued strong demand from residential and service customers could not fully offset the decline in sales attributable to the economic crisis and its influence on large business and industrial customers (-6.2 TWh or -8%), the fact that 2008 was a leap year (-1 TWh) and a further decrease in the number of customers, particularly concerning residential customers.

Sales volumes on the wholesale markets (including through auctions of virtual power plants capacity) registered an decrease of 7.6 TWh from first-half 2008. Against downward price trends, much less use was made of VPP capacity auctions. The lower level of nuclear generation was also partly reflected in net volumes sold on the markets.

6.1.4 Sales

France contributed €18,322 million to Group sales, 2.8% more than for first-half 2008, including 1.3 percentage points for electricity sales and 1.5 percentage points attributable primarily to natural gas and services.

The variation in electricity sales reflects both price effects (+3.5 percentage points) and volume effects (-2.2 percentage points) as specified above. The positive price effect is principally due to the tariff increase in application since August 15, 2008, and to a lesser extent to favorable price developments in wholesale electricity market forward sales for periods of more than one

year in advance (auctions for which prices were set by contract in 2008).

6.1.5 EBITDA

France's contribution to Group EBITDA was €5,956 million, a decrease of 1.8% compared to first-half 2008 (€6,067 million). This development reflects the effects of social unrest on nuclear energy generation (-€270 million) and the gale damage of January (-€150 million).

Fuel and energy purchases

Fuel and energy purchases in France amounted to €5,334 million in the first half of 2009, up by €710 million (+15.4%) compared to the same period of 2008.

Most of this increase results from the greater cost of energy purchases to compensate for network losses, higher fossil fuel costs locked in contractually at 2008 levels, and the rise in purchases associated with expansion of natural gas sales.

Other external expenses and personnel expenses

Other external expenses amounted to €2,875 million, 11.3% higher than in first-half 2008. This increase is principally explained by the cost of network repairs after the gales of January 2009 (€129 million), particularly affecting ERDF. Excluding the impact of gale damage, other external expenses increased by 6.3%, as generation plant and network maintenance was stepped up and new operations were developed.

Personnel expenses totaled €4,167 million, 5.7% more than in the first half-year of 2008. This reflects changing pay levels and greater employee protection as part of the pension reform, as well as the additional expenses

caused by the gales. Workforce numbers remained practically stable.

Taxes other than income taxes

These taxes were up by 8.8% (€122 million), principally as a result of the cap on 2007 business tax: the corresponding impact was recorded in the first half-year of 2008 and had no equivalent in 2009.

Other operating income and expenses

Other operating income and expenses improved by €733 million. €437 million of this rise is due to the increase in the *Contribution au service public de l'électricité* (CSPE) mostly resulting from changes in the compensation receivable for the additional costs generated by electricity purchase obligations in mainland France. These additional costs, which are based on the differential between spot market prices and the effective cost of EDF's purchases from producers covered by the CSPE system, increased with the fall in spot prices.

6.1.6 Breakdown of financial information for the "France" segment between deregulated activities, network activities and island activities

The following table shows the variations in sales and EBITDA in France for the deregulated activities, network activities and island activities respectively between the first half-years of 2008 and 2009:

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)	Organic growth (%)
Sales	18,322	17,817	505	2.8	2.8
Deregulated activities	12,087	11,612	475	4.1	4.1
Network activities	6,438	6,424	14	0.2	0.2
Island activities	362	339	23	6.8	6.8
Eliminations	(565)	(558)	(7)	1.3	1.3
EBITDA	5,956	6,067	(111)	(1.8)	(1.8)
Deregulated activities	4,195	3,764	431	11.5	11.5
Network activities	1,655	2,155	(500)	(23.2)	(23.2)
Island activities	106	148	(42)	(28.4)	(28.4)

Sales by the network activities were stable. The network tariff remained unchanged and the additional income resulting from weather conditions was neutralized by falling sales volumes to industrial customers, and the lower income from interconnections.

The 4.1% growth in **sales by the deregulated activities** is primarily attributable to the tariff increase of 2008. First-half 2009 sales registered the full benefit of these new tariffs as the network tariff was stable over the period.

EBITDA for network activities was down by 23.2%. Given the stable sales levels, this decline reflects the rising cost of network losses and the effect of gale-related costs, particularly for ERDF.

EBITDA for the deregulated activities was up by 11.5%, showing the effects of tariff increases and the increase in the CSPE, partly offset by the intrinsically higher generation fleet maintenance costs and the

effects of industrial action on nuclear output since April 2009.

EBITDA for the island activities was down by 28.4% due to the positive effects of the regularization adjustment of the CSPE in 2008.

6.1.7 EBIT

France's contribution to Group EBIT was €3,997 million, 4.7% higher than for first-half 2008 including the gain on transfer of Emosson drawing rights (+€331 million) as part of the contribution to Alpiq. Excluding this operation, EBIT would show a fall of 3.9%.

6.2 United Kingdom

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)	Organic growth (%)
Sales	5,757	3,945	1,812	45.9	15.2
EBITDA	1,611	587	1,024	174.4	27.8
EBIT	933	366	567	154.9	-

The United Kingdom segment includes British Energy's contribution to the consolidated financial statements. EDF Energy now comprises EDF Energy's network, generation and supply activities, and British Energy's generation activities.

British Energy's performance for first-half 2009 was marked by a significant increase in its nuclear power output.

If we were to take into account the business growth at British Energy, EBITDA for the United Kingdom segment would have risen by 49.9% instead of 27.8%.

(See also note 3 to the 2009 condensed consolidated half-year financial statements).

6.2.1 Sales

Sales in the United Kingdom segment amounted to €5,757 million, up by 45.9%.

The main factor in this increase was the first consolidation of British Energy (€1,701 million or 43.1%).

The fall in the pound sterling against the Euro between first-half 2008 and first-half 2009 generated a €490 million negative foreign exchange effect (-12.4%)²⁰.

Organic growth in sales for the United Kingdom segment was 15.2%, mainly driven by generation and supply activities, which benefited in particular from the positive price effect on sales contracted in 2008, the July 2008 increase in gas and electricity tariffs, and, to a lesser degree, business with new customers.

Sales in the regulated activities were down by 1.6% compared to June 2008, as volumes declined due to the economic crisis.

6.2.2 EBITDA

The United Kingdom's contribution to Group EBITDA stood at €1,611 million for the first half-year of 2009, up by 174.4% from first-half 2008. Excluding the negative 12.4% foreign exchange effect and the €934 million impact of the first consolidation of British Energy, organic growth in EBITDA for this segment was 27.8%.

The generation and supply activities reported significant growth (€161 million), benefiting in particular from higher sales margins, particularly on gas sales, following the impact of the July 2008 tariff increases, an improvement in gas supply conditions and also the effect of IAS 39, which was neutral in first-half 2008 but positive in first-half 2009.

Excluding the impact of IAS 39 and changes in the scope of consolidation and exchange rates, organic growth in EBITDA for the United Kingdom segment would have been 10.4%.

Regulated activities saw growth of €3 million, benefiting from favorable price effects after the rise in network access tariffs, and lower operating expenses.

6.2.3 EBIT

The United Kingdom segment's contribution to Group EBIT was €933 million in first-half 2009. It rose in line with EBITDA, but this development was partly offset by a depreciation expense following first consolidation of British Energy.

²⁰ Average rate in first-half 2009: £1/€1.12; average rate in first-half 2008: £1/€1.28.

6.3 Germany

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)	Organic growth (%)
Sales	3,778	3,707	71	1.9	1.6
EBITDA	655	634	21	3.3	2.2
EBIT	465	454	11	2.4	-

6.3.1 Sales

EnBW's contribution to Group sales at June 30, 2009 was €3,778 million, an increase of 1.9% or organic growth of 1.6%.

Natural gas sales were the main factor in this slight growth in sales.

For electricity sales, the positive impact of higher wholesale prices (for sales contracted in 2008) and the greater consumption by residential customers due to colder weather, could not compensate for the crisis, which had a considerable effect on sales to industrial customers and sales to redistributors.

Natural gas sales benefited from a favorable price effect (resulting from the higher commodity prices set by contract in 2008), partly counterbalanced by lower sales volumes to industrial customers.

6.3.2 EBITDA

EnBW's contribution to Group EBITDA was €655 million, up by 3.3%, corresponding to organic growth of 2.2% from first-half 2008.

EBITDA for electricity activities remained stable as a result of improved generation margins and the positive impact of derivatives, partly counterbalanced by the lower volumes sold.

In the natural gas activities, EBITDA rose slightly due to an increase in volumes sold to residential customers in a particularly cold winter, and the positive impact of price developments.

6.3.3 EBIT

EnBW's contribution to Group EBIT was €465 million, 2.4% higher than for first-half

2008, mainly reflecting the increase in EBITDA.

6.4 Italy

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)	Organic growth (%)
Sales	2,525	2,817	(292)	(10.4)	(8.7)
EBITDA	393	457	(64)	(14.0)	(13.8)
EBIT	146	224	(78)	(34.8)	-

6.4.1 Sales

Italy²¹ contributed €2,525 million to consolidated sales, a 10.4% decrease or organic decrease of 8.7% from first-half 2008.

Edison registered sales decrease of €237 million (-9.5%) due to the decline in business in Italy (demand was down by 8.6%), which also led to a 9% decrease in electricity prices on the wholesale market.

In order to optimize distribution and commercialization margins, Edison continued to adjust the customer mix for its electricity and hydrocarbon activities, giving priority to sales to final customers and reducing sales on the wholesale markets.

Generation sales progressed due to consolidation of the Abu Qir gasfields.

Sales by **Fenice** were down by 17.2%, principally due to the economic slowdown affecting its main customers, particularly in the automobile industry.

6.4.2 EBITDA

The **Italy segment** contributed €393 million to the Group's consolidated EBITDA, a decrease of 13.8% compared to the first half-year of 2008.

At **Edison** EBITDA was down by €40 million (-10.2%). The -13.3% decrease for the electricity activities was principally due to lower generation margins, a shorter operating period for power plants as a result of lower demand, and to a lesser extent the progressive expiry of "CIP6" contracts. These factors were only slightly

counterbalanced by a rise in hydropower generation (+37.2%).

The hydrocarbon activities' contribution registered slight growth due to better margins on sales to final customers, despite a negative impact of derivatives.

Fenice's contribution to consolidated EBITDA amounted to €41 million at June 30, 2009, down by 36.9% due to the decrease in sales.

6.4.3 EBIT

Italy's contribution to consolidated EBIT stood at €146 million, down by 34.8% essentially as a result of the decline in EBITDA.

²¹ The Italy segment concerns operations by the Edison group and Fenice.

6.5 Other International

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)	Organic growth (%)
Sales	1,556	1,480	76	5.1	13.6
EBITDA	297	310	(13)	(4.2)	5.5
EBIT	192	209	(17)	(8.1)	-

The Other international segment principally covers other operations in Europe (Belgium, Switzerland and central European countries), Asia (China, Vietnam and Laos), a fossil-fired plant in Brazil and development of nuclear projects in the United States.

6.5.1 Sales

The organic growth in sales (+13.6%) is mainly located in Poland and Belgium.

In **Central Europe**, sales recorded organic growth of €130 million.

The foreign exchange effect was strongly negative: -€110 million in Poland and -€61 million in Hungary.

The 22.9% organic growth in **Poland** mostly resulted from the higher sale price for electricity sold to distributors under annual contracts, and the subsidiary Everen's expanding activity on the market²².

Business in **Belgium** saw steady organic growth, essentially in supply, due to an increase in volumes of electricity and gas, and higher prices on the wholesale market.

The 19% increase in sales in **Asia** includes a positive 15% foreign exchange effect.

6.5.2 EBITDA

EBITDA for Other international activities, excluding the effects of changes in the scope of consolidation and exchange rates, saw organic growth of 5.5%.

For the **central European countries**, EBITDA declined by 3.7%, principally due to

the unfavorable impact of foreign exchange conditions.

There was 48.5% organic growth in EBITDA in **Poland** thanks to the higher electricity prices in the annual contracts signed with distributors.

In **Hungary**, EBITDA showed organic shrinkage of 27.3%, particularly concerning Demasz, where energy supply activities were affected by a falloff in customer consumption and a marked decrease in electricity prices.

In **Asia**, the subsidiaries achieved satisfactory performances in a difficult economic environment.

6.5.3 EBIT

EBIT was down by 8.1% from first-half 2008, essentially reflecting the change in EBITDA.

²² Everen markets all the electricity generated by the Polish plants

6.6 Other activities

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)	Organic growth (%)
Sales	2,959	2,473	486	19.7	18.5
EBITDA	1,229	986	243	24.6	20.1
EBIT	1,042	844	198	23.5	-

Other activities comprise, among other entities, EDF Trading, EDF Energies Nouvelles, Electricité de Strasbourg and the investment in Dalkia.

6.6.1 Sales

The contribution of **Other activities** to Group sales was €2,259 million, up by €486 million with organic growth of 18.5% over first-half 2008.

EDF Trading's sales reached €700 million. Excluding the effects of changes in the scope of consolidation following acquisition of Eagle Energy Partners, it increased by 11.0% compared to first-half 2008 due to good anticipation of price trends for all commodities.

Sales growth at **EDF Energies Nouvelles** stood at 29.1%, driven by electricity generation, especially by windfarms, in Europe and the United States, and sales of photovoltaic solar power facilities by EDF Energies Nouvelles Réparties.

Dalkia's contribution to sales increased by €65 million, up by 5.9% with organic growth of 9.4% compared to June 30, 2008.

6.6.2 EBITDA

Other activities contributed €1,229 million to Group EBITDA, €243 million more than in first-half 2008, including the positive effect of application of IAS 39.

Organic growth in this segment's EBITDA was principally located at **EDF Energies Nouvelles**, boosted by development of its generation business.

EDF Trading continued to record good results, contributing €569 million to Group EBITDA, 10.6% more than in first-half 2008.

Dalkia's EBITDA saw organic decline of 0.7%.

6.6.3 EBIT

EBIT for Other activities increased by €198 million (+23.5%) compared to first-half 2008, reflecting the increase in EBITDA that was partly offset by higher net depreciation.

7 Net indebtedness, cash flows and investments

7.1 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.

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

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)
Operating profit before depreciation and amortization (EBITDA)	10,141	9,041	1,100	12.2
Cancellation of non-monetary items included in EBITDA	(2,527)	(1,306)		
Change in net working capital	335	(1,835)		
Other items (1)	146	95		
Operating cash flow	8,095	5,995	2,100	35.0
Net operating investments (gross CAPEX less disposals)	(5,481)	(4,032)		
Net financial expenses disbursed	(813)	(445)		
Income taxes paid	(85)	(1,027)		
Free cash flow	1,716	491	1,225	N.S.
Dedicated assets	0	(1,272)		
Net financial investments	(12,293)	(274)		
Dividends paid	(1,225)	(1,322)		
Other changes	33	63		
(Increase)/Decrease in net indebtedness, excluding the impact of	(11,769)	(2,314)	(9,455)	N.S.
Effect of change in scope of consolidation	710	(19)		
Effect of change in exchange rates	(1,283)	354		
Effect of other non-monetary changes (2)	27	57		
(Increase)/Decrease in net indebtedness	(12,315)	(1,922)	(10,393)	N.S.
Net indebtedness at beginning of period	24,476	16,269		
Net indebtedness at end of period	36,791	18,191		

(1) Mainly corresponds to dividends received from companies accounted for under the equity method.

(2) Mainly corresponds to changes in fair value and accounting reclassifications affecting components of net indebtedness.

The Group's net indebtedness stood at €36,771 million at June 30, 2009, compared to €24,476 million at December 31, 2008. The increase over the first half-year thus totaled €12,315 million.

The change in net indebtedness in first-half 2009 results from the higher level of net financial investments (€12,293 million), mostly associated with acquisition of British Energy (€10,819 million).

Other acquisitions principally concern Italy (acquisition of the Abu Qir gas field for €495 million), Germany (investment in the Lippendorf and Bexbach coal-fired power plants for €421 million), and Switzerland (acquisition of a 25% interest in the new Swiss operator Alpiq resulting from the combination of the activities of Swiss energy companies ATEL and EOS, for €224 million).

Group Capital expenditure by the Group also increased by over 35% to €5,565 million in first-half 2009.

The negative €1,283 million effect of changes in exchange rates (particularly the pound sterling's rise against the Euro²³ between December 31, 2008 and June 30, 2009) led to an increase in the Group's indebtedness. This was partly counterbalanced by the €710 million effect of changes in the scope of consolidation, primarily related to the cash and cash equivalents of British Energy.

Allocations to dedicated assets²⁴ have been suspended since September 2008 due to financial market instability. The Group now considers that the conditions are right to resume allocations from July 1, 2009.

Working capital decreased by €335 million after an increase of €1,835 million in first-half 2008, mainly as a result of lower margin calls associated with market price trends in the optimization and trading activities.

²³ €1.05/£1 at December 31, 2008 and €1.17/£1 at June 30, 2009

²⁴ See note 23.2.2.1 to the condensed consolidated financial statements at June 30, 2009, "EDF's dedicated asset portfolio".

Income taxes paid, which amounted to €1,027 million in the first half-year of 2008, totaled €85 million for the first half-year of 2009 including a €669 million reimbursement of surplus 2008 income tax paid by EDF.

Dividends paid by EDF during first-half 2009 amounted to €1,164 million (of the total €1,225 million distributed by the Group). The total dividend paid by EDF SA in respect of 2008 (including the €1,164 million interim dividend distributed in late 2008) was €2,328 million.

7.2 Net cash flow from operations and operating cash flow

Net cash flow from operations for the first half-year of 2009 totaled €8,095 million, 35.0% higher than for first-half 2008 (€5,995 million). The main factors in this increase are the increase in EBITDA and the positive change in working capital between the two periods.

Operating cash flow²⁵ stood at €6,862 million for first-half 2009, an increase of 7.9% from the €6,358 million recorded in the first half-year of 2008. Details are as follows:

²⁵ 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 (Cash flow statement) excluding changes in working capital, less net financial expenses disbursed and income taxes paid, adjusted for the impact of non-recurring tax effect items.

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)
Operating profit before depreciation and amortization (EBITDA)	10,141	9,041	1,100	12.2
Cancellation of non-monetary items included in EBITDA	(2,527)	(1,306)		
Net financial expenses disbursed	(813)	(445)		
Income taxes paid	(85)	(1,027)		
Other items	146	95		
Operating cash flow	6,862	6,358	504	7.9

Improvement in operating cash flow primarily results from the reimbursement of surplus 2008 income taxes paid by EDF (€669 million), partly counterbalanced by an increase in financial expenses related to indebtedness.

The increase in EBITDA includes an increase in non-cash items following reversal of the TaRTAM provision, and unrealized gains resulting from fair value measurement.

7.3 Change in working capital

Working capital decreased by €335 million in the first half-year of 2009. This improvement was visible across all segments of the Group.

In **France**, the main explanation for the €191 million reduction in working capital over the half-year is the -€730 million reimbursements of margin calls associated with optimization (market hedging by EDF Trading on behalf of the France segment,

which led to significant disbursements in 2008). This effect was mitigated by the increase in the CSPE (+€584 million).

Outside France (United Kingdom, Germany, Italy, and Other international), working capital decreased by €94 million over the half-year of 2009, essentially in Italy and in the Asia-Pacific zone.

The **Other activities** segment registered a €50 million decrease in working capital.

7.4 Operating investments (Gross Capex)

Growth of 35.3% compared to first-half 2008

Gross operating investments (gross capital expenditure) for the half-year amounted to €5,565 million, 35.3% higher than for first-half 2008.

Changes over the period in the Group's gross capital expenditure were as follows:

(in millions of euros)	H1 2009	H1 2008	Variation	Variation (%)
France: Deregulated activities	1,630	1,300	330	25.4
France: Network activities	1,539	1,111	428	38.5
France: Island activities	239	98	141	143.9
Total France	3,408	2,509	899	35.8
United Kingdom	969	596	373	62.6
Germany	222	191	31	16.2
Italy	267	162	105	64.8
Other international	135	271	(136)	(50.2)
Total International	1,593	1,220	373	30.6
Total Other activities	564	383	181	47.3
Operating investments (Gross Capex)	5,565	4,112	1,453	35.3

Capital expenditure in **France** increased by 35.8%. This increase concerned the deregulated activities (€330 million), the network activities (€428 million) and the island activities (€141 million).

In the **deregulated activities**, most of the increase concerned investments in generation, up from €1,229 million at June 30, 2008 to €1,514 million at June 30, 2009. These investments are for development of capacities in nuclear facilities (construction of the EPR at Flamanville) and fossil-fired facilities (combined cycle gas plants, combustion turbines), but also for asset maintenance (the SuPerHydro programme for hydropower assets, and maintenance programmes for nuclear assets).

Investments in the **network activities** rose by 38.5%. €105 million was invested in the transmission networks and €323 million in the distribution networks.

Gross capital expenditure also increased in the **other European countries**.

In the **United Kingdom**, gross capital expenditure amounted to €969 million for the first half-year of 2009, up by 62.6% from the first half-year of 2008, including investments specific to British Energy (€120 million). Based on a constant scope of consolidation, capital expenditure in the United Kingdom reflects the changing level of network investments, investments for construction of the new West Burton fossil-fired plant, and acquisition of land owned by the NDA at Bradwell.

In **Germany**, capital expenditure totaled €222 million for the first half-year of 2009, an increase of 16.2% compared to first-half 2008, resulting from growth in activities related to electricity (generation and networks).

In **Italy**, half of the marked rise in capital expenditure (+64.8%) concerned Edison, which invested in renewable energies and gas, and the other half concerned Fenice.

In the **Other international** segment, capital expenditure was down by 50.2% or -€136 million, particularly due to lower investment levels in 2009 in the USA and exceptional work carried out in 2008 in central European countries (chiefly desulphurization at ERSA).

Capital expenditure in the **Other activities** rose by €181 million compared to first-half 2008 following development of windfarms by EDF Energies Nouvelles (€138 million).

7.5 Net financial investments

7.5.1 Dedicated assets

Allocations to dedicated assets were suspended in September 2008 given the volatility on the financial markets, and were not resumed during first-half 2009. The Group currently considers that the conditions are right to resume allocations from July 1, 2009.

In first-half 2008, these allocations totaled €1,272 million.

7.5.2 Other financial investments: Ongoing development of international nuclear operations

Other net financial investments amounted to €12,293 million, and were mainly for the second phase of the takeover of British Energy in the United Kingdom (€10,819 million).

The principal other investments were Edison's acquisition of the Abu Qir gasfield (€495 million), and EnBW's investments in the Lippendorf and Bexbach coal-fired plants and the new energy operator Alpiq (€224 million, the balance consisting of the contribution in kind of Emosson dam drawing rights).

7.6 Net indebtedness by subsidiary

Changes in the contribution to net indebtedness by each subsidiary are shown below:

(in millions of euros)	June 30, 2009	December 31, 2008	Variation	Variation (%)
EDF SA and other related subsidiaries*	14,961	11,450	3,511	30.7
EDF Energy**	15,105	7,437	7,668	103.1
EnBW	1,922	1,449	473	32.6
Edison***	2,193	1,487	706	47.5
EDF Energies Nouvelles	1,912	1,333	579	43.4
Other subsidiaries	698	1,320	(622)	(47.1)
Group total	36,791	24,476	12,315	50.3

* ERDF, RTE, PEI, EDF International and EDF Investissements Groupe

** including holding companies

*** Edison alone, excluding its holding companies

Indebtedness was up in almost all segments.

At EDF and its subsidiaries, the increase of over 30% in indebtedness was mostly associated with acceleration of the investment process.

At EDF Energy, the increase in indebtedness is mainly due to acquisition of British Energy and a negative foreign exchange effect attributable to the rise in the value of the pound sterling against the euro over the semester.

At EnBW, the increase in indebtedness largely results from higher capital expenditure and the acquisition of investments in Lippendorf and Bexbach.

At Edison, the change in indebtedness relates mostly to acquisition of the Abu Qir gasfield.

At EDF Energies Nouvelles, development of windfarms and photovoltaic solar plants contributed to a rise in indebtedness.

The fall in indebtedness at other subsidiaries principally concerns EDF Trading.

8 Management and control of market risks

The policy and principles for management and control of the Group's market risks are presented in Section 9.10 of the 2008 *Document de Référence*. As there have been no significant changes during the first half-year of 2009, that information is not repeated here.

This chapter sets forth the main changes since December 31, 2008 in financial data concerning the management and control of market risks.

8.1 Management and control of financial risks

8.1.1 Liquidity position and management of liquidity risks

8.1.1.1 Liquidity position

At June 30, 2009, the Group's liquidities totaled €13,418 million compared to €12,594 million at December 31, 2008, and available credit lines amounted to €9,430 million compared to €21,388 million at December 31, 2008.

(in millions of euros)	Bonds	Loans from financial institutions	Other financial liabilities	Loans related to finance-leased assets	Accrued interest	Total
Less than one year	58	7,150	5,323	30	894	13,455
From one to five years	9,838	3,100	662	136	4	13,740
More than five years	21,561	853	276	51	3	22,744
Total	31,457	11,103	6,261	217	901	49,939

In addition to the Group's main borrowings in amounts of over €750 million as reported in section 9.10.1 of the 2008 *Document de*

At June 30, 2009, no group company was in default on any borrowing.

8.1.1.2 Management of liquidity risks

As part of its policy to manage liquidity, finance its operating investment programme and reinforce long-term debt, the Group undertook several bond issues during first-half 2009 as described in section 2.2.2 of this half-year management report.

The average maturity of consolidated debt stood at 6.7 years at June 30, 2009 compared to 5.3 years at December 31, 2008, and EDF debt has average maturity of 7.7 years compared to 5.5 years at December 31, 2008.

At June 30, 2009, the maturities of gross long-term and short-term debt, before hedging (excluding interest paid) were as follows:

Référence, details of new borrowings contracted during the first half-year of 2009 are as follows:

Type of borrowing (in millions of euros)	Entity	Issue date	Maturity	Currency	Amount (millions)	Rate (%)
Euro Medium Term Note	EDF SA	January 2009	2015	EUR	2 000	5.125%
Euro Medium Term Note	EDF SA	January 2009	2021	EUR	2 000	6.25%
Bond	EDF SA	January 2009	2019	USD	2 000	6.50%
Bond	EDF SA	January 2009	2039	USD	1 750	6.95%
Bond	EDF SA	January 2009	2014	USD	1 250	5.50%
Schuldschein ⁽¹⁾	EDF SA	March 2009	2019	EUR	181	5.125%
Bond	EDF SA	March 2009	2012	CHF	350	2.00%
Bond	EDF SA	March 2009	2017	CHF	300	4.00%
Euro Medium Term Note	EDF SA	June 2009	2034	GBP	1 500	6.125%

(1) Loan contract governed by German law, transferable by the lender

The table below sets out the Group entities' syndicated loans contracted or modified since December 31, 2008.

Entity	Maturity	Amount (in millions of euros)	Currency	Drawings at June 30, 2009 (in millions of euros)
EnBW	2010 (renewal option exercised)	Tranche A: 1000	EUR	-
	2010	Tranche B: 58	EUR	-
	2012	Tranche B: 1442	EUR	-

At June 30, 2009, the amount outstanding on EDF SA's syndicated loan contracted on September 23, 2008 to finance the acquisition of British Energy is £4,837 million. Due to the applicable contractual terms, no further drawings can be made on the associated credit lines totaling £11 billion.

8.1.2 Credit ratings

The long-term and short-term ratings assigned to EDF Group entities by the three financial ratings agencies Standard & Poor's, Moody's and Fitch IBCA have not changed

since January 2009. These ratings are presented in section 9.10.1 of the 2008 *Document de Référence*.

8.1.3 Management of foreign exchange rate risk

The Group's gross debt at June 30, 2009 breaks down as follows by currency after hedging as defined by IFRS: 53% in euros, 37% in pounds sterling and 5% in US dollars. The balance of 5% includes the Swiss franc, the Hungarian forint, the Polish zloty, the Brazilian real, and the Japanese yen.

Gross debt structure at June 30, 2009, by currency, before and after hedging

(in millions of euros)	Initial debt structure	Impact of hedging instruments ⁽¹⁾	Debt structure after hedges	% of debt
EUR	29,901	(3,586)	26,315	53
USD	5,383	(2,895)	2,488	5
GBP	11,794	6,693	18,488	37
Other currencies	2,861	(212)	2,648	5
TOTAL DEBT	49,939	-	49,939	100

(1) Hedges of liabilities and net assets of foreign subsidiaries, and USD/GBP swaps designated as economic hedges.

The table below presents the impact of an unfavorable variation in exchange rates on the group's gross debt at June 30, 2009:

(in millions of euros)	Debt after hedging instruments converted into euros	Impact of a 10% unfavorable variation in exchange rates	Debt after a 10% unfavorable variation in exchange rates
EUR	26,315	-	26,315
USD	2,488	250	2,738
GBP	18,488	185	18,673
Other currencies	2,648	265	2,913
TOTAL DEBT	49,939	700	50,639

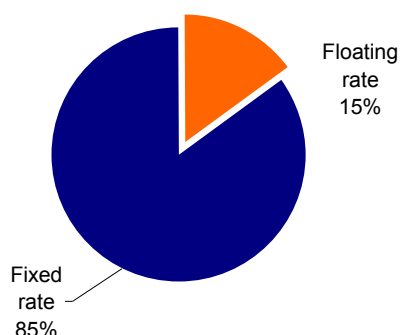
The table below sets forth the foreign exchange position relating to net non-operating investments in foreign currency of the Group's principal subsidiaries at June 30, 2009:

(in millions of currency units)	Net position after hedging (Assets) at June 30, 2009	Net position after hedging (Assets) at December 31, 2008
USD	66	503
CHF (Switzerland)	102	57
HUF (Hungary)	34,974	25,304
PLN (Poland)	829	353
GBP (United Kingdom)	3,094	870
BRL (Brazil)	577	518
SKK (Slovakia)	-	8,191
CNY (China)	618	627

Net positions after hedging in GBP increased significantly during the first half-year of 2009 due to expansion by EDF in the United Kingdom.

8.1.4 Management of interest rate risk

The Group's debt after hedging instruments at June 30, 2009 was structured as follows: 85% of debt bore interest at fixed rates and 15% at floating rates (81% and 19% respectively at December 31, 2008).



A 100 base point (1%) uniform rise in interest rates would generate an increase of approximately €77 million in financial expenses at June 30, 2009, based on gross floating-rate debt after hedging under IFRS. The average coupon on Group debt (weighted interest rate on outstanding amounts) was 4.4% at June 30, 2009 against 4.7% at December 31, 2008.

The table below sets forth the structure of Group debt and the impact of a 100 base point variation in interest rates at June 30, 2009:

June 30, 2009 (in millions of euros)	Initial debt structure	Impact of hedging instruments	Debt structure after hedges	Impact of a 100 base point variation in interest rates
Fixed rate	41,010	1,228	42,238	-
Floating rate	8,929	(1,228)	7,701	77
TOTAL DEBT	49,939	-	49,939	77

8.1.5 Management of equity risks

The equity risk lies principally in the following areas:

Coverage of EDF's nuclear obligations

Analysis of the equity risk is presented in section 8.1.6 ("Management of financial risk on EDF's dedicated asset portfolio").

Coverage of EDF, EDF Energy's and British Energy employee benefit commitments

31.5% of the assets covering EDF's employee benefit liabilities were invested in the international and European equity markets at June 30, 2009. The target allocation was 31.8%.

Also at June 30, 2009, the two pension funds set up by EDF Energy (EDF Energy Pension Scheme and EDF Energy Group Electricity Supply Pension Scheme) were invested to the extent of 48% in equities, representing an amount of £1,012 million of equities.

40% of the British Energy funds were invested in equities at the end of the half-year, corresponding to an amount of £974 million.

EnBW's reserved funds

EnBW is exposed to equity risks in the management of its reserved funds intended to cover its nuclear commitments and employee benefit obligations.

EDF's long-term cash management

At June 30, 2009, equity-linked investments included in long-term cash management investments by EDF totaled €369 million (2.8% of total liquidities), with estimated volatility of 8.95% (annualized volatility of monthly returns observed over three years or over the longest period available). Applying this volatility to the value of equity assets in long-term cash management at the same date, EDF estimates the annual volatility of the equities portion of cash investments at €33 million.

Direct investment securities

At June 30, 2009, EDF's investment in Veolia Environnement amounted to €383 million, with estimated volatility of 79.4% (annualized volatility of monthly returns observed over three years).

At the same date, EDF's investment in AREVA amounted to €356 million, with estimated volatility of 61.3% (annualized volatility of monthly returns observed over three years).

Portfolio content and performance

Details of the contents of EDF's dedicated asset portfolio at June 30, 2009 and December 31, 2008 are as follows:

(in millions of euros)	Equities	Bonds
At June 30, 2009	34,7%	65,3%
At December 31, 2008	33,5%	66,5%

8.1.6 Management of financial risk on EDF's dedicated asset portfolio

In view of market conditions, allocations to the portfolio have been suspended since September 2008. They will be resumed in the second half-year of 2009, and adjustment will be made for compliance with the regulatory requirement that liabilities should be covered by the portfolio by June 2011.

At June 30, 2009, the fair value of the dedicated asset portfolio was €9,009 million (€8,665 million at December 31, 2008).

	June 30, 2009 Realizable value in the EDF consolidated financial statements (in millions of euros)	Performance at June 30, 2009		Performance at Dec 31, 2008	
		Portfolio	Benchmark index	Portfolio	Benchmark index ⁽¹⁾
Equities sub-portfolio	3,127	8.0%	5.4%	-38.9%	-37.6%
Bonds sub-portfolio	5,882	2.1%	1.4%	5.9%	9.4%
Cash sub-portfolio	N.S.	0.5%	0.6%	4.2%	4.0%
Total dedicated asset portfolio	9,009	4.1%	3.7%	-14.9%	-16.7%

(1) Benchmark index: MSCI World for the equities sub-portfolio, Citigroup EGBI for the bonds sub-portfolio, 50% MSCI World + 50% Citigroup EGBI for the total portfolio

In first-half 2009, the dedicated asset portfolio continued to be affected by a highly volatile market environment caused by the financial crisis. There were marked downturns, particularly on the international equities markets, until early March, followed by a recovery that continued through to the end of June. The overall portfolio and its three sub-portfolios all outperformed their benchmark indexes.

The market value of the equities sub-portfolio was €3,127 million at June 30, 2009. Its volatility can be estimated on the basis of the volatility of its benchmark index, the MSCI World index, which at June 30,

2009 was 34.97% based on 52 weekly performances. Applying this volatility to the value of equity assets at the same date, the Group estimates the annual volatility of the equities portion of dedicated assets at €1,094 million.

At June 30, 2009, the sensitivity of the bonds sub-portfolio (€5,882 million) was 4.61, i.e. a uniform 100 base point rise in interest rates would result in a 4.61% (€271 million) decline in its market value. This sensitivity was 4.29 at the 2008 year-end.

8.2 Management and control of energy market risks

The table below shows values for the risk indicators used to monitor EDF Trading's markets commitments for 2008 and the first half-year of 2009:

(in millions of euros)	H1 2009	2008
VaR limit (97.5 % per day)	38	32
Stop-loss limit	55	45
Min VaR	7.6	6.5
Average VaR	13.4	14.8
Max VaR	25.1	30.5

The principles for management of energy market risks are unaffected by the acquisition of British Energy, whose portfolio has been absorbed into EDF Energy. This guarantees that all risks are measured, while the operational principles for the Group's

energy market risk management continue to be rolled out to the EDF Energy subgroup, which now includes the operations of British Energy.

The stop-loss was not triggered during the first half-year of 2009.

9 Provisions

The following table sets forth provisions (current and non-current) at June 30, 2009 and December 31, 2008:

(in millions of euros)	June 30, 2009	December 31, 2008
Provisions for spent fuel management	10,975	8,806
Provisions for long-term radioactive waste management	7,243	6,732
Provisions for back-end nuclear cycle	18,218	15,538
Provisions for decommissioning	16,523	12,445
Provisions for last cores	3,170	1,697
Provisions for decommissioning and last cores	19,693	14,142
Provisions for post-employment benefits	12,807	12,703
Provisions for other long-term employee benefits	1,025	1,016
Provisions for employee benefits	13,832	13,719
Other provisions	5,286	4,738
Total provisions	57,029	48,137

For details of the components of provisions, and changes in these provisions, see note 26 to the 2009 condensed consolidated half-year financial statements.

10 Contractual obligations

The following table presents the contractual obligations identified by the Group at June 30, 2009, including obligations not recognized in the balance sheet (off balance sheet commitments):

(in millions of euros)	June 30, 2009			
	Total	Maturity within one year	Maturity between one and five years	Maturity after five years
Long-term debt ⁽¹⁾	49,939	13,455	13,740	22,744
Satisfactory performance, completion and bid guarantees	1,348	391	865	92
Commitments related to orders for operating items ⁽²⁾	4,973	2,835	1,573	565
Commitments related to orders for fixed assets	10,802	5,036	5,572	194
Other operating commitments	4,302	1,669	2,364	269
Operating commitments given ⁽³⁾	21,425	9,931	10,374	1,120
Security interest in real property	2,227	184	1,131	912
Guarantees related to borrowings	365	103	34	228
Other financing commitments	238	111	100	27
Financing commitments given ⁽⁴⁾	2,830	398	1,265	1,167
Investment commitments	8,818	6,383	2,435	0
Other investment commitments given	303	197	90	16
Investment commitments given ⁽⁵⁾	9,121	6,580	2,525	16

(1) See note 28.2 to the condensed consolidated financial statements at June 30, 2009

(2) Excluding commodities and energy.

(3) See note 11.3 to the condensed consolidated financial statements at June 30, 2009

(4) See note 28.5 to the condensed consolidated financial statements at June 30, 2009

(5) See note 23.3 to the condensed consolidated financial statements at June 30, 2009

This table does not show firm, irrevocable purchase commitments, operating lease commitments or finance lease commitments, which were not measured by the Group at June 30, 2009. At December 31, 2008, these commitments amounted to €53,481 million, €2,593 million and €229 million respectively.

Firm irrevocable purchase commitments, for commodities, energy and nuclear fuel amounted to €53,481 million at December 31, 2008.

The principal change since that date concerns purchase commitments for nuclear fuels undertaken in connection with supply contracts for the British Energy nuclear power plants (€1,682 million).

Operating commitments given, amounting to €21,425 million, comprise satisfactory performance, completion and bid guarantees, commitments related to orders for operating items and fixed assets, and other operating commitments.

These commitments are described in note 11.3 of the notes to the condensed consolidated financial statements at June 30, 2009.

Financing commitments given, totaling €2,830 million, comprise security interests in real property, guarantees related to borrowings and other financing commitments.

For details, see note 28.5 of the notes to the condensed consolidated financial statements at June 30, 2009.

Investment commitments include commitments for acquisition of equity investments and other investment

commitments amounting to €9,121 million. For details, see note 23.3 of the notes to the condensed consolidated financial statements at June 30, 2009.

11 Subsequent events

Details of post balance sheet events can be found in note 34 to the consolidated financial statements at June 30, 2009.

Bond issues

- EDF

The retail bond launched by EDF on June 17, 2009 closed on July 6, 2009, raising €3,269 million for the company. Settlement of the entire operation took place on July 17, 2009, and the bonds have been listed since that date on Euronext Paris. This 5-year bond bears interest at the annual fixed rate of 4.5%.

EDF also issued "Samurai bonds" in Japan on July 3, 2009 totaling €820 million (110.4 billion yen).

- EnBW

On July 7, 2009, EnBW issued two bonds totaling €1,350 million (EDF's share: €622 million):

- one €750 million bond with 6-year maturity and annual coupon of 4.125%
- and another of €600 million with 30-year maturity and annual coupon of 6.125%.

- Edison

On July 16, 2009, Edison issued a €700 million 5-year bond (EDF's share: €342 million) as part of the launch of its EMTN programme.

Approval by the German anti-cartel authorities of acquisition of EWE

On July 6, 2009, the German anti-cartel authorities announced their decision to authorize EnBW to acquire a 26% stake in EWE. The operation was completed on July 21, 2009, with an impact of some €2 billion in the EnBW financial statements (EDF's share: €0.9 billion).

Sales of shares in Light

On July 17, 2009, EDF International sold its entire residual investment in Light for the sum of 321 million reais (€116 million).

Other authorizations for EnBW

Following signature of an agreement between EnBW Erneuerbare Energien GmbH and Altus AG on July 14, 2009, a joint venture is to be formed to develop 6 windfarm projects in Germany, with total capacity of 150 MW.

12 Principal risks and uncertainties for the second half-year of 2009

The EDF Group policies for risk management and control are described in section 4.1 of the 2008 *Document de Référence*.

The principal risks and uncertainties to which the Group considers itself exposed are also described in section 4.2 of the 2008 *Document de Référence*.

This description remains valid at the date of publication of this report for assessment of the major risks and uncertainties of second-half 2009, together with the usual risks specific to the Group's business.

13 Transactions with related parties

There have been no significant changes since December 31, 2008 in the types of transaction undertaken with related parties. In particular, the Group has significant ongoing relationships with public-sector enterprises, primarily the Areva Group for the supply, transmission and reprocessing of nuclear fuel and maintenance of nuclear

plants. The Areva Group is also a supplier to the EPR (European Pressurized Reactor) project, contributing to the formation of commitments on fixed asset orders.

See also note 33 to the condensed consolidated financial statements at June 30, 2009, "Related parties."

14 Significant events related to litigation in process

Litigations concerning the EDF Group are described in section 20.5 of the 2008 *Document de Référence*.

This chapter reports on new litigations and those which have seen significant developments since the release of the 2008 *Document de Référence* and its update of May 15, 2009.

14.1 Arcelor

In the litigation between EDF and Arcelor group entities initiated in 2007 over the economic terms of electricity supplies for the Arcelor group's new sites:

on June 23, 2009, based on the expert's report it had requested, the Paris Commercial Court ordered EDF to pay the sum of €9,144,123 to Mittal Steel Gandrange, and the sum of €124,378 to

SNC Métallurgique de Révigny, plus interest at the legal rate from January 1, 2008,

in a decision issued on June 29, 2009, the Paris Commercial Court ruled that in refusing to sign a supply contract on the terms requested by ArcelorMittal Wire France and ArcelorMittal Manois, EDF was in breach of its contractual obligations, and ordered EDF to pay compensation to these companies in an amount to be fixed by expert assessment.

14.2 Verdesis

In June 2008 Euro Power Technology filed a complaint against EDF and its subsidiary Verdesis as well as an application for protective measures in front of the French Competition authority (*Autorité de la Concurrence*), concerning EDF and Verdesis' biogas operations.

Such complaint has been notified by the French Competition authority to EDF on June 9, 2009, and EDF submitted its preliminary observations on June 23, 2009.

14.3 Bugey

EDF received authorization to fully dismantle the Bugey's Basic Nuclear Facilities (*INB - Installation Nucléaire de base*) by decree 2008-1197 of November 18, 2008. On

January 21, 2009, an association filed a claim with the Council of State for cancellation of this decree.

EDF was notified of this claim on May 6, 2009.

15 Financial outlook for 2009

The Group confirms its financial outlook for 2009. Group EBITDA will be buoyed thanks to the improved performance of the international business and the contribution of British Energy.

EDF maintains its objective of moderate organic EBITDA growth against a difficult economic background.

Net income excluding non recurring items will not increase, on account of the Group's continued investment programme.

The Group pursues a disciplined policy of maintaining a balanced financial structure, in particular through active preparatory work on

its announced divestiture programme, which should lead to a reduction in net financial debt of at least € 5 billion.

The Group aims to maintain a strong rating, with a net debt / EBITDA ratio within a 2.5-3x range.

**CONDENSED CONSOLIDATED
HALF-YEAR FINANCIAL STATEMENTS
AT JUNE 30, 2009**

CONSOLIDATED INCOME STATEMENTS

(in millions of euros)	Notes	H1 2009 ⁽²⁾	H1 2008 ⁽¹⁾
Sales	8	34 897	32 239
Fuel and energy purchases	9	(13 860)	(12 947)
Other external expenses	10	(5 138)	(4 296)
Personnel expenses		(5 758)	(5 281)
Taxes other than income taxes	12	(1 650)	(1 562)
Other operating income and expenses	13	1 650	888
Operating profit before depreciation and amortization		10 141	9 041
Net depreciation and amortization		(3 383)	(2 812)
Net increases in provisions for renewal of property, plant and equipment operated under concession		(296)	(295)
(Impairment) / reversals		(17)	1
Other income and expenses	14	330	(22)
Operating profit		6 775	5 913
Cost of gross financial indebtedness	15.1	(1 271)	(761)
Discount expense	15.2	(1 592)	(1 420)
Other financial income and expenses	15.3	661	715
Financial result	15	(2 202)	(1 466)
Income before taxes of consolidated companies		4 573	4 447
Income taxes	16	(1 520)	(1 442)
Share in income of companies accounted for under the equity method	22	138	191
Group net income		3 191	3 196
Minority interests		74	80
EDF net income		3 117	3 116
Earnings per share in euros			
Net earnings per share in euros	25.4	1,71	1,71
Diluted earnings per share in euros	25.4	1,71	1,71

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs".

(2) Figures for first-half 2009 include the effects of consolidation of British Energy from January 5, 2009.

**STATEMENT OF NET INCOME AND GAINS AND LOSSES
RECORDED DIRECTLY IN EQUITY**

(in millions of euros)	H1 2009	H1 2008 ⁽¹⁾
Group net income	3 191	3 196
Changes in the fair value of available-for-sale financial assets ⁽²⁾	404	(1 406)
Changes in the fair value of available-for-sale financial assets transferred to income on sale	47	(195)
Changes in the fair value of hedging instruments ⁽³⁾	(1 766)	2 286
Changes in the fair value of hedging instruments transferred to income on sale	869	(76)
Translation adjustments	954	(249)
Taxes	188	(192)
Gains and losses recorded directly in equity	696	168
Net income and gains and losses recorded directly in equity	3 887	3 364
EDF net income	3 819	3 254
Minority interests	68	110

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs".

(2) These changes mostly concern EDF.

(3) In 2009, these changes mostly concern hedges of foreign investments (€(706) million) and commodity hedges by EDF Energy and EDF (€(616) million).

CONSOLIDATED BALANCE SHEETS

ASSETS	Notes	06.30.2009⁽²⁾	12.31.2008⁽¹⁾
(in millions of euros)			
Goodwill	17	13 534	6 807
Other intangible assets	18	3 937	3 099
Property, plant and equipment operated under French public electricity distribution concessions	19	41 632	41 213
Property, plant and equipment operated under concessions for other activities	20	27 748	26 959
Property, plant and equipment used in generation and other assets owned by the Group	21	51 418	39 403
Investments in companies accounted for under the equity method	22	3 390	2 852
Non-current financial assets	23	22 540	18 103
Deferred tax assets		2 761	2 900
Non-current assets		166 960	141 336
Inventories, including work-in-process		12 013	9 290
Trade receivables		17 172	19 144
Current financial assets	23	17 522	15 329
Current tax assets		384	992
Other receivables		8 109	8 530
Cash and cash equivalents		6 209	5 869
Current assets		61 409	59 154
Assets classified as held for sale	24	843	2
TOTAL ASSETS		229 212	200 492
EQUITY AND LIABILITIES	Notes	06.30.2009⁽²⁾	12.31.2008⁽¹⁾
(in millions of euros)			
Capital	25	911	911
EDF net Income and consolidated reserves		25 105	22 286
Equity (EDF share)		26 016	23 197
Minority interests		1 733	1 801
Total Equity	25	27 749	24 998
Provisions for back-end nuclear fuel cycle	26.3	17 264	14 686
Provisions for decommissioning and for last cores	26.4	19 368	13 886
Provisions for employee benefits	26.6	12 997	12 890
Other provisions	26.7	2 097	1 953
Non-current provisions	26.1	51 726	43 415
Grantors' rights in existing assets operated under French public electricity distribution concessions	27	19 111	19 025
Grantors' rights in assets operated under French public electricity distribution concessions, to be replaced	27	20 050	19 491
Non-current financial liabilities	28.1	37 361	25 584
Other liabilities	31	5 663	5 628
Deferred tax liabilities		6 739	4 134
Non-current liabilities		140 650	117 277
Provisions	26.1	5 303	4 722
Trade payables		11 087	13 957
Current financial liabilities	28.1	22 235	18 958
Current tax liabilities		1 275	383
Other liabilities	31	20 584	20 197
Current liabilities		60 484	58 217
Liabilities related to assets classified as held for sale	24	329	-
TOTAL EQUITY AND LIABILITIES		229 212	200 492

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs".

(2) Figures for first-half 2009 include the effects of consolidation of British Energy from January 5, 2009.

CONSOLIDATED CASH FLOW STATEMENTS

(in millions of euros)	Notes	H1 2009 ⁽²⁾	H1 2008 ⁽¹⁾
Operating activities :			
Income before tax from consolidated companies		4 573	4 447
Accumulated depreciation and amortization, provisions and change in fair value		2 500	3 221
Financial income and expenses		865	228
Dividends received from companies accounted for under the equity method		146	95
Capital gains/losses		(324)	(161)
Change in working capital		335	(1 835)
Net cash flow from operations		8 095	5 995
Net financial expenses disbursed		(813)	(445)
Income taxes paid		(85)	(1 027)
Net cash flow from operating activities		7 197	4 523
Investing activities :			
Acquisition of companies, net of cash acquired ⁽³⁾		(11 084)	(109)
Purchases of property, plant and equipment and intangible assets		(5 565)	(4 112)
Net proceeds from sale of property, plant and equipment and intangible assets		84	80
Changes in financial assets	23.1	(594)	(3 027)
Net cash flow used in investing activities		(17 159)	(7 168)
Financing activities :			
Issuance of borrowings	28.2	20 362	8 308
Repayment of borrowings		(8 668)	(5 752)
Dividends paid by parent company	25.3	(1 164)	(1 273)
Dividends paid to minority interests		(61)	(49)
Increase in special concession liabilities		94	112
Investment subsidies		45	20
Treasury shares	25.2	1	(172)
Net cash flow from financing activities		10 609	1 194
Net increase/(decrease) in cash and cash equivalents		647	(1 451)
Cash and cash equivalents - opening balance		5 869	6 035
Effect of currency fluctuations		(326)	(33)
Financial income on cash and cash equivalents		39	93
Effect of other reclassifications		(20)	(7)
Cash and cash equivalents - closing balance		6 209	4 637

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs".

(2) Figures for first-half 2009 include the effects of consolidation of British Energy from January 5, 2009.

(3) The purchase offer and subsequent squeeze-out offer resulted in a £10,124 million payment (€10,819 million). At January 5, 2009, British Energy's cash and cash equivalents amounted to £1,224 million (€1,308 million).

CHANGES IN CONSOLIDATED EQUITY

The changes in consolidated equity and minority interests between January 1 and June 30, 2009 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	Equity (EDF share)	Minority interests	Total Equity
Equity at December 31, 2008 ⁽¹⁾	911	25 501	(186)	(1 638)	(1 391)	23 197	1 801	24 998
Gains and losses recorded directly in equity ⁽²⁾	-	-	-	959	(257)	702	(6)	696
Net income	-	3 117	-	-	-	3 117	74	3 191
Net income and gains and losses recorded directly in equity	-	3 117	-	959	(257)	3 819	68	3 887
Dividends paid		(1 164)				(1 164)	(72)	(1 236)
Repurchase of treasury shares			(44)			(44)	-	(44)
Sales of treasury shares			45			45	-	45
Other changes		224		(61)	-	163	(64)	99
Equity at June 30, 2009	911	27 678	(185)	(740)	(1 648)	26 016	1 733	27 749

The changes in consolidated equity and minority interests between January 1 and June 30, 2008 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, 2007	911	24 266	(6)	(118)	2 157	27 210	1 586	28 796
IAS 23 impacts ⁽¹⁾		51		2		53	9	62
Equity at January 1, 2008 restated ⁽¹⁾	911	24 317	(6)	(116)	2 157	27 263	1 595	28 858
Gains and losses recorded directly in equity ⁽²⁾	-	-	-	(272)	410	138	30	168
Net income ⁽¹⁾		3 116				3 116	80	3 196
Net income and gains and losses recorded directly in equity	-	3 116	-	(272)	410	3 254	110	3 364
Dividends paid		(1 273)				(1 273)	(75)	(1 348)
Repurchase of treasury shares			(302)			(302)	-	(302)
Sales of treasury shares			130			130	-	130
Other changes		61		4	(4)	61	(35)	26
Equity at June 30, 2008 ⁽¹⁾	911	26 221	(178)	(384)	2 563	29 133	1 595	30 728

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs".

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

The EDF group is an integrated energy company operating in all types of 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, 2009 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, 2009 were prepared under the responsibility of the Board of Directors and approved by the Directors at the Board meeting held on July 29, 2009.

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 EDF 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 IAS 34 standard on interim financial reporting and the IAS/IFRS international accounting standards released at June 30, 2009, in the form in which they should be mandatory at December 31, 2009.

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, 2008 with reference to the principal accounting and valuation methods described in notes 1 and 2 to those financial statements.

1.2 Accounting methods for the first half-year of 2009

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, 2008, with the exception of the valuation methods specific to interim financial statements as described in note 1.3 and standards endorsed by the European Union in 2007 and 2008 that became mandatory from January 1, 2009.

This concerns the following standards, amendments and interpretations endorsed by the European Union which became mandatory as of January 1, 2009:

- Amendments to IAS 1, "Presentation of Financial Statements"; in addition to the income statement, this standard requires disclosure of a statement of net income and gains and losses recorded directly in equity. This statement details the unrealized gains and losses included in equity, such as changes in the fair value of available-for-sale financial assets, hedging instruments and translation adjustments. This information was previously shown in the table of changes in consolidated equity;
- Revised 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 requires such costs to be capitalized as part of the cost of the asset. The impacts of this amendment are presented in note 2;
- IFRS 8, "Operating segments". This standard, which replaces IAS 14, requires the entity's segment reporting to be presented according to the operating segments which are regularly reviewed by management. Changes from the segment information as previously reported are presented in note 7;

- Amendments to IFRS 1 and IAS 27 "Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate";
- Amendment to IFRS 2 "Vesting Conditions and Cancellations";
- IFRIC 13, "Customer Loyalty Programmes";
- IFRIC 14, "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction";
- Amendments to IAS 32 and IAS 1 entitled "Puttable Financial Instruments and Obligations Arising on Liquidation".

IFRIC 11, "IFRS 2: Group and Treasury Share Transactions", was applied early by the Group as from December 31, 2007.

The Group has decided against early application of standards endorsed by the European Union during the first half-year but not yet mandatory in 2009:

- IFRIC 12, "Service Concession Arrangements": the European Union adopted IFRIC 12 with the publication in its Official Journal of Commission Regulation (EC) No 254/2009 of March 25, 2009. This interpretation must be applied no later than the opening date of the first financial year that starts after the Regulation comes into force, which for EDF is January 1, 2010, as detailed in note 2.12.1 to the financial statements at December 31, 2008. The Group has carried out an analysis and currently considers that when the interpretation applies, its impact on the balance sheet and income statement will be limited.
- Amendments to IAS 27, "Consolidated and Separate Financial Statements" and Revised IFRS 3, "Business Combinations": these standards, which were endorsed by the European Union on June 12, 2009, will apply to business combinations that take place in financial years starting on or after July 1, 2009 (i.e. from January 1, 2010 for the Group).
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation" adopted by European Union on June 5, 2009: the potential impact of this interpretation is currently being evaluated.

Similarly, the Group has not opted for early application of the following standards and amendments likely to be endorsed by the European Union for application in the second half-year of 2009 or in 2010:

- Revised IFRS 1, "First-time Adoption of International Financial Reporting Standards";
- Amendments to IFRS 7, "Improving Disclosures about Financial Instruments";
- IFRIC 15, "Agreements for the Construction of Real Estate";
- IFRIC 17, "Distributions of Non-cash Assets to Owners";
- IFRIC 18, "Transfers of Assets from Customers";
- Amendments to IAS 39: "Financial Instruments: Recognition and Measurement – Eligible Hedged Items" and "Reclassification of Financial Assets – Effective Date and Transition";
- Amendments to IFRIC 9 and IAS 39 concerning embedded derivatives.

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

1.3 Valuation methods specific to interim financial statements

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

1.3.1 Employee benefits

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.

The amount of the obligation corresponding to post-employment benefits and other long-term benefits at June 30, 2009 was calculated by projection of the obligation at December 31, 2008 over one half-year, taking into account the benefits paid out and the changes in fund assets.

1.3.2 Income taxes

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

1.3.3 Greenhouse gas emission quotas

When a Group entity's estimated emissions are higher than the quotas allocated for the period less any spot or forward transactions, a provision is established to cover the excess emissions. For interim financial statements, the amount of the provision is calculated pro rata to the emission output during the half-year.

The provision is equivalent to the acquisition cost up to the amount acquired on the spot or forward markets, and based on market prices for the balance.

1.4 Management judgment and estimates

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

The estimates and assumptions used in establishing the consolidated half-year financial statements at June 30 2009 are the same as those described in note 2.2 of the consolidated financial statements at December 31, 2008.

Against the economic and financial crisis that began in 2008, mainly characterized by high volatility on the financial markets, the parameters used to prepare estimates are based on macro-economic assumptions appropriate to the very long-term cycle of Group assets. A sustained serious prolongation of this crisis could lead to revision of some of the long-term assumptions used in determining the value of assets and liabilities, and in assessment of positive and negative factors at the reporting date.

The quantities of energy delivered but neither measured nor billed are calculated at the reporting date based on consumption statistics and selling price estimates. These statistics and estimates are sensitive to the assumptions used in determining the portion of sales not billed at the closing date.

The measurement of provisions for the back-end nuclear 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 note 26.2).

These provisions amount to €37,197 million at June 30, 2009 (compared to €29,018 million at December 31, 2008) including €8,000 million for British Energy.

1.5 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 mainly 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 2009 and 2008 and the year 2008 are as follows:

(in millions of euros)	H1 2009 ⁽¹⁾	H1 2008	2008
Sales	34 897	32 239	64 279
Operating profit before depreciation and amortization	10 141	9 041	14 240

(1) Figures for first-half 2009 include the effects of consolidation of British Energy from January 5, 2009.

Note 2 - Comparability

Revised IAS 23, "Borrowing costs", came into force on January 1, 2009. This standard, which leads to a change in accounting method, requires borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset to be capitalized as part of the costs of that asset. Other borrowing costs continue to be charged to financial expenses over the relevant period.

The Group has decided to apply this standard retroactively from January 1, 2005 to ensure consistent accounting treatment for its significant investments, in particular the Flamanville 3 EPR, for which the first expenses were recognized in 2005.

As a result of this retrospective application, comparative prior year information is presented.

The impact on the Group's share of equity is €53 million at January 1, 2008 and €139 million at December 31, 2008.

The impact at January 1, 2008 principally relates to the France segment (€27 million, principally for investments in the EPR).

2.1 Impact on the consolidated income statement for the first half-year of 2008

(in millions of euros)	H1 2008 as published	IAS23 impacts	H1 2008 restated
Sales	32 239	-	32 239
Fuel and energy purchases	(12 947)	-	(12 947)
Other external expenses	(4 296)	-	(4 296)
Personnel expenses	(5 281)	-	(5 281)
Taxes other than income taxes	(1 562)	-	(1 562)
Other operating income and expenses	888	-	888
Operating profit before depreciation and amortization	9 041		9 041
Net depreciation and amortization	(2 811)	(1)	(2 812)
Net increases in provisions for renewal of property, plant and equipment operated under concession	(295)	-	(295)
(Impairment) / reversals	1	-	1
Other income and expenses	(22)	-	(22)
Operating profit	5 914	(1)	5 913
Cost of gross financial indebtedness	(761)	-	(761)
Discount expense	(1 420)	-	(1 420)
Other financial income and expenses	674	41	715
Financial result	(1 507)	41	(1 466)
Income before taxes of consolidated companies	4 407	40	4 447
Income taxes	(1 428)	(14)	(1 442)
Share in income of companies accounted for under the equity method	185	6	191
Group net income	3 164	32	3 196
Minority interests	79	1	80
EDF net income	3 085	31	3 116

2.2 Impact on the consolidated balance sheet at December 31, 2008

ASSETS (in millions of euros)	12.31.2008 as published	IAS23 impacts	12.31.2008 restated
Goodwill	6 807	-	6 807
Other intangible assets	3 076	23	3 099
Property, plant and equipment operated under French public electricity distribution concessions	41 213	-	41 213
Property, plant and equipment operated under concessions for other activities	26 957	2	26 959
Property, plant and equipment used in generation and other tangible assets owned by the Group	39 245	158	39 403
Investments in companies accounted for under the equity method	2 819	33	2 852
Non-current financial assets	18 103	-	18 103
Deferred tax assets	2 912	(12)	2 900
Non-current assets	141 132	204	141 336
Current assets	59 154	-	59 154
Assets classified as held for sale	2	-	2
TOTAL ASSETS	200 288	204	200 492
EQUITY AND LIABILITIES (in millions of euros)	12.31.2008 as published	IAS23 impacts	12.31.2008 restated
Capital	911		911
Consolidated reserves and income	22 147	139	22 286
Equity (EDF share)	23 058	139	23 197
Minority interests	1 784	17	1 801
Total Equity	24 842	156	24 998
Non-current provisions	43 415		43 415
Grantors' rights in existing assets operated under French public electricity distribution concessions	19 025	-	19 025
Grantors' rights in assets operated under French public electricity distribution concessions to be replaced	19 491	-	19 491
Non-current financial liabilities	25 584	-	25 584
Other liabilities	5 628	-	5 628
Deferred tax liabilities	4 086	48	4 134
Non-current liabilities	117 229	48	117 277
Current liabilities	58 217		58 217
Liabilities related to assets classified as held for sale	-	-	-
TOTAL EQUITY AND LIABILITIES	200 288	204	200 492

2.3 Impact on the consolidated cash flow statement

(in millions of euros)	H1 2008 as published	IAS23 impacts	H1 2008 restated
Operating activities :			
Income before tax from consolidated companies	4 407	40	4 447
Accumulated depreciation and amortization, provisions and change in fair value	3 220	1	3 221
Financial income and expenses	269	(41)	228
Dividends received from companies accounted for under the equity method	95	-	95
Capital gains/losses	(161)	-	(161)
Change in working capital	(1 835)	-	(1 835)
Net cash flow from operations	5 995	-	5 995
Net financial expenses disbursed	(445)	-	(445)
Income taxes paid	(1 027)	-	(1 027)
Net cash flow from operating activities	4 523	-	4 523
Net cash flow used in investing activities	(7 168)	-	(7 168)
Net cash flow from financing activities	1 194	-	1 194
Net increase/(decrease) in cash and cash equivalents	(1 451)	-	(1 451)
Cash and cash equivalents - opening balance	6 035	-	6 035
Effect of currency fluctuations	(33)	-	(33)
Financial income on cash and cash equivalents	93	-	93
Effect of other reclassifications	(7)	-	(7)
Cash and cash equivalents - closing balance	4 637	-	4 637

Note 3 - British Energy

3.1 Takeover of British Energy

On January 5, 2009, on completion of the purchase offer made on November 5, 2008 by Lake Acquisitions Ltd, a wholly-owned EDF Group subsidiary, the EDF Group took control of British Energy.

At that date, Lake Acquisitions held or had received valid acceptances for 1,550,102,522 shares in British Energy, representing 96.44% of British Energy's issued share capital.

Also on January 5, 2009 British Energy submitted an application to the UK market authorities for the cancellation of listing of British Energy shares. This cancellation took effect on February 3, 2009.

On January 12, 2009, Lake Acquisitions announced the posting of compulsory acquisition notices to British Energy shareholders who had not yet accepted the offers. British Energy shareholders had until February 23, 2009 to accept the initial offers, after which their shares were acquired by Lake Acquisitions under the terms of the compulsory acquisition notice.

Following completion of these operations, Lake Acquisitions thus holds 1,611,519,535 shares, representing all the share capital of British Energy except for the Special Share held by the UK government.

3.2 Acquisition price

The acquisition cost for British Energy including the 26.5% purchased in September 2008 amounts to £12,603 million, the equivalent of €13,468 million based on the exchange rate in force at the date control was acquired (January 5, 2009: £1 = €1.0686), comprising:

- a cash payment of £12,180 million (€13,016 million);
- issuance of 389,982,701 million CVR-linked Nuclear Power Notes maturing in 2019 under the alternative offer to previous British Energy shareholders, limited to 32.28% of the total number of British Energy shares acquired. The CVR-linked Nuclear Power Note is a right to a conditional payment to be paid each year on January 31, between 2010 and 2019, depending on effective British Energy nuclear output and wholesale electricity prices in the UK. The Group has assessed their fair value at acquisition on the basis of the offer price (74 pence each).
- Expenses linked to the acquisition:

	Number of shares	Unit value in pence	Amount in millions GBP
British Energy Shares ⁽¹⁾	1 611 519 535	774	12 469
Acquisition costs			134
			<hr/> <hr/> 12 603

(1) Including 389,982,701 CVR-linked Nuclear Power Notes valued at £289 million.

Future movements in the value of CVR-linked Nuclear Power Notes will be treated as an adjustment to the acquisition price, which will become final when they reach maturity. As there has been no real active market for these instruments since their listing in January 2009, their fair value was not amended at June 30, 2009.

Most financing for the acquisition of British Energy was secured through a syndicated bank loan of £11 billion subscribed on September 23, 2008. Drawings totaling £7,345 million (€8,186 million) were made on this loan in January 2009.

£2,508 million of this loan was repaid during first-half 2009 following refinancing through the following operations:

- two bonds issued on January 23, 2009 (€4 billion);
- a private bond placement on January 26, 2009 with Qualified Institutional Buyers in the US and other investors outside the US (\$5 billion);
- two bonds issued on the Swiss market on March 3, 2009 (CHF 650 million);
- a bond issued on June 2, 2009 (£1.5 billion).

At June 30, 2009, the outstanding balance of the syndicated loan was £4,837 million.

For details of these bonds, see note 28.2.

3.3 Allocation of the acquisition price

British Energy's identifiable assets and liabilities and contingent liabilities qualifying for recognition under IFRS 3 (as published in 2004), whether or not they were previously recognized in British Energy's financial statements, were recognized by EDF at fair value at the acquisition date of January 5, 2009. These provisional values are based on the initial balance sheet at January 5, 2009.

In compliance with IFRS 3 (2004), the Group has 12 months to finalize allocation of the acquisition price and harmonize accounting methods and measurement principles.

3.4 Items in the initial British Energy balance sheet for the EDF Group consolidation

After determination of the fair values of assets and liabilities, the initial British Energy balance sheet at January 5, 2009 is as follows:

	In millions of pounds		In millions of euros	
	As published by British Energy	Fair value adjustment	Initial balance sheet in EDF consolidation	Initial balance sheet in EDF consolidation (1)
ASSET				
Goodwill	321	(321)	-	-
Property, plant and equipment used in generation and other owned by the group	1 657	7 547	9 204	9 835
Conversion assets	6 455	(6 455)	-	-
Other intangible assets	48	623	671	717
Non-current financial assets	5 520	-	5 520	5 899
Non-current assets	14 001	1 394	15 395	16 451
Inventories	1 289	593	1 882	2 011
Trade receivables	610	-	610	653
Current financial assets	34	-	34	37
Cash and cash equivalents	1 224	-	1 224	1 308
Current assets	3 157	593	3 750	4 009
TOTAL ASSETS	17 158	1 987	19 145	20 460
LIABILITIES				
Provisions for back-end nuclear fuel cycle	2 436	-	2 436	2 603
Provisions for decommissioning and for last cores	4 067	398	4 465	4 770
Provisions for employee benefits	269	(257)	12	13
Other provisions	41	1 420	1 461	1 561
Non-current provisions	6 813	1 561	8 374	8 947
Non-current financial liabilities	515	84	599	640
Deferred tax liabilities	56	2 155	2 211	2 364
Non-current liabilities	571	2 239	2 810	3 004
Trade payables	612	(90)	522	559
Current financial liabilities	110	-	110	119
Current tax liabilities	18	-	18	19
Other liabilities	35	(5)	30	32
Current liabilities	775	(95)	680	729
TOTAL LIABILITIES	8 159	3 705	11 864	12 680
NET ASSET	8 999	(1 718)	7 281	7 780
Consideration			12 603	13 468
Implied Goodwill			5 322	5 688

(1) at the exchange rate of January 5 (£1 = €1.0686).

The main restatements applied in the initial balance sheet concern the following:

- Fair value of power plants and lands: +£7,547 million
The fair value of British Energy power plants has been determined using a discounted cash flow (DCF post-tax) valuation technique based on market data and the current operating lifetime of plants. The key assumptions concern:
 - electricity market prices in the UK;
 - projected electricity output, ignoring the effect of any extension to current plant lifetimes;
 - fossil and nuclear fuel costs; and
 - maintenance and investment expenses.
 The fair value determined in this way is sensitive to these key assumptions. The value of lands was measured on the basis of the most recent auctions performed by the NDA (Nuclear Decommissioning Authority).
- Removal of the conversion asset: £(6,455) million
The "conversion asset" in the British Energy financial statements resulted from conversion into shares by the Nuclear Liabilities Fund (NLF) of its right to receive a payment (the "cash sweep payment" system). This right predated the takeover. As this share in net assets has no value for the EDF Group, it does not constitute an identifiable asset at the acquisition date, and consequently is not recognized, but the new fair value

of power plants includes the effects of the agreement by the NLF to bear the cost of British Energy's long-term nuclear obligations.

- **Commodity contracts**
Most of these contracts concern purchases or sales of electricity and nuclear fuel. They are measured at fair value under IFRS 3, and the adjustment reflects the difference between market prices at January 5, 2009 and the contract prices. An asset or liability corresponding to the positive or negative fair value of energy contracts at the acquisition date has therefore been recorded. This liability will be extinguished progressively as deliveries take place at the contractual dates.
- **Other adjustments**
Other adjustments primarily relate to intangible assets related to the "British Energy" brand, lands held for sale, inventories, borrowings, contingent liabilities associated with litigation, and changes in the provision for employee benefits, adjusted to fair value.
- **Deferred taxation**
The amount corresponds to a deferred tax liability resulting from revaluation of assets, liabilities and contingent liabilities for the purposes of first consolidation of British Energy.

The goodwill generated by allocation of the acquisition price amounts to £5,322 million (€5,688 million). This goodwill primarily relates to the economic benefits stemming from the corporate know-how acquired, prospects for extension of the useful lives of existing power plants, the possibility following acquisition of British Energy of building four new nuclear power plants, and the synergies expected between British Energy and the other EDF Group entities appreciated as of today.

3.5 Commitments undertaken by EDF to meet the conditions set by the European Commission

The European Commission authorized Lake Acquisitions to acquire British Energy subject to the following conditions:

- A commitment to divest British Energy's coal-fired power plant at Eggborough and EDF Energy's gas-fired plant at Sutton Bridge;
- Withdrawal from one of the group's three high voltage grid connection agreements at Hinkley Point ;
- Sale on the market of electricity volumes ranging from 5 to 10 TWh per year over the period 2012 to 2015;
- A commitment by EDF to divest a land adjacent to British Energy nuclear plants at either Dungeness or Heysham.

3.6 Centrica-EDF Agreements

On May 11, 2009, EDF and Centrica signed a double agreement concerning a 20% investment by Centrica in EDF's nuclear operations in the UK, and the sale to EDF by Centrica of its 51% holding in SPE, Belgium's number two electricity generator and also its second-largest supplier of gas and electricity.

The key terms of the transaction are as follows:

- Centrica will acquire a proportional 20% investment in Lake Acquisitions for £2.3 billion, and will have an equivalent involvement in the UK's nuclear energy relaunch program to be developed by EDF, through construction of 4 new EPR-technology reactors. The agreement also entitles the EDF and Centrica groups to draw electricity that will be

- generated by existing British Energy plants and the New Nuclear Plants, in proportion to their investment;
- EDF will supply an additional 18 TWh of electricity to Centrica at market prices, over a 5-year period starting from 2011 (see note 11.2);
 - EDF will acquire Centrica's previous holding in SPE in Belgium for €1.3 billion (see note 23.3.1).

Completion of the agreement with Centrica remains subject to conditions, principally:

- approval for Centrica by the British competition authorities and approval for EDF by the European Commission for the acquisition of Segebel/SPE;
- concurrent implementation of the Nuclear New Build agreement in the UK;
- concurrent implementation of the agreement with Centrica concerning Segebel/SPE.

The corresponding commitments at June 30, 2009 are presented in notes 11.2 and 23.3.

3.7 British Energy's nuclear operations

The British Energy Group owns and operates eight nuclear plants in the UK with total installed capacity of 8.7 GW.

Seven of these plants use Advanced Gas-Cooled Reactor (AGR) technology: each one has two reactors with a useful life of 30 to 40 years. The plants' expected shutdown dates are between 2014 and 2023.

The eighth nuclear plant is a Pressurized Water Reactor (PWR) plant with a single reactor and a 40-year useful life. Shutdown is expected for 2035.

The total value of these eight power plants in the initial balance sheet is £8,648 million (€9,241 million) (see note 3.4).

Operation of the nuclear plants is governed by strict regulations, particularly for security and nuclear safety.

3.7.1 Nuclear fuel, provisions for back-end nuclear cycle and provisions for decommissioning and last cores

3.7.1.1 Nuclear fuel and provisions for back-end nuclear cycle

All costs related to the purchase and fabrication of nuclear fuel are included in inventories. Once the fuel is in the reactor, these costs are charged to the income statement in proportion to the amount of fuel burnt.

Inventories also incorporate back-end fuel costs (transportation, temporary storage, reprocessing and long-term storage), which are transferred to expenses in proportion to the amount of fuel burnt.

Provisions for the back-end nuclear cycle concern obligations of the British Energy Group for reprocessing and storage of spent fuel and long-term storage of radioactive waste. Their amount is based on management's best estimates of expected long-term costs, derived wherever possible from contracts or the most recent technical estimates likely to be used to meet these obligations under applicable rules. They reflect current British government policy and the existing regulatory framework.

€ million	Back-end nuclear cycle contracted	Back-end nuclear cycle uncontracted	June 30, 2009 Total
Undiscounted amounts	2 933	3 178	6 111
Discounted amounts (at the rate of 3%)	2 335	595	2 930
Provisions	2 335	440	2 775

These provisions are adjusted in each period and whenever necessary.

3.7.1.2 Provisions for decommissioning of nuclear plants and last cores

Provisions for decommissioning of nuclear plants result from management's best estimates. They cover the full cost of decommissioning and are measured on the basis of existing techniques and methods that are most likely to be used for application of regulations currently in force.

€ million	June 30, 2009
Plant decommissioning	Total
Undiscounted	10 981
Provisions (discounted at the net rate of 3%)	3 628

These provisions are updated in each period and whenever necessary.

Financing of long-term nuclear obligations (back-end nuclear cycle and plant decommissioning)

Amendments signed with the NLF following the EDF Group's acquisition of British Energy have a limited impact on the contractual financing commitments to British Energy by the UK Secretary of State and the NLF deriving from the "Restructuring Agreements" entered into by British Energy on January 14, 2005 as part of the restructuring led by the UK Government from 2005 in order to stabilize British Energy's financial position. Under the terms of the Restructuring Agreements:

- the Nuclear Liabilities Fund ("NLF"), an independent trust set up by the UK Government as part of the restructuring of British Energy, agreed (on the instructions of the Secretary of State) to fund, to the extent of its assets: (i) qualifying contingent and/or latent nuclear liabilities (including liabilities for management of spent fuel from the Sizewell B power station); and (ii) qualifying decommissioning costs for British Energy's existing nuclear power stations;
- the Secretary of State agreed to fund: (i) qualifying contingent and/or latent nuclear liabilities (including liabilities for the management of spent fuel from the Sizewell power station) and qualifying decommissioning costs related to British Energy's existing nuclear power stations, to the extent that they exceed the assets of the NLF; and (ii) subject to a cap of £2,185 million (in December 2002 monetary values, adjusted accordingly), qualifying existing liabilities for British Energy's spent fuel (including in particular liabilities for management of spent fuel from AGR plant operations prior to January 15, 2005);
- the British Energy group is responsible for funding certain excluded or disqualified liabilities (mainly liabilities incurred in connection with unsafe or careless operation of the power plants) and the obligations of British Energy, British Energy Group Ltd and British Energy Bond Finance plc to the NLF and the Secretary of State are guaranteed by the principal members of British Energy group.

British Energy has also entered into a separate contract with the Nuclear Decommissioning Authority (NDA) for management of radioactive waste resulting from operation of AGR plants after January 15, 2005 and bears no responsibility for this waste once it is transferred to a processing site at Sellafield.

Certain amendments have been made to the Restructuring Agreements, mainly reflecting British Energy's improved credit rating following the acquisition.

The specific financing terms for long-term nuclear obligations are reflected as follows in the EDF Group's financial statements:

- the obligations are reported in liabilities (provisions),
- in the assets, EDF reports receivables corresponding to the amounts repayable to settle the obligations, by either:
 - the NLF, in the case of non-contracted obligations or decommissioning obligations; or
 - the Government, in the case of contracted obligations.

The receivable related to provisions amounts to €6,403 million at June 30, 2009.

These assets are discounted at the same net 3% rate as the liabilities they will fund. The corresponding revenues are treated as financial income.

British Energy's future commitments leading to payments not covered by these assets are currently as follows:

- annual contributions to decommissioning of £20 million (indexed to inflation) over a duration limited to the useful life of the plants as defined at the date of the Restructuring Agreements.
- £150 thousand (indexed to inflation) for every tonne of uranium loaded into the Sizewell B reactor after the effective date of the Restructuring Agreements.

The amount of the provisions for these commitments is €219 million at June 30, 2009.

Note 4 - Regulatory changes in France

4.1 Hydropower concessions

Article 7 of the French Law of December 30, 2006 no 2006-1722 on water and aquatic environments removed the outgoing operator's preferential right instituted by the law of October 16, 1919 on the use of hydropower.

Article 33 of the French Law of December 30, 2006 no 2006-1771, amending the 2006 finance law, sets out the principle of an indemnity for the outgoing operator in respect of the unamortized portion of investments made during the second half of the agreement (the final 10 years at least), with the exception of investments required to return the assets in good condition at the end of the concession.

The implementation decree of September 26, 2008 no 2008-1009 clarified the terms of indemnification for work carried out prior to its publication during the second half of the concession. As required by this decree, EDF submitted a statement of the relevant expenses to the ministry for approval early in 2009, and its claim is currently being processed by the administration.

In view of these changes in regulations, the depreciation schedule has been modified from January 1, 2009 for facilities that are to be returned for nil consideration at the end of the concession and do not qualify for an indemnity. Depreciation for these items has been accelerated over the residual term of the concession when it is shorter than their technical useful life. This has led to an additional €7 million expense over the first half-year of 2009.

4.2 French laws on urban solidarity and renewal - town planning and habitat

The implementation provisions for the sections of the French solidarity and urban renewal law (*SRU - Solidarité Renouvellement Urbains*) and town planning and habitat law (*UH - Urbanisme et Habitat*) concerning connection to the public electricity distribution network introduce a new system, with the following main features:

- definition of connection operations, separating network extension from network connection, with clear identification of the beneficiaries (local authorities in charge of town planning and connected customers),
- establishment of a single price scale for all connection operations,
- direct inclusion of part of the connection price in the delivery tariff, using reduction rates applicable to the basic price scale. The portion invoiced to beneficiaries is now named "contribution" and replaces the previous systems of connection fees, participations and assets contributed for no consideration by fitters.

In 2008 a price scale was proposed to, and approved by, the French energy regulator (*CRE - Commission de Régulation de l'Énergie*). These new rules were set out in the decision published on November 20, 2008, and took effect from January 1, 2009. Contributions received in execution of this decision are treated as sales for the period concerned.

4.3 The Champsaur Commission

On April 27, 2009, the Champsaur Commission (a French government inquiry) submitted a report to the Ministries of the Economy and Ecology, in which it recommended "assigning every supplier the right of access to baseload electricity at a regulated price that reflects the economic conditions of the established fleet of nuclear plants, for a volume proportional to its client portfolio on national territory".

The Commission also proposes abolishing regulated sales tariffs for industrial clients (the "green" tariffs and some of the "yellow" tariffs), as well as the TaRTAM (transition tariff), which was implemented in 2007 and is valid until mid-2010. However, it recommends that regulated tariffs

should continue for private individuals and SME consumers (the "blue" tariffs and some of the "yellow" tariffs), while specifying that "the level of these tariffs should allow competitors to develop competing offers based on supply through regulated access to baseload generation". It also states that "customers should be able to move freely back and forth between regulated and non-regulated offers" and "all suppliers will be able to offer regulated tariff contracts".

After a phase of consultation with industry actors and the European Commission in May 2009, the relevant laws should be drawn up in the second half-year of 2009.

Note 5 - Significant events and transactions of the first half-year of 2009

5.1 General economic background and ongoing financial market crisis in France

The first half-year of 2009 saw a deterioration in the economic environment, marked by a decrease in commodity prices compared to the first half year of 2008.

International equity markets continued to decline until early March and then began a recovery sustained until the end of June against a high-volatility environment.

5.2 Alpiq and transfer of the Emosson drawing rights

On December 19, 2008, the Swiss energy groups ATEL and EOS announced their intention to merge under the name of Alpiq, with the aim of becoming Switzerland's leading energy operator. Under the terms of an agreement signed on December 18, 2008 by EDF, EOSH and CSM, the consortium of long-standing minority shareholders in Atel, EDF was to hold a 25% share in the new entity, while EOSH and CSM would each hold 31%.

In accordance with this agreement, on January 27, 2009:

- EDF contributed to Alpiq its 50% share in power and energy deriving from its 50% investment in hydroelectric development at Emosson over the residual term of existing concessions, for the sum of CHF 722 million (€481 million). EDF received 1,187,511 shares in Alpiq Holding SA in consideration of this contribution in kind;
- and EDF Alpes Investissements, wholly-owned by EDF International, purchased 554,751 shares in Alpiq from the consortium of Swiss minority shareholders, for CHF 336 million (€ 224 million) in cash.

The contribution in kind generates a €331 million pre-tax gain in the EDF group consolidated financial statements resulting from the transaction itself and impairment recognized on the assets of Emosson SA held by EDF. As this income is unusual in both nature and amount, it is included in "Other income and expenses" (see note 14).

These operations are reflected in a €705 million increase in "Investments in companies accounted for under the equity method" in the consolidated balance sheet (see note 22) and resulted in deconsolidation of Emosson SA.

5.3 EDF bond issues

Refinancing operations for the Group's investment program were actively pursued during the first six months of 2009.

Despite tensions over access to the financial markets, between January and May 2009 EDF issued several long-term bonds with total value of €10 billion. Details are presented in note 28.2.

These operations contribute to financing of the Group's strategy and early repayment of the bank loan contracted to acquire British Energy, used in January 2009.

EDF also launched a retail bond issue in France on June 17, 2009. The bond bears interest at the fixed rate of 4.5% and will be fully redeemed at the end of a 5-year period. At the end of the

subscription period, which closed on July 6, 2009, the total value of this bond issue was €3,269 million.

Note 6 - Changes in the scope of consolidation

6.1 Changes in the scope of consolidation during the first half-year of 2009

In addition to completion of the takeover of British Energy, which resulted in full consolidation of British Energy from January 5, 2009 in the EDF Energy subgroup (details in note 3), the following changes in the scope of consolidation occurred in first-half 2009:

- Germany
 - Acquisition on March 31, 2009 of 100% of Plambeck Neue Energien Windpark Fonds LX GmbH & Co.KG, Cuxhaven, Plambeck Neue Energien Windpark Fonds CI GmbH & Co.KG, Cuxhaven et Plambeck Neue Energien Windpark Fonds CIV GmbH & Co.KG, Cuxhaven , for €33 million (EDF's share: €15 million).
 - Acquisition at the end of May 2009 of 100% of Lippendorf GmbH, which owns 50% of the Lippendorf plant, and 100% of Bexbach GmbH, which owns 8.3% of the Bexbach coal-fired plant. The total acquisition price amounts to €915 million (EDF's share: €421 million). The provisional goodwill amounts to €485 million (EDF's share: €223 million). In compliance with IFRS 3, the Group has 12 months to finalize allocation of the acquisition price.
- Italy
 - Acquisition in January 2009 of the Abu Qir gas concession in Egypt, for €1,011 million* (EDF's share: €495 million).
 - Acquisition in March 2009 of a 80% investment in AMG Gas SRL, for €25 million* (EDF's share: €12 million).
 - Acquisition in March 2009 of 100% of Energiaki Thessaloriki SA (T.Power) through the 50/50 Edison-Hellenic Petroleum joint venture Elpedison BV.
- Other International
 - Purchase in March 2009 from the Polish state of 28.05% of the shares of ECK, raising EDF's holding in ECK from 66.26% to 94.31%.
 - Purchase in June 2009 from GDF SUEZ of 20% in SIA by EDF International, resulting in full ownership of SIA and a 25% holding in Estag.
- Other activities
 - Additional investment in EDF Investissements Groupe in June 2009, raising the Group's percentage of interest from 84.85% to 92.13%.

6.2 Changes in the scope of consolidation during 2008

The main changes in the scope of consolidation during 2008 are described below:

- Italy
 - Sale by Edison in April 2008 of seven thermoelectric plants.
 - Sale on May 1, 2008 of 51% of Dolomiti Edison Energy, owner of three hydropower

* 100% of the value as booked by Edison

plants in the Trento province, and on October 24, 2008 of 60% of Hydros, owner of 7 hydropower plants in Bolzano province. Both these companies remained fully consolidated.

- Formation of Edison Engineering SA, which is constructing a combined cycle gas plant at Thisvi in Greece.
 - Other international
- Purchase by EDF of shares in ECW (Poland) for €54 million after GDF Suez exercised its put option, raising the EDF Group's ownership interest from 77.52% to 99.66%.
 - Other activities
- Sale of Soprolif completed in February 2008.
- Various external growth operations by Dalkia International, including acquisition of the Praterm Group in Poland.
- Increase in EDF Energies Nouvelles' investment in Fotosolar (from 45.83% to 90%).
- Sale in December 2008 of Clemessy, a company owned by Dalkia Holding, generating a gain of €184 million. The EDF Group's share amounts to €63 million and is reported under "Investments in companies accounted for under the equity method".
- Acquisition in October 2008 of 100% of Eagle Energy Partners by EDF Trading for \$230 million (€181 million). The net assets acquired, after fair value adjustments, amount to \$238 million (€184 million). Eagle Energy Partners operates in the US, specializing in natural gas transmission and storage services, and asset optimization services on the wholesale gas and electricity markets.
- Acquisition on December 18, 2008 by EDF Production UK, a wholly-owned subsidiary of EDF, of 80% of the investments held by ATP Oil and Gas UK in three North Sea gasfields for £260 million.
- Additional investment in the capital of EDF Investissement Groupe through a €1,806 billion contribution in December 2008 to a capital increase reserved for C3, raising the Group's percentage holding from 66.67% to 84.85%.

Note 7 - Segment reporting

Segment reporting presentation complies with IFRS 8, "Operating segments", which replaced IAS 14 from January 1, 2009.

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

In accordance with IFRS 8, the breakdown used by the EDF group corresponds to the operating segments as regularly reviewed by the Management Committee. The reporting segments are:

- "**France**", which refers to EDF and its subsidiaries RTE EDF Transport and ERDF, comprising the deregulated activities (mainly Generation and Supply), network activities (Distribution and Transmission) and island activities;
- "**United Kingdom**", which comprises the entities of the EDF Energy subgroup including British Energy and EDF Development UK Ltd;
- "**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;

- **"Other international"**, which covers other gas and electricity entities located principally in continental Europe, but also in the USA, Latin America and Asia, and EDF International.
- **"Other activities"**, which groups together all the group's other investments, including Electricité de Strasbourg, Dalkia, Tiru, EDF Energies Nouvelles, EDF Trading and EDF Investissement Groupe.

The effects of introducing this new segmentation are limited, and mainly concern reassignment of entities from the former "Rest of Europe" and "Rest of the World" segments between the new segments "Other International" and "Other activities".

Segment information for the first half-year of 2008 has been restated according to the new segments.

7.1 At June 30, 2009

	France	United Kingdom	Germany	Italy	Other international	Other activities	Eliminations	Total
(in millions of euros)								
External sales	18 322	5 757	3 778	2 525	1 556	2 959	-	34 897
Inter-segment sales	273	-	10	3	54	272	(612)	-
TOTAL SALES	18 595	5 757	3 788	2 528	1 610	3 231	(612)	34 897
OPERATING PROFIT BEFORE DEPRECIATION and AMORTIZATION	5 956	1 611	655	393	297	1 229	-	10 141
OPERATING PROFIT	3 997	933	465	146	192	1 042	-	6 775
BALANCE SHEET :								
Intangible assets and property, plant and equipment	82 140	21 580	6 125	5 407	2 816	6 667	-	124 735
Investments in companies accounted for under the equity method	18	69	699	25	2 010	569	-	3 390
Goodwill	-	8 243	1 584	2 026	166	1 515	-	13 534
Other segment assets ⁽¹⁾	22 370	4 820	2 234	1 446	697	5 727	-	37 294
Assets classified as held for sale	-	21	705	-	117	-	-	843
Other non-allocated assets	-	-	-	-	-	-	-	49 416
Total Assets	104 528	34 733	11 347	8 904	5 806	14 478	-	229 212
OTHER INFORMATION:								
Investments in intangible assets and property, plant and equipment ⁽²⁾	3 408	969	222	267	135	564	-	5 565
Net depreciation and amortization	(1 993)	(678)	(185)	(237)	(103)	(187)	-	(3 383)
Impairment	-	-	(5)	(10)	(1)	(1)	-	(17)

7.2 At June 30, 2008

	France	United Kingdom	Germany	Italy	Other international	Other activities	Eliminations	Total
(in millions of euros)								
External sales	17 817	3 945	3 707	2 817	1 480	2 473	-	32 239
Inter-segment sales	221	1	18	-	55	249	(544)	-
TOTAL SALES	18 038	3 946	3 725	2 817	1 535	2 722	(544)	32 239
OPERATING PROFIT BEFORE DEPRECIATION and AMORTIZATION	6 067	587	634	457	310	986	-	9 041
OPERATING PROFIT	3 816	366	454	224	209	844	-	5 913
BALANCE SHEET :								
Intangible assets and property, plant and equipment	78 944	9 739	6 187	4 834	2 884	5 364	-	107 952
Investments in companies accounted for under the equity method	-	73	858	22	1 231	529	-	2 713
Goodwill	-	2 147	1 394	2 022	154	1 459	-	7 176
Other segment assets ⁽¹⁾	21 125	1 970	1 877	1 349	653	6 262	-	33 236
Assets classified as held for sale	-	-	6	-	-	-	-	6
Other non-allocated assets	-	-	-	-	-	-	-	51 081
Total Assets	100 069	13 929	10 322	8 227	4 922	13 614	-	202 164
OTHER INFORMATION:								
Investments in intangible assets and property, plant and equipment ⁽²⁾	2 510	596	191	162	270	383	-	4 112
Net depreciation and amortization	(1 938)	(221)	(180)	(230)	(101)	(142)	-	(2 812)
Impairment	-	-	-	(3)	-	4	-	1

(1) Other segment assets include inventories, trade receivables and other receivables.

(2) Investments in intangible assets and property, plant and equipment correspond to purchases of fixed assets reported in the statement of cash flows.

Note 8 - Sales

Sales are comprised of:

	H1 2009	H1 2008
(in millions of euros)		
Sales of energy and energy-related services	31 968	29 460
Other sales of goods and services	2 199	2 113
Change in fair value of commodity contracts	27	49
Trading	703	617
Sales	34 897	32 239

Consolidated sales are 8.2% higher than for the first half-year of 2008. They include €1,701 million of British Energy sales, and negative foreign exchange effects chiefly associated

with the movements in average exchange rates between the two semesters for the pound sterling, the Polish zloty and the Hungarian forint.

Note 9 - Fuel and energy purchases

Fuel and energy purchases comprise:

(in millions of euros)	H1 2009	H1 2008
Fuel purchases used - power generation	(5 303)	(4 673)
Energy purchases	(7 808)	(7 712)
Transmission and delivery expenses	(1 234)	(1 095)
Gain/loss on hedging operations	(245)	186
(Increase)/decrease in provisions related to nuclear fuels and energy purchases	730	347
Fuel and energy purchases	(13 860)	(12 947)

Fuel and energy purchases are €913 million or 7.1% higher than for the first half-year of 2008. They also include the €335 million effect of acquisition of British Energy, and foreign exchange effects chiefly associated with the declining value of the pound sterling and the Polish zloty.

Note 10 - Other external expenses

Other external expenses comprise:

(in millions of euros)	H1 2009	H1 2008
External services	(5 302)	(4 374)
Other purchases (excluding external services, fuel and energy)	(1 489)	(1 394)
Change in inventories and capitalized production	1 553	1 347
(Increase)/decrease in provisions on other external expenses	100	125
Other external expenses	(5 138)	(4 296)

The increase in other external expenses reflects the effect of first consolidation of British Energy (€378 million).

Note 11 - Contractual obligations and commitments

11.1 Purchase commitments

Firm irrevocable purchase commitments for commodities energy and nuclear fuels amounted to €53,481 million at December 31, 2008.

The main change since that date concerns nuclear fuel purchase commitments under British Energy's nuclear plant supply contracts, amounting to €1,682 million.

11.2 Electricity supply commitments

On December 22, 2008, the European Commission approved Lake Acquisitions Ltd's takeover of British Energy, subject to the sale of between 5 and 10 TWh of electricity on the market between 2012 and 2015. Also, under agreements concluded by EDF with Centrica in May 2009, EDF will supply an additional 18 TWh of electricity to Centrica at market prices, for a 5-year period starting from 2011 (see notes 3.5 and 3.6).

11.3 Operating contract commitments and guarantees

At June 30, 2009, commitments and guarantees for the execution of operating contracts mature as follows:

(in millions of euros)	06.30.2009			12.31.2008	
	Total	Maturity			Total
		< 1 year	1 - 5 years	> 5 years	
Satisfactory performance, completion and bid guarantees	1 348	391	865	92	1 451
Commitments related to orders for operating items*	4 973	2 835	1 573	565	4 172
Commitments related to orders for fixed assets	10 802	5 036	5 572	194	11 339
Other operating commitments	4 302	1 669	2 364	269	4 802
Operating commitments given	21 425	9 931	10 374	1 120	21 764
Operating commitments received	7 459	4 958	2 189	312	7 564

* other than commodities and energy

Commitments related to orders for fixed assets made by Edison in connection with Abu Qir (€491 million at December 31, 2008) terminated when Edison acquired the gasfield concession concerned in January 2009 (see note 6.1).

Note 12 - Taxes other than income taxes

In the first half-year of 2008, changes in the limits on French business tax, which depend on value added, led to recognition of a non-recurring €61 million reduction concerning the year 2007.

Note 13 - Other operating income and expenses

Other operating income and expenses comprise:

(in millions of euros)	H1 2009	H1 2008
Operating subsidies	1 394	950
Provision for electricity generators' contribution to the Tartam ⁽¹⁾	-	(16)
Net income on deconsolidation	2	20
Gains on disposal of property, plant and equipment	(31)	(32)
Net increase in provisions on current assets	(94)	(43)
Net increase in provisions for operating contingencies and losses	225	252
Other operating income and expenses	154	(243)
Other operating income and expenses	1 650	888

(1) *Tarif réglementé transitoire d'ajustement du marché or Transition tariff.*

Operating subsidies mainly comprise the subsidy received by EDF in respect of the Contribution to the Public Electricity Service (CSPE) introduced by the French Law of January 3, 2003. This contribution is payable by end-users (both eligible and non-eligible) and collected by network operators or electricity suppliers, which then pay it to the State.

In the financial statements, this compensation results in recognition of income of €1,380 million in the first-half year of 2009 (€941 million in first-half year of 2008). The CSPE income receivable is valued on the basis of the most probable assumptions, assessed at June 30, 2009. The increase is mainly due to the significant decline in market prices affecting the portion of CSPE that covers the differential between the cost of purchase obligations and market prices.

The French law of December 7, 2006 introduced a transition tariff (TaRTAM: *tarif réglementé transitoire d'ajustement du marché*). This tariff is automatically applicable in mainland France for two years from the date of initial application for all end-users of electricity, provided they made a formal request to their supplier by July 1, 2007. The decision of January 3, 2007 states that this transition tariff is equal to the regulated sales tariff, excluding taxes, plus 10%, 20% or 23% depending on the type of end-user electing to benefit from the transition tariff.

The French law of August 4, 2008 no 2008-776 on economic modernization prolonged the TaRTAM system to June 30, 2010. In addition to the prolongation, this law also extended

eligibility for the transition tariff to all final customers, even those who did not yet benefit from the system.

For the first half-year of 2009, EDF's contribution to the compensation paid to electricity suppliers under the transition tariff system amounts to €622 million (€215 million at June 30, 2008), offset by a reversal from the corresponding provision.

Other income and expenses include €162 million corresponding to reversals of negative fair value on British Energy commodity sales contracts recognized at the acquisition date of January 5, 2009 (see note 3.4) following their settlement.

Operations of an unusual amount or nature are reported in "Other income and expenses" (see note 14).

Note 14 - Other income and expenses

Other income and expenses for the first half-year of 2009 amount to €330 million, mainly corresponding to the net gain on EDF's contribution to Alpiq of its 50% share in power and energy drawing rights in the Emosson dam, and related expenses (note 5.2).

Other income and expenses for the first half-year of 2008 resulted in a net expense of €22 million, including €20 million corresponding to the impact in France of the IEG pension system reform.

Note 15 - Financial result

15.1 Cost of gross financial indebtedness

(in millions of euros)

	H1 2009	H1 2008
Interest expenses on financing operations	(1 301)	(794)
Ineffective portion of fair value hedges	(6)	1
Transfer to income of changes in the fair value of cash flow hedges	(8)	-
Net foreign exchange gain on indebtedness	44	32
Cost of gross financial indebtedness	(1 271)	(761)

The rise in interest expenses on financing operations mainly results from the increase in debt associated with acquisition of British Energy.

15.2 Discount expense

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

The discount expense for the first half-year of 2009 reflects the change in the discount rate at December 31, 2008 for French companies' employee benefit provisions (from 5% to 5.75%), and the €(147) million effect of first consolidation of British Energy.

Details of this expense are as follows:

(in millions of euros)

	H1 2009	H1 2008
Provisions for employee benefits	(728)	(621)
Provisions for back-end of nuclear cycle, decommissioning and last cores	(788)	(773)
Other provisions	(76)	(26)
Discount expense	(1 592)	(1 420)

15.3 Other financial income and expenses

Other financial income and expenses mainly concern interest income on bond markets, trading gains and losses and dividends on the equity markets, and the return on employee benefits fund assets. In first-half 2009 they reflect a lower return on investments. In first-half 2008, they included unrealized losses related to financial instruments whose values were affected by deteriorating situation on the financial markets.

Note 16 - Income taxes

Income taxes amount to €1,520 million at June 30, 2009. They are calculated by applying the forecast effective tax rate for 2009 to the pre-tax income at June 30, 2009.

The effective tax rate at June 30,2009 is 33.2%

The income tax payable at June 30, 2008, calculated the same way, amounted to €1,442 million. The effective tax rate at June 30, 2008 was 32.4%, taking into account Edison's recognition of an additional tax expense of €70 million following introduction of a tax on energy sector companies' profits in Italy, enacted by the decree-law of June 25, 2008.

Note 17 - Goodwill

Goodwill on consolidated companies comprises the following:

(in millions of euros)	06.30.2009	12.31.2008
Net book value at opening date	6 807	7 266
Acquisitions	5 990	138
Disposals	-	(8)
Impairment	(1)	(4)
Translation adjustments	778	(580)
Other movements	(40)	(5)
Net book value at closing date	13 534	6 807
Gross value at closing date	14 369	7 641
Accumulated impairment at closing date	(835)	(834)

The breakdown of goodwill is as follows:

(in millions of euros)	United Kingdom	Germany	Italy	Other international	Other activities	Total
At June 30, 2009	8 243	1 584	2 026	166	1 515	13 534
At December 31, 2008	1 786	1 405	2 020	160	1 436	6 807

The increase in goodwill in 2009 primarily concerns British Energy (£5,322 million or €5,688 million, determined as explained in note 3). It also includes the goodwill recorded by EnBW on acquisition of the Lippendorf and Bexbach plants in May 2009 (€223 million). Both these amounts are provisional.

No impairment indicator was identified during first-half 2009.

Note 18 - Other intangible assets

The increase in other intangible assets concerns for €495 million assets associated with the Abu Qir gasfields acquired by Edison in January 2009 (see note 6.1), and the first consolidation of British Energy (€718 million).

The balance of the increase essentially corresponds to the lower level of greenhouse gas emission rights due to rights sold and surrendered to the States during the first half-year of 2009.

Note 19 - Property, plant and equipment operated under French public electricity distribution concessions

19.1 Net value of property, plant and equipment operated under French public electricity distribution concessions

The net value of property, plant and equipment operated under French public electricity distribution concessions breaks down as follows:

(in millions of euros)	06.30.2009	12.31.2008
Property, plant and equipment	40 462	40 253
Property, plant and equipment in progress	1 170	960
Property, plant and equipment operated under French public electricity distribution concessions	41 632	41 213

19.2 Movements in property, plant and equipment operated under French public electricity distribution concessions (excluding construction in progress)

	Land & Buildings	Fossil-fired & hydropower plants	Networks	Other installations, plant, machinery & equipment & other	Total
(in millions of euros)					
Gross values at 12.31.2008	2 118	10	64 082	2 805	69 015
Increases ⁽¹⁾	17	-	1 108	85	1 210
Decreases	(10)	-	(230)	(66)	(306)
Translation adjustment	-	-	-	-	-
Changes in the scope of consolidation	-	-	-	-	-
Other movements	-	3	1	(3)	1
Gross values at 06.30.2009	2 125	13	64 961	2 821	69 920
Depreciation and impairment at 12.31.2008 ⁽¹⁾	(1 175)	(3)	(25 602)	(1 982)	(28 762)
Net depreciation	(16)	-	(76)	(49)	(141)
Disposals	10	-	199	66	275
Translation adjustment	-	-	-	-	-
Changes in the scope of consolidation	-	-	-	-	-
Other movements ⁽²⁾	(6)	(4)	(792)	(28)	(830)
Depreciation and impairment at 06.30.2009	(1 187)	(7)	(26 271)	(1 993)	(29 458)
Net values at 12.31.2008	943	7	38 480	823	40 253
Net values at 06.30.2009	938	6	38 690	828	40 462

(1) Increases also include assets contributed for nil consideration.

(2) Other movements mainly concern depreciation of assets operated under concession, booked against depreciation recorded in the special concession liabilities.

Note 20 - Property, plant and equipment operated under concessions for other activities

20.1 Net value of property, plant and equipment operated under concessions for other activities

The net value of property, plant and equipment operated under concessions for other activities

	06.30.2009	12.31.2008 (1)
(in millions of euros)		
Property, plant and equipment	26 500	25 996
Property, plant and equipment in progress	1 248	963
Property, plant and equipment operated under concessions for other activities	27 748	26 959

breaks down as follows:

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs" (see note 2).

20.2 Movements in property, plant and equipment operated under concessions for other activities (excluding construction in progress and finance-leased assets)

	Land & Buildings	Fossil-fired & hydropower plants	Networks	Other installations, plant, machinery & equipment & other	Total
(in millions of euros)					
Gross values at 12.31.2008 ⁽¹⁾	3 752	9 026	29 930	2 198	44 906
Increases	24	77	573	72	746
Decreases	(3)	(17)	(50)	(11)	(81)
Translation adjustment	55	(4)	969	27	1 047
Changes in the scope of consolidation	(179)	(49)	-	(35)	(263)
Other movements	(3)	-	(538)	7	(534)
Gross values at 06.30.2009	3 646	9 033	30 884	2 258	45 821
Depreciation and impairment at 12.31.2008 ⁽¹⁾	(1 888)	(4 699)	(10 930)	(1 393)	(18 910)
Net depreciation	(41)	(111)	(395)	(72)	(619)
Disposals	4	13	37	10	64
Translation adjustment	(15)	1	(193)	3	(204)
Changes in the scope of consolidation	71	36	-	13	120
Other movements	(2)	3	228	(1)	228
Depreciation and impairment at 06.30.2009	(1 871)	(4 757)	(11 253)	(1 440)	(19 321)
Net values at 12.31.2008	1 864	4 327	19 000	805	25 996
Net values at 06.30.2009	1 775	4 276	19 631	818	26 500

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs" (see note 2).

Property, plant and equipment operated under concessions other than French public electricity distribution concessions (see note 19) comprises concession facilities mainly located in France (transmission and hydropower), the UK, Germany and Italy.

Acceleration of depreciation for French hydropower concession assets (see note 4.1) has an impact of €7 million in the first half-year of 2009.

Note 21 - Property, plant and equipment used in generation and other tangible assets owned by the Group

21.1 Net value of property, plant and equipment used in generation and other tangible assets owned by the Group

(in millions of euros)	06.30.2009	12.31.2008 ⁽¹⁾
Property, plant and equipment owned by the Group	44 376	33 580
Property, plant and equipment in progress	6 741	5 514
Leased property, plant and equipment	301	309
Property, plant and equipment used in generation and other tangible assets owned by the Group	51 418	39 403

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

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs" (see note 2).

21.2 Movements in property, plant and equipment used in generation and other tangible assets owned by the Group (excluding construction in progress and finance-leased assets)

(in millions of euros)	Land & Buildings	Nuclear power plants	Fossil-fired & hydropower plants	Networks	Other installations, plant, machinery & equipment & other	Total
Gross values at 12.31.2008 ⁽¹⁾	12 034	46 658	14 177	1 742	8 342	82 953
Increases	245	189	126	22	732	1 314
Decreases	(40)	(131)	(51)	(16)	(76)	(314)
Translation adjustment	47	888	130	-	163	1 228
Changes in the scope of consolidation	365	9 017	544	-	221	10 147
Other movements	(26)	9	(17)	22	(104)	(116)
Gross values at 06.30.2009	12 625	56 630	14 909	1 770	9 278	95 212
Depreciation and impairment at 12.31.2008 ⁽¹⁾	(5 981)	(30 777)	(7 786)	(968)	(3 861)	(49 373)
Net depreciation	(152)	(864)	(314)	(23)	(317)	(1 670)
Disposals	20	116	46	13	61	256
Translation adjustment	7	(17)	(21)	-	(61)	(92)
Changes in the scope of consolidation	(1)	-	(2)	-	(1)	(4)
Other movements	12	1	11	(8)	31	47
Depreciation and impairment at 06.30.2009	(6 095)	(31 541)	(8 066)	(986)	(4 148)	(50 836)
Net values at 12.31.2008 ⁽¹⁾	6 053	15 881	6 391	774	4 481	33 580
Net values at 06.30.2009	6 530	25 089	6 843	784	5 130	44 376

(1) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs" (see note 2).

Changes in the scope of consolidation mainly reflect the first consolidation of British Energy (€9,836 million).

Note 22 - Investments in companies accounted for under the equity method

Investments in associates are as follows:

(in millions of euros)	06.30.2009				12.31.2008	
	Principal activity ⁽¹⁾	% voting rights held	Share of net equity	Share of net income	Share of net equity ⁽²⁾	Share of net income ⁽²⁾
Alpiq	G,D,S,T	26,06	1 499	46	803	115
Dalkia Holding	S	34,00	493	18	521	90
EVN	D	16,40	413	27	478	37
Estag	G,D	25,00	384	18	383	32
Other investments in associates			601	29	667	93
Investments in companies accounted for under the equity method			3 390	138	2 852	367

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

(2) 2008 figures have been adjusted for the impact of application of revised IAS 23, "Borrowing costs" (see note 2).

The rise in EDF's interest in Alpiq mainly results from the operations described in note 5.2, which led to a €705 million increase in the share of net equity.

Note 23 - Current and non-current financial assets

23.1 Breakdown between current and non-current financial assets

(in millions of euros)	06.30.2009			12.31.2008		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets carried at fair value with changes in fair value included in income	7 012	3	7 015	4 831	2	4 833
Available-for-sale financial assets (*)	7 769	13 891	21 660	7 925	15 187	23 112
Held-to-maturity investments ⁽¹⁾	59	478	537	78	449	527
Positive fair value of hedging derivatives	2 297	905	3 202	2 079	1 626	3 705
Loans and financial receivables ⁽¹⁾	385	7 263	7 648	416	839	1 255
Financial assets	17 522	22 540	40 062	15 329	18 103	33 432

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

(*) net of impairment: €585 million at June 30, 2009 (€530 million at December 31, 2008).

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

23.2 Details of financial assets

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

(in millions of euros)	06.30.2009	12.31.2008
Derivatives - positive fair value	6 899	4 753
Fair value of derivatives held for trading ⁽¹⁾	116	80
Financial assets carried at fair value with changes in fair value included in income	7 015	4 833

(1) portion classified as liquid assets

77 74

The fair value of derivatives is mostly determined on the basis of listed prices and market information.

The increase in the fair value of trading derivatives is offset by a similar effect in financial liabilities (see note 28.1).

23.2.2 Available-for-sale financial assets

(in millions of euros)	06.30.2009			12.31.2008		
	Equities *	Debt securities	Total	Equities *	Debt securities	Total
Dedicated assets of EDF	4 025	4 982	9 007	4 163	4 495	8 658
Liquid assets	5 274	1 935	7 209	4 957	1 694	6 651
Strategic investment	634	-	634	634	-	634
Other	3 549	1 261	4 810	5 166	2 003	7 169
Available-for-sale financial assets	13 482	8 178	21 660	14 920	8 192	23 112

* equities and investment funds.

The main variations of available for sale financial assets concern:

- the elimination of share in British Energy (€2,261 million) following its consolidation ;
- acquisitions totaling €4,267 million disposals totaling €3,710 million and €508 million of fair value adjustment due to the slight recovery on the financial markets between December 31, 2008 and June 30, 2009.

"Strategic shares" are shares held in Constellation Energy Group which valuation methodology remains the same as at December 31, 2008.

During the first half-year of 2009, changes in the fair value of available-for-sale financial assets were recorded in equity (EDF share) over the period as follows:

- At June 30, 2009:

(in millions of euros)	Gross changes in fair value recorded in equity ⁽¹⁾	Taxes related to gross changes in fair value recorded in equity	Changes after taxes in fair value recorded in equity ⁽¹⁾	Gross changes in fair value transferred to income ⁽²⁾	Taxes related to changes in fair value transferred to income	Changes after taxes in fair value transferred to income ⁽²⁾
Available for sale financial assets - equities	337	(85)	252	(46)	10	(36)
Available for sale financial assets - debts	46	(15)	31	2	(1)	1
Liquid assets	(5)	1	(4)	(1)	-	(1)
Other	21	(8)	13	(2)	1	(1)
Available-for- sale financial assets	399	(107)	292	(47)	10	(37)

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

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

In first-half 2009, gross changes in fair value recorded in equity (EDF share) principally concern:

- EDF (€361 million, including €307 million for dedicated assets);
- EnBW (€(67) million).
- EDF International (€108 million)

These changes reflect the slight improvement observed on the financial markets since December 31, 2008.

No significant impairment was recorded by EDF in the first half-year of 2009.

- At June 30, 2008:

	Gross changes in fair value recorded in equity ⁽¹⁾	Taxes related to gross changes in fair value recorded in equity	Changes after taxes in fair value recorded in equity ⁽¹⁾	Gross changes in fair value transferred to income ⁽²⁾	Taxes related to changes in fair value transferred to income	Changes after taxes in fair value transferred to income ⁽²⁾
(in millions of euros)						
Available for sale financial assets - equities	(1 323)	374	(949)	173	(59)	114
Available for sale financial assets - debts	(86)	28	(58)	-	-	-
Liquid assets	4	(2)	2	18	(6)	12
Other	1	-	1	4	(1)	3
Available-for- sale financial assets	(1 404)	400	(1 004)	195	(66)	129

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

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

23.2.2.1 EDF's dedicated asset portfolio

The key features of the portfolio and the principles governing its management are presented in the financial statements at December 31, 2008.

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:

	Fair value 06.30.2009	Fair value 12.31.2008
(in millions of euros)		
North American equities	229	222
European equities	249	235
Japanese equities	21	19
Worldwide bonds	673	670
Total Reserved investment funds	1 172	1 146
Securities	192	157
Equities-based unit trusts	2 253	2 145
Equities	2 445	2 302
Securities	4 982	4 495
Short-term unit trusts	228	597
Bonds	5 210	5 092
Monetary investment funds	180	118
Total Other financial investments	7 835	7 512
Dedicated investment funds	9 007	8 658

In view of market conditions, allocations to the portfolio have been suspended since September 2008. Cash allocations to dedicated assets during first-half 2008 amounted to a total of €1,272 million.

23.2.2.2 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 €5,274 million at June 30, 2008 (€4,957 million at December 31, 2008).

23.2.2.3 Other securities

At June 30, 2009, other securities mainly include:

- at EnBW, €1,303 million in available-for-sale assets – debt instruments including €1,039 million of reserved funds and €964 million in available-for-sale assets – equities, including €482 million of reserved funds;
- at EDF, shares in Areva amounting to €356 million.

The decrease in this item since December 31, 2008 is essentially attributable to consolidation of British Energy. The shares in British Energy acquired in September 2008 were recognized in the group's balance sheet at the value of €2,261 million.

23.2.2.4 Loans and financial receivables

Since January 5, 2009, the date of first consolidation of British Energy, "Loans and financial liabilities" have included assets receivable from the NLF and the british government at a total of €6,403 million (£5,460 million).

For details of financing of British Energy's long-term nuclear obligations, see note 3.7.2.

23.3 Investment commitments

Commitments related to investments are as follows:

(in millions of euros)	06.30.2009			12.31.2008	
	Total	Maturity		Total	
		< 1 year	1 - 5 years	> 5 years	
Investment commitments	8 818	6 383	2 435	-	18 783
Other financing commitments given	303	197	90	16	338
Other financing commitments received	2 639	2 638	1	-	255

23.3.1 Investment commitments

The chief commitments executed in the first half-year of 2009 concern:

- completion of the purchase offer for British Energy, which was recorded as a share purchase commitment for £9,875 million (€10,367 million) (see note 3).
- contribution in January 2009 to Alpiq of the drawing rights to energy generated at the Emosson dam for CHF 722 million (€481 million) and cash subscription to a CHF 336 million (€224 million) capital increase by Alpiq (see note 5.2).

New investment commitments entered into during the first half-year of 2009 essentially concern the EDF group's purchase from Centrica of Segebel, which holds a 51% stake in SPE, for the sum of €1,325 million (see note 3.6). This commitment is conditional, and if the operation is successfully completed, the EDF group could be in a position to acquire some or all of the shares held by minority shareholders of SPE.

23.3.2 Other investment commitments

New commitments received during the first half-year of 2009 essentially concern the 20% investment by Centrica in Lake Acquisitions through subscription to a capital increase for a total of £2,229 million, in accordance with the agreement presented in note 3.6, which remains subject to conditions.

Note 24 - Held-for-sale assets and liabilities

Held-for-sale assets and liabilities mainly result from the planned disposal of assets (€703 million) and liabilities (€329 million) of Geso held by EnBW.

Note 25 - Equity

25.1 Share capital

There were no changes during the first half-year of 2009 in EDF's share capital, which amounts to €911,085,545, comprising 1,822,171,090 shares with nominal value of €0.50 each.

25.2 Treasury shares

Under the share repurchase program, for which a liquidity contract exists as required by the market regulator AMF, 1,133,373 shares were acquired during the first half-year of 2009 for a total of €44 million, and 1,150,373 shares were sold for a total of €45 million.

At June 30, 2009, treasury shares deducted from consolidated equity amount to €185 million.

25.3 Dividends

The General Shareholders' meeting of May 20, 2009 decided to distribute a dividend of €1.28 per share in circulation in respect of 2008. Interim dividends of €0.64 per share had been paid out on December 17, 2008, and the balance of €0.64 per share amounting to a total of €1,164 million was paid out on June 3, 2009.

25.4 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, 2009, there are no dilutive instruments in the EDF group.

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 2009	H1 2008 (1)
Net income attributable to ordinary shares	3 117	3 116
Net income used to calculate diluted earnings per share (in millions of euros)	3 117	3 116
Average weighted number of ordinary shares outstanding at end of period	1 819 061 130	1 820 129 840
Average weighted number of diluted shares outstanding at end of period	1 819 061 130	1 820 129 840
Earnings per share in euros :		
Net earnings per share (in euros)	1,71	1,71
Diluted earnings per share (in euros)	1,71	1,71

(1) restated in application of IAS 23.

Note 26 - Provisions

26.1 Breakdown between current and non-current provisions

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

(in millions of euros)	06.30.2009			12.31.2008		
	Current	Non-current	Total	Current	Non-current	Total
Provisions for back-end nuclear cycle	954	17 264	18 218	852	14 686	15 538
Provisions for decommissioning and last cores	325	19 368	19 693	256	13 886	14 142
Provisions for employee benefits	835	12 997	13 832	829	12 890	13 719
Other provisions	3 189	2 097	5 286	2 785	1 953	4 738
PROVISIONS	5 303	51 726	57 029	4 722	43 415	48 137

26.2 Valuation of provisions for the back-end nuclear cycle, decommissioning of nuclear plants and last cores booked by EDF in France

Provisions related to the operation of EDF's nuclear plants in France are calculated in compliance with the French Law of June 28, 2006 and the measures for its application (see notes 2.22, 5.2.1.1, 32.2.1, 32.3.1 and 32.4 to the consolidated financial statements at December 31, 2008).

The assumptions and valuation methods for EDF's provisions for the back-end nuclear cycle, decommissioning of nuclear plants and last cores are identical to those used at December 31, 2008.

An update of the three-year report on secure financing of nuclear expenses was carried out as required by law, setting out details of the adaptations necessary for accounting compliance with the laws and regulations as identified in 2008 and applied in the financial statements at December 31, 2008.

Certain regulated nuclear facilities (*Installations Nucléaires de Base*, or INB) connected to the PWR fleet in operation will be valued at the end of 2009 as part of the general revision of provisions related to decommissioning of PWR plants.

On December 19, 2008, EDF and Areva signed a long-term cooperation agreement for processing and recycling spent fuel. Under this agreement, which forms the basis for a significant portion of EDF's provisions for management of spent fuel at December 31, 2008, a processing-recycling contract covering the period 2008-2012 is to be signed by the end of 2009. The potential consequences of the exact provisions of this contract will be evaluated for the 2009 annual financial statements.

The same agreement provided for conclusion of negotiations over the practical conditions of a payment by EDF to Areva in full discharge of its share of dismantling costs for the La Hague plant, and the costs of recovery and conditioning of old waste at La Hague. An agreement signed on July 6, 2009 set the exact amounts and timing of these payments. The final installment is due by July 1, 2011.

26.3 Provisions for the back-end nuclear cycle

At June 30, 2009, the movement in provisions for the back-end nuclear cycle breaks down as follows:

	12.31.2008	Increases	Decreases		Changes in scope of consolidation	Other changes	06.30.2009
			Utilizations	Reversals			
(in millions of euros)							
Provisions for spent fuel management	8 806	461	(530)	(12)	2 207	43	10 975
Provisions for long-term radioactive waste management	6 732	209	(121)	(15)	396	42	7 243
Provisions for back-end nuclear cycle	15 538	670	(651)	(27)	2 603	85	18 218
- EDF	14 711	614	(639)	(19)	-	(87)	14 580
- subsidiaries and joint ventures	827	56	(12)	(8)	2 603	172	3 638

26.3.1 Provisions for EDF's back-end nuclear cycle in France

At June 30, 2009, the movements in these provisions break down as follows:

	12.31.2008	Increases	Decreases		Other changes	06.30.2009
			Utilizations	Reversals		
(in millions of euros)						
Provisions for spent fuel management	8 553	453	(528)	(8)	(85)	8 385
Provisions for long-term radioactive waste management	6 158	161	(111)	(11)	(2)	6 195
Provisions for back-end nuclear cycle	14 711	614	(639)	(19)	(87)	14 580

Until the contract between EDF and Areva is finalized, spent fuel management continues to be governed by the provisions contained in the framework agreement of December 19, 2008, after adjustment to the economic conditions at June 30, 2009. The corresponding expenses are measured under the economic conditions at that date and spread over a forecast disbursement schedule. A provision is booked equivalent to the discounted value (assuming 2% inflation and a 5% discount rate):

	06.30.2009		12.31.2008	
	Costs based on economic conditions at end of period	Amounts in provisions at present value	Costs based on economic conditions at year-end	Amounts in provisions at present value
(in millions of euros)				
for spent fuel management	13 510	8 385	13 675	8 553
for long-term radioactive waste management	21 663	6 195	21 464	6 158
Back-end nuclear cycle	35 173	14 580	35 139	14 711

26.3.2 Provisions for the subsidiaries and joint ventures' back-end nuclear cycle

These provisions cover obligations for reprocessing and temporary storage of spent fuel, and long-term storage, processing and removal of nuclear waste. They amount to €3,638 million at June 30, 2009 (€827 million at December 31, 2008) and concern British Energy (€2,775 million) and EnBW (€863 million). They are based on legal and regulatory obligations and the terms of operating licenses.

The provisions for British Energy's back-end nuclear cycle expenses are detailed in note 3.

26.4 Provisions for decommissioning and last cores

At June 30, 2009, the change in decommissioning and last core provisions breaks down as follows:

	12.31.2008	Increases	Decreases		Changes in scope of consolidation	Other changes	06.30.2009
			Utilizations	Reversals			
(in millions of euros)							
Provisions for decommissioning	12 445	323	(98)	-	3 485	368	16 523
Provisions for last cores	1 697	120	(67)	-	1 295	125	3 170
Provisions for decommissioning and last cores	14 142	443	(165)	-	4 780	493	19 693
of which :							
- EDF	12 469	377	(88)	-	-	-	12 758
- subsidiaries and joint ventures	1 673	66	(77)	-	4 780	493	6 935

26.4.1 Provisions for EDF's decommissioning and last cores in France

The change in EDF's decommissioning and last core provisions in France breaks down as follows:

	12.31.2008	Increases	Decreases		Other changes	06.30.2009
			Utilizations	Reversals		
(in millions of euros)						
Decommissioning provisions for fossil-fired power plants	434	19	(18)	-	-	435
Decommissioning provisions for nuclear power plants	10 360	264	(70)	-	-	10 554
Provisions for last cores	1 675	94	-	-	-	1 769
Provisions for decommissioning and last cores	12 469	377	(88)	-	-	12 758

The corresponding expenses are estimated based on the economic conditions at June 30, 2009, and spread over a forecast disbursement schedule. A provision is booked equivalent to the discounted value assuming a 2% inflation rate and a 5% discount rate.

	06.30.2009		12.31.2008	
	Costs based on economic conditions at end of period	Amounts in provisions at present value	Costs based on economic conditions at year-end	Amounts in provisions at present value
(in millions of euros)				
Decommissioning provisions for fossil-fired power plants	605	435	609	434
Decommissioning provisions for nuclear power plants	20 596	10 554	20 452	10 360
Provisions for last cores	3 678	1 769	3 566	1 675
Provisions for decommissioning and last cores	24 879	12 758	24 627	12 469

26.4.2 Provisions for decommissioning and last cores (subsidiaries)

Decommissioning commitments in respect of plants belonging to subsidiaries concern the non-nuclear power plants in Europe and the EnBW group and British Energy nuclear power plants. These costs amount to €6,935 million at June 30, 2009 (€1,673 million at December 31, 2008), and include €1,402 million for EnBW and €5,225 million for British Energy.

The provisions for decommissioning and last cores for British Energy's plants are detailed in note 3.7.

26.5 Secure financing of long-term obligations related to EDF's nuclear liabilities

26.5.1 Discount rate

The discount rate and calculation method for measuring provisions are identical to those used at December 31, 2008. The regulatory limits and sensitivity factors to the assumptions used are also unchanged.

26.5.2 Dedicated assets

In order to secure financing of long-term obligations in an increasingly open electricity market, EDF is progressively building up a portfolio of financial assets dedicated to covering long term nuclear obligations, specifically the decommissioning of the nuclear power plants and the long-term management of radioactive waste.

At June 30, 2009, the fair value of the dedicated asset portfolio amounts to €9,007 million (€8,658 million at December 31, 2008). This includes €898 million of net unrealized losses (€1,206 million at December 31, 2008) related to the crisis on the financial markets.

26.6 Provisions for employee benefits

At June 30, 2009, the changes in provisions for employee benefits are as follows:

	12.31.2008	Increases	Decreases		Changes in the scope of consolidation	Other changes	06.30.2009
			Utilization	Reversals			
(in millions of euros)							
Provisions for post-employment benefits	12 703	972	(825)	(1)	15	(57)	12 807
Provisions for other long-term benefits	1 016	65	(55)	-	-	(1)	1 025
Provisions for employee benefits	13 719	1 037	(880)	(1)	15	(58)	13 832

The change in provisions since December 31, 2008 mainly reflects variations in vested benefits, financial discounting of the obligation, payments made to external funds and benefits paid out, and the consolidation of British Energy.

26.6.1 Provisions for post-employment benefits

	France	United Kingdom	Germany	Italy	Other International	Other Activities	Total
(in millions of euros)							
Provisions at 12.31.2008	10 464	141	1 903	59	18	118	12 703
Amounts used at end of period	(407)	(41)	(50)	(6)	-	(5)	(509)
Changes in the scope of consolidation	-	14	-	1	-	-	15
Net additions	544	40	62	2	-	7	655
Translation adjustment	-	15	-	-	(1)	1	15
Other	(3)	(61)	(6)	(1)	-	(1)	(72)
Provisions at 06.30.2009	10 598	108	1 909	55	17	120	12 807

British Energy's provisions for post-employment benefits amount to €(34) million. British Energy manages two defined-benefit plans, one that covers most of the group's employees and another specific plan for employees of the Eggborough plant.

26.6.2 Provisions for other long-term employee benefits

	France	United Kingdom	Germany	Italy	Other International	Other Activities	Total
(in millions of euros)							
Provisions at 12.31.2008	956	-	15	-	23	22	1 016
Amounts used at end of period	(53)	-	-	-	-	(2)	(55)
Net additions	63	-	1	-	-	1	65
Translation adjustment	-	-	-	-	(1)	-	(1)
Other	-	-	(1)	-	-	1	-
Provisions at 06.30.2009	966	-	15	-	22	22	1 025

In the current context of changes on the financial markets, there was a marked general deterioration in the return on employee benefit fund assets in the United Kingdom. In the specific cases of the EDF Energy and British Energy pension funds, this led to an increase in the funds' accumulated deficits, which amount to £1,217 million (€1,428 million) at June 30, 2009.

Under IAS 19, losses in excess of the "corridor" could be spread over the residual duration of the assets from January 1, 2010.

26.7 Other provisions and contingent liabilities

26.7.1 Other provisions

At June 30, 2009, details of changes in other provisions are as follows:

	12.31.2008	Increases	Decreases		Changes in scope of consolidation	Other Changes	06.30.2009
			Utilizations	Reversals			
(in millions of euros)							
Provisions for contingencies related to investments	154	35	(2)	-	-	-	187
Provisions for tax liabilities	203	-	-	-	-	(1)	202
Provisions for litigation	495	35	(23)	(8)	181	18	698
Provisions for onerous contracts	241	75	(191)	(2)	1 172	35	1 330
Other	3 645	490	(1 423)	(31)	207	(19)	2 869
Other provisions	4 738	635	(1 639)	(41)	1 560	33	5 286

The heading "Other" includes in particular:

- a provision of €729 million to cover the future contribution payable by EDF under the transition tariff system (*tarif réglementé transitoire d'ajustement du marché – TARTAM*) ;
- a provision of €323 million to cover the share of the expenses relating to future work programs adopted by the *Fonds d'Amortissement des Charges d'Electrification* (sinking fund for electrification charges), mainly supported by ERDF;
- a provision of €388 million for the contribution to preserve entitlements to the benefits in the deregulated activities, related to agreements signed with the additional pension organizations;
- provisions of €181 million for greenhouse gas emission quotas;
- provisions of €246 million relating to renewable energy certificates.

The heading "Provisions for litigation" mainly includes a provision of €267 million for litigation with social security bodies.

Changes in scope of consolidation primarily concern fair value measurement of British Energy commodity sales contracts (€1,107 million) and provisions for litigation.

26.7.2 Contingent liabilities

The main development in contingent liabilities during the first half-year of 2009 concerns the litigation with Solaire Direct. On May 19, 2008, Solaire Direct filed a complaint and an application for interim measures with France's Competition Council (*Conseil de la Concurrence*), complaining of "practices by the EDF Group and its subsidiaries on the global services market for photovoltaic electricity generation », which it alleged constituted abuse of a dominant position likely to hinder the arrival and development of new entrants on that market.

In a ruling issued on April 8, 2009, France's new Competition Authority (*Autorité de la Concurrence*, which replaced the *Conseil de la Concurrence* from March 2, 2009) ordered EDF to remove all references to services offered by EDF Energies Réparties (EDF-ENR) from all its communication on the "Bleu Ciel" brand, and also forbid agents answering calls on 3929 to refer to those services. It also stipulated that information EDF possesses due to its business as a supplier of electricity at the regulated tariffs must not be shared with EDF-ENR. EDF has complied with these injunctions.

Note 27 - Specific French public electricity distribution concession liabilities for existing assets and assets to be replaced

The changes in specific concession liabilities for existing assets and assets to be replaced are as follows at June 30, 2009:

(in millions of euros)	12.31.2008	Change over the period	06.30.2009
Value in kind of assets	36 663	233	36 896
Unamortized financing by the operator	(17 638)	(147)	(17 785)
Rights in existing assets - net value	19 025	86	19 111
Amortization of financing by the grantor	8 360	279	8 639
Provision for renewal	11 131	280	11 411
Rights in assets to be replaced	19 491	559	20 050
Specific French public electricity distribution concession liabilities for existing assets and assets to be replaced	38 516	645	39 161

The valuation methods for specific concession liabilities are identical to those presented in the notes to the 2008 consolidated financial statements, particularly note 2.24, which describes the impact of an alternative calculation method. This would lead to statement of contractual obligations at the discounted value of future payments required for replacement of assets operated under concession at the end of their useful life.

Note 28 - Current and non-current financial liabilities

28.1 Breakdown between current and non-current financial liabilities

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

(in millions of euros)	06.30.2009			12.31.2008		
	Non-current	Current	Total	Non-current	Current	Total
Loans and other financial liabilities	36 484	13 455	49 939	25 416	12 035	37 451
Negative fair value of derivatives held for trading	-	4 938	4 938	-	3 232	3 232
Negative fair value of hedging derivatives	877	3 842	4 719	168	3 691	3 859
Financial liabilities	37 361	22 235	59 596	25 584	18 958	44 542

The change in the fair value of trading derivatives is similar to the one observed in financial assets (see note 23.2.1).

28.2 Loans and other financial liabilities

28.2.1 Changes in loans and other financial liabilities

(in millions of euros)	Bonds	Loans from financial institutions	Other financial liabilities	Loans related to finance leased assets	Accrued interest	Total
Less than one year	58	7 150	5 323	30	894	13 455
From one to five years	9 838	3 100	662	136	4	13 740
More than five years	21 561	853	276	51	3	22 744
Loans and financial liabilities at 06.30.2009	31 457	11 103	6 261	217	901	49 939

The Group undertook several major bond issues during the first half-year of 2009.

On January 23, 2009, EDF issued two bonds in Euros. The first is a 6-year bond totaling €2 billion, with annual coupon of 5.125%. The second is a 12-year bond totaling €2 billion with annual coupon of 6.25%.

On January 26, 2009, EDF issued a \$5 billion bond on the US market in the form of a private placement reserved for institutional investors (issue governed by Rule 144A of the US Securities and Exchange Commission), in three tranches:

- a 5-year \$1.25 billion tranche with coupon of 5.50%,
- a 10-year \$2 billion tranche with coupon of 6.50%,
- a 30-year \$1.75 billion tranche with coupon of 6.95%.

On March 3, 2009, EDF undertook bond issues on the Swiss market:

- one CHF 350 million issue with 3-year maturity and annual coupon of 2%;
- one CHF 300 million issue with 8-year maturity and annual coupon of 4%.

On June 2, 2009, EDF issued a £1.5 billion bond with 25-year maturity and annual coupon of 6.125% as part of its EMTN programme.

These operations contribute to financing of the Group's strategy and early repayment of the bank loan contracted to acquire British Energy, used in January 2009.

Edison also made drawings on credit lines (EDF's share: €661 million) essentially to finance the investment in the Abu Qir gasfields.

Loans and other financial liabilities of the Group's main entities are as follows:

(in millions of euros)	06.30.2009	12.31.2008
EDF SA and other affiliated subsidiaries *	24 527	21 303
EDF Energy**	16 268	7 668
EnBW	2 749	2 551
EDF Energies Nouvelles	2 264	1 916
Edison***	2 240	1 572
Others	1 891	2 441
Gross indebtedness	49 939	37 451

* ERDF, RTE, PEI, EDF International and EDF Investissement Groupe

** including holding companies

*** Edison stand alone

At June 30, 2009, none of these entities was in default on any borrowing.

28.2.2 Maturity of loans and other financial liabilities

(in millions of euros)	Bonds	Loans from financial institutions	Other financial liabilities	Loans related to finance leased assets	Accrued interest	Total
Less than one year	58	7 150	5 323	30	894	13 455
From one to five years	9 838	3 100	662	136	4	13 740
More than five years	21 561	853	276	51	3	22 744
Loans and financial liabilities at 06.30.2009	31 457	11 103	6 261	217	901	49 939

28.2.3 Credit lines

The Group has credit lines with various banks totaling €9,430 million at June 30, 2009 (€21,388 million at December 31, 2008).

(in millions of euros)	06.30.2009				12.31.2008
	Total	Maturity			Total
		< 1 year	1 - 5 years	> 5 years	
Confirmed credit lines	9 430	696	8 605	129	21 388

Most of the decrease since December 31, 2008 results from termination of the credit line associated with the syndicated loan of £11 billion contracted for the purchase of British Energy, due to utilizations and the applicable contractual conditions.

28.3 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)	Notes	06.30.2009	12.31.2008
Loans and other financial liabilities	28.2.1	49 939	37 451
Derivatives used to hedge liabilities		347	(381)
Cash and cash equivalents		(6 209)	(5 869)
Liquid assets	23.2.1 et 23.2.2	(7 286) ⁽¹⁾	(6 725) ⁽²⁾
Net indebtedness		36 791	24 476

(1) available-for-sale financial assets: €7,209 million, financial assets carried at fair value: €77 million.

(2) available-for-sale financial assets: €6,651 million, financial assets carried at fair value: €74 million.

28.4 Changes in net indebtedness

	H1 2009	H1 2008
(in millions of euros)		
Operating profit before depreciation and amortization (EBITDA)	10 141	9 041
Cancellation of non-monetary items included in EBITDA	(2 527)	(1 306)
Change in net working capital	335	(1 835)
Other items	146	95
Net cash flow from operations	8 095	5 995
Acquisitions of intangible assets and property, plant and equipment net of disposals	(5 481)	(4 032)
Net financial expenses disbursed	(813)	(445)
Income tax paid	(85)	(1 027)
Free cash flow	1 716	491
Financial investments	(12 293)	(1 546)
Dividends paid	(1 225)	(1 322)
Other items	33	63
Monetary increase in net indebtedness, excluding the impact of changes in scope of consolidation and exchanges rates	(11 769)	(2 314)
Effect of change in scope of consolidation	710	(19)
Effect of exchange rate fluctuations	(1 283)	354
Other non-monetary changes	27	57
Increase in net indebtedness	(12 315)	(1 922)
Net indebtedness at beginning of period	24 476	16 269
Net indebtedness at end of period	36 791	18 191

28.5 Guarantees of borrowings

Guarantees of borrowings by the Group at June 30, 2009 comprise the following:

	06.30.2009			12.31.2008	
	Total	Maturity			Total
(in millions of euros)		< 1 year	1 - 5 years	> 5 years	
Security interests in real property	2 227	184	1 131	912	2 166
Guarantees related to borrowings	365	103	34	228	429
Other financing commitments	238	111	100	27	564
Financing commitments given	2 830	398	1 265	1 167	3 159
Financing commitments received *	95	52	28	15	69

* Excluding credit lines (see note 28.2.3)

In accordance with the agreement entered into on December 17, 2008 between EDF and Constellation Energy Group (CEG), the \$600 million interim backstop borrowing facility granted by EDF to CEG has expired.

Note 29 - Derivatives and hedge accounting

Changes in the fair value of hedging derivatives recorded in equity (EDF share) break down as follows:

- at June 30, 2009:

	Gross changes in fair value recorded in equity ⁽¹⁾	Taxes related to gross changes in fair value recorded in equity	Changes after taxes in fair value recorded in equity ⁽¹⁾	Ineffectiveness	Gross changes in fair value transferred to income ⁽²⁾	Taxes related to changes in fair value transferred to income	Changes after taxes in fair value transferred to income ⁽²⁾
(in millions of euros)							
Derivatives on:							
- Interest rate hedging	1	3	4	1	-	-	-
- Exchange rate hedging	(579)	193	(386)	(1)	(221)	77	(144)
- Net foreign exchange hedging	(706)	243	(463)	-	-	-	-
- Commodities hedging	(476)	177	(299)	2	(648)	234	(414)
Hedging derivatives	(1 760)	616	(1 144)	2	(869)	311	(558)

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

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

- at June 30, 2008:

	Gross changes in fair value recorded in equity ⁽¹⁾	Taxes related to gross changes in fair value recorded in equity	Changes after taxes in fair value recorded in equity ⁽¹⁾	Ineffectiveness	Gross changes in fair value transferred to income ⁽²⁾	Taxes related to changes in fair value transferred to income	Changes after taxes in fair value transferred to income ⁽²⁾
(in millions of euros)							
Derivatives on:							
- Interest rate hedging	8	(3)	5	-	-	-	-
- Exchange rate hedging	(44)	15	(29)	(2)	(32)	11	(21)
- Net foreign exchange hedging	255	(88)	167	-	-	-	-
- Commodities hedging	2 058	(610)	1 448	(6)	108	(39)	69
Hedging derivatives	2 277	(686)	1 591	(8)	76	(28)	48

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

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

Commodity-related cash flow hedges break down as follows:

(in millions of euros)	Units of measure	06.30.2009				06.30.2009	12.31.2008	12.31.2008
		Net notionals				Fair value	Net notionals	Fair value
		< 1 year	From 1 to 5 years	> 5 years	Total		Total	
Swaps		(1)	-	-	(1)	-	-	1
Forwards/futures		43	10	-	53	(966)	35	(748)
Power	TWh	42	10	-	52	(966)	35	(747)
Forwards/futures		684	499	-	1 183	(174)	1 524	(9)
Gas	millions of therms	684	499	-	1 183	(174)	1 524	(9)
Swaps		14 772	3 942	-	18 714	(98)	19 874	(638)
Forwards/futures		244	-	-	244	(2)	477	(11)
Oil products	Thousands of barrels	15 016	3 942	-	18 958	(100)	20 351	(649)
Swaps		20	3	-	23	(457)	24	(403)
Forwards/futures		-	-	-	-	9	-	(2)
Coal	Millions of tonnes	20	3	-	23	(448)	24	(405)
Forwards/futures		9 247	9 730	-	18 977	46	17 327	(41)
CO2	Thousands of tonnes	9 247	9 730	-	18 977	46	17 327	(41)
Cash flow hedge commodity derivatives						(1 642)		(1 851)

Note 30 - Derivative instruments not recorded as hedges

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

		06.30.2009	06.30.2009	12.31.2008	12.31.2008
	Units of measure	Net notionals	Fair value	Net notionals	Fair value
(in millions of euros)					
Swaps		(2)	835	(2)	(19)
Options		14	464	13	(92)
Forwards/futures		(16)	(695)	(20)	152
Power	TWh	(4)	604	(9)	41
Swaps		26	(30)	-	8
Options		89 268	58	86 466	54
Forwards/futures		(863)	376	(1 232)	202
Gas	Millions of therms	88 431	404	85 234	264
Swaps		(9 521)	127	(13 712)	68
Options		(190)	-	1 200	8
Forwards/futures		784	(16)	1 680	(39)
Oil products	Thousands of barrels	(8 927)	111	(10 832)	37
Swaps		(59)	126	(63)	651
Options		-	-	-	-
Forwards/futures		101	(1)	87	51
Freight		16	(4)	11	75
Coal	Millions of tonnes	58	121	35	777
Swaps		(432)	(27)	-	(30)
Options		-	-	-	-
Forwards/futures		4 671	727	5 726	269
CO2	Thousands of tonnes	4 239	700	5 726	239
Embedded commodity derivatives			1		1
Non hedging commodity derivatives			1 941		1 359

These mainly include contracts held through EDF Trading's portfolio.

Note 31 - Other liabilities

Details of other liabilities are as follows:

	06.30.2009	12.31.2008
(in millions of euros)		
Advances received	5 115	4 783
Liabilities related to property, plant and equipment	1 481	2 096
Tax and social charges	6 856	6 671
Deferred income	8 274	8 027
Other	4 521	4 248
Other liabilities	26 247	25 825
	Non current	5 663
	Current	20 584
		5 628
		20 197

At June 30, 2009, deferred income includes €2,585 million (€2,317 million at December 31, 2008) of partner advances by EDF under the nuclear plant financing plans, and €2,528 million (€2,529 million at December 31, 2008) of connection fees concerning ERDF and EDF.

"Other liabilities" include liabilities related to the commitments to repurchase minority interests amounting to €228 million (€237 million at December 31, 2008). They also include the borrowings

of Domofinance, a credit institution that finances works and installations contributing to energy control, amounting to €276 million (€261 million at December 31, 2008).

Note 32 - Contribution of joint ventures

The Group holds investments in joint ventures. These investments are proportionally consolidated.

The joint ventures' contributions to the balance sheet and income statement are as follows at June 30, 2009:

	% owned	Current Assets	Non Current Assets	Current liabilities	Non current liabilities	Sales	Operating profit before depreciation and amortization
(in millions of euros)							
EnBW	46,07%	4 957	12 322	3 902	8 469	3 778	655
Edison	48,96%	1 503	6 890	1 329	2 677	2 261	353
Other		2 321	5 615	2 260	954	1 359	181
Total		8 781	24 827	7 491	12 100	7 398	1 189

Note 33 - Related parties

There have been no significant changes since December 31, 2008 in the types of transaction undertaken with related parties. In particular, the Group has significant ongoing relationships with public-sector enterprises, primarily the Areva Group for the supply, transmission and reprocessing of nuclear fuel and maintenance of nuclear plants. The Areva Group is also a supplier to the EPR (European Pressurized Reactor) project, contributing to the formation of commitments on fixed asset orders.

Note 34 - Subsequent events

34.1 Bond issues

- EDF

The retail bond issue launched by EDF on June 17, 2009 closed on July 6, 2009, raising €3,269 million for the company. Settlement of the entire operation took place on July 17, 2009, and the bonds have been listed since that date on Euronext Paris (see note 5.3).

EDF also issued "Samurai bonds" in Japan on July 9, 2009 totaling €820 million (110.4 billion yen).

- EnBW

On July 7, 2009, EnBW issued two bonds totaling €1,350 million (EDF's share: €622 million):

- one €750 million bond with 6-year maturity and annual coupon of 4.125%
- and another of €600 million with 30-year maturity and annual coupon of 6.125%.

- Edison

On July 16, 2009, Edison issued a €700 million 5-year bond (EDF's share: €342 million) as part of the launch of its EMTN program.

34.2 Approval by the German anti-cartel authorities of acquisition of EWE

On July 6, 2009, the German anti-cartel authorities announced their decision to authorize EnBW to acquire a 26% stake in EWE. The transaction was completed on July 21, 2009 for a total of approximately €2 billion (EDF's share: €0.9 billion).

34.3 Sales of shares in Light

On July 17, 2009, EDF International sold its entire residual investment in Light for the amount of 321 million brazilian reals (€116 million).

34.4 Other authorizations for EnBW

Following signature of an agreement between EnBW Erneuerbare Energien GmbH and Altus AG on July 14, 2009, a joint venture is to be formed to develop 6 windfarm projects in Germany, with total capacity of 150 MW.

STATUTORY AUDITORS' REVIEW REPORT ON THE FIRST HALF-YEAR FINANCIAL INFORMATION FOR 2009

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.

Electricité de France S.A.

Registered office: 22-30, avenue de Wagram - 75008 Paris

Statutory Auditors Report on the condensed consolidated half-year financial statements

For the six-month period ended June, 30 2009

To the Shareholders,

Following our appointment as statutory auditors by your Annual General Meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the limited review of the accompanying condensed consolidated half-year financial statements of Electricité de France S.A. for the six-month period ended June 30, 2009;
- the verification of information contained in the half-year management report.

These condensed consolidated half-year financial statements were prepared under the responsibility of the Board of Directors in the context of highly volatile financial markets, of the economic and financial crisis, which already prevailed as at the end of the year 2008, and of the difficulty to determine the future economic outlook.

Our role is to express a conclusion on these financial statements based on our limited review.

I. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited 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 limited review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated half-year financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

Without qualifying our opinion, we draw your attention to the following points described in the notes to the condensed consolidated half-year financial statements:

- the changes in accounting policies described in notes 1.2, 2 and 7 related to the application of standards Revised IAS 1 "Presentation of Financial Statements", Revised

IAS 23 “Borrowing Costs” and IFRS 8 “Operating Segments”, endorsed by the European Union which became mandatory as at January 1st 2009;

- the valuation of long-term provisions relating to nuclear electricity production as described in notes 26.2 to 26.5, results as indicated in note 1.4 from management’s best estimates. This valuation is sensitive to the assumptions made concerning costs, inflation rates, long-term discount rates, and forecast cash outflows. Changes in these parameters could lead to a material revision of the level of provisioning;
- the approach adopted by the Group to present in the balance sheet its obligation to renew property, plant and equipment used for the French public distribution of electricity, is based on the specific characteristics of concession contracts. The amount of contractual obligations as calculated and disclosed annually to the grantors is described in activity reports. As described in note 27, 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. Measurement of the concession liability is notably subject to uncertainty in terms of costs and disbursement dates.

II. Specific verification

We have also verified information given in the half-year management report on the condensed consolidated half year financial statements that were subject to our limited review. We have no matters to report as to its fair presentation and consistency with the condensed consolidated half-year financial statements.

Paris La Défense et Neuilly-sur-Seine, July 29, 2009

The Statutory Auditors

KPMG Audit
Department of KPMG S.A.

Deloitte & Associés

Jean-Luc Decornoy

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Siège social : 22-30, avenue de Wagram - 75008 Paris

Rapport des Commissaires aux comptes sur l'information financière semestrielle 2009

Période du 1er janvier 2009 au 30 juin 2009

Mesdames, Messieurs les Actionnaires,

En exécution de la mission qui nous a été confiée par votre Assemblée Générale et en application de l'article L.451-1-2 III du Code monétaire et financier, 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 2009 au 30 juin 2009, tels qu'ils sont joints au présent rapport ;
- la vérification des informations données dans le rapport semestriel d'activité. Ces comptes semestriels consolidés résumés ont été établis sous la responsabilité de votre Conseil d'administration dans un contexte de forte volatilité des marchés, de crise économique et financière, qui prévalait déjà à la clôture précédente, et caractérisé par des perspectives économiques difficiles à appréhender. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes.

I – Conclusion sur les comptes

Nous avons effectué notre examen limité selon les normes d'exercice professionnel applicables en France. Un examen limité consiste essentiellement à s'entretenir avec les membres de la direction en charge des aspects comptables et financiers et à mettre en œuvre des procédures analytiques. Ces travaux sont moins étendus que ceux requis pour un audit effectué selon les normes d'exercice professionnel applicables en France. En conséquence, l'assurance que les comptes, pris dans leur ensemble, ne comportent pas d'anomalies significatives obtenue dans le cadre d'un examen limité est une assurance modérée, moins élevée que celle obtenue dans le cadre d'un audit.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la conformité 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 :

- les changements de méthodes comptables exposés dans les notes 1.2, 2 et 7 relatifs à l'application des normes IAS 1 révisée « Présentation des états financiers », IAS 23 révisée « Coûts d'emprunts » et IFRS 8 « Secteurs opérationnels », adoptées par l'Union Européenne et d'application obligatoire à compter du 1er janvier 2009 ;
- l'évaluation des provisions de long terme liées à la production nucléaire, dont les modalités de détermination sont décrites dans les notes 26.2 à 26.5, résulte comme indiqué en note 1.4 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. La modification de certains de ces paramètres pourrait conduire à une révision significative des provisions comptabilisées ;
- l'approche privilégiée par le Groupe pour représenter au bilan ses obligations de renouvellement des biens du domaine concédé, relevant de la distribution publique d'électricité en France, 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, comme indiqué en note 27, 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.

L'évaluation des passifs de concessions est sujette à des aléas, entre autres en termes de coûts et de dates de décaissements.

II – Vérification spécifique

Nous avons également procédé à la vérification des informations données dans le rapport semestriel d'activité 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 29 juillet 2009

Les Commissaires aux comptes

KPMG Audit
Département de KPMG S.A.

Deloitte & Associés

Jean-Luc Decornoy

Michel Piette

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Tristan Guerlain

RECENT EVENTS

1 14 August 2009 – New electricity tariff introduced from 15 August

From 15 August, households will see government-regulated electricity prices (blue tariff) rise on average by 0.2 eurocents (inc. VAT) per kWh, a moderate increase of 1.9%.

As an example, the impact of the new tariff for a family living in a 100 m² dwelling would be on average from €0.50 to €1.50 (inc. VAT) per month depending on electricity uses.

For businesses and local authorities (yellow and green tariffs), the average increase will be less than 0.3 eurocents per kWh.

The differing increases for households and businesses and by tariff category aim to reduce the disparities between the various types of consumer and encourages better energy use. For example, the overall increase will be less for customers who have signed up for the "Off-peak" package rather than the "Basic" package.

Following the increase, regulated electricity prices in France will be among the lowest in Europe at 27% less than the euro-zone average for households and 34% less for businesses.

The transmission tariff contribution (CTA), previously incorporated into the tariff, will now be shown separately on electricity bills.

The new tariff concerns both electricity supply and routing operations, since it takes into account the new tariffs for using transmission and distribution grids introduced on 1 August.

According to Pierre Gadonneix, Chairman and CEO of EDF : *"This new tariff coincides with the considerable increase of EDF's investments in France, which have risen to over €7.5 billion this year, of which almost three quarters was in maintenance. This is in order to respond to the demands for quality of supply and public service and to continue to provide it's customers with competitive, CO2 free energy in the long term. The EDF Group is now the country's largest investor and a major contributor to the government's recovery plan."*

EDF remains strongly committed to its most vulnerable customers and is notably the largest contributor to the Social Housing Fund (FSL), donating €22 million in 2009.

The average rise in electricity bills for customers on the Social Tariff (TPN) will be less than the average rise in bills for domestic customers.

2 3 August 2009 – ENEL and EDF announced the creation of an equal basis joint venture for the nuclear development in Italy

Enel and EDF announced the creation of the equal basis joint venture "Sviluppo Nucleare Italia Srl" aimed at developing the feasibility studies for the construction of at least 4 advanced third generation EPR units as traced by the agreement Enel and EDF signed on 24 February during the Franco-Italian summit in Rome.

Enel and EDF will hold a 50% stake in the joint venture respectively and the company will be headquartered in Rome, Italy.

Once the studies have been completed and the necessary investment decision taken, individual companies will be instituted to build, own and operate each of the EPR power plant.

Fulvio Conti, CEO and General Manager of Enel commented: *"The creation of this joint venture lays the ground for a concrete come back of the nuclear in Italy and represents a unique opportunity for contributing to the recovery of the country's economy, creating specialized jobs and increasing employment. In the past few years Enel has been able to rebuild the nuclear skills and expertise, thanks to its international operations and we are now ready to take the lead of the Italian nuclear programme in co-operation with EDF, a world key player in this industry."*

Pierre Gadonneix Chairman and CEO of EDF said: *"EDF is delighted to be able to participate side by side with a major industrial partner such as ENEL in the relaunch of nuclear production in Italy, a secure, competitive and CO2 free source of energy. The creation of this joint venture is a definitive step forward which bears witness to the successful cooperation which EDF began with ENEL in 2007 in the ongoing construction of the EPR at Flamanville in Normandy. This partnership is in line with EDF's Group strategy aimed at strengthening its position in Europe and at being the world leader of the revival of nuclear energy."*

The agreement for the creation of the company "Sviluppo Nucleare Italia Srl" sets the two parties commitments as well as the corporate governance rules. The joint venture envisages the creation of a Board of Directors composed by eight members, four of which will be appointed by EDF, including the Chairman and the Vice-Chairman whereas the remaining four will be nominated by Enel and that includes the appointment of the CEO.

The creation of Sviluppo Nucleare Italia marks a first, substantial step towards the implementation of nuclear projects in Italy and followed the approval of the Law Decree on 9th July 2009 thus paving the way to the development of nuclear projects in Italy.

3 30 July 2009 – EDF's H1 2009 results: buoyant international business drives Group growth

- Operating results demonstrate resilience in the current economic crisis
- Performance in France impacted by increased Capex investment and exceptional events
- Strong growth in international business
- Significant contribution of British Energy to operating results
- Stable Net income (Group share)

EDF SA's Board of Directors, meeting on 29 July 2009 under the chairmanship of Pierre Gadonneix, approved the Group's summary consolidated financial statements for the first half of 2009.

<i>In millions of euros</i>	H1 2009	H1 2008*	Change	Organic growth**
Sales	34,897	32,239	+8.2%	+4.9%
EBITDA <i>(Earnings before interest, tax, depreciation and amortisation)</i>	10,141	9,041	+12.2%	+2.4%
EBIT <i>(Operating income)</i>	6,775	5,913	+14.6%	
Net income (Group share)	3,117	3,116	=	
Net income from ordinary operations***	2,926	3,096	-5.5%	

* Restated for the impact of revised IAS 23: "borrowing costs".

** Excluding scope and exchange rate effects.

*** Excluding non-recurring items.

Pierre Gadonneix, EDF Chairman and CEO, commented: *"EDF's interim results, driven by our international activities, validate the Group's growth strategy. EDF has laid the foundations for its future growth by stepping up investments in France, and by building the EPR in Flamanville – soon to be joined by another one in Penly – with the help of other major European operators. Internationally, against a backdrop of the revival of nuclear power worldwide, we aim to use our skills to promote the EPR model. Wherever we are present throughout the world, we remain true to our commitment to renewable energy and eco-efficiency. Our goal is to meet the challenges represented by security of supply, the fight against climate change and competition by taking a leading role in a consolidating sector."*

Group sales amounted to € 34.9 billion, up 8.2% and up 4.9% organically. EBITDA totalled € 10.1 billion, up 12.2% and up 2.4% organically.

Group's operating results were bolstered by the strong growth in international activities, in particular by the operating performance of British Energy, consolidated to the Group's accounts for the first time.

International & Other activities: very strong performance against a backdrop of economic crisis

International and Other activities drove growth in the Group's sales and operating income. International and Other activities sales amounted to € 16.6 billion, up 14.9%, and up 7.4% organically.

EBITDA totalled € 4.2 billion, up 40.7% and up 11.1% organically.

These strong results were driven by the consolidation of British Energy, where output improved significantly, the robust overall performance by EDF Energy, good resilience shown by the German activities and, once again, growth in EDF Trading and EDF Energies Nouvelles.

International and Other activities now account for 47% of Group sales and 41% of Group EBITDA.

Operating cash flow generated by International and Other activities financed operating investments outside France.

United Kingdom

The acquisition of British Energy substantially reinforced the Group's presence in the United Kingdom. Sales amounted to € 5.8 billion, up 15.2% organically. EBITDA totalled € 1.6 billion, up 27.8% organically, excluding the contribution from British Energy. British Energy's EBITDA totalled € 936 million, up 72.1% compared with the first half of 2008.²⁶ Nuclear output was up 34% at 27.3 TWh, thanks to the entire nuclear fleet being back to production.

EDF Energy's generation and supply activities (excluding the contribution from British Energy) recorded strong growth, thanks in large part to price rises in July 2008 and the favourable impact of the valuation of derivatives (IAS 39). Networks activities were stable, despite the economic slowdown.

Germany

In Germany, EnBW's results held up well against the backdrop of the economic slowdown. EnBW's contribution to Group sales totalled € 3.8 billion in the first half of 2009, up 1.6% organically. Its contribution to EBITDA amounted to € 655 million, up 2.2% organically.

This performance was driven by gas activities, thanks to the favourable impact from prices of 2008 contracts. EBITDA from electricity activities was stable thanks to the optimisation of the upstream portfolio, with the positive impact from derivatives helping to offset the decline in consumption by industrial customers due to the economic crisis.

The Group continued its expansion in Germany, in particular with the acquisition on 21st July 2009 of a 26% stake in EWE and the strategic partnership developed with that company in complementary regions and activities. EnBW also acquired 525 MW in thermal capacity from Eon, taking its total capacity at Lippendorf to 880 MW.

Italy

Sales in Italy were down -8.7% organically at € 2.5 billion. EBITDA amounted to € 393 million, down -13.8% organically.

The EBITDA includes a contribution of € 352 million from Edison, down -10.7% organically, with an improvement in the second quarter of 2009 compared with the first quarter.

In the midst of an economic crisis, EBITDA from Edison's electricity activities decreased by -13%, due largely to the decline in prices and volumes sold on the Stock Exchange (IPEX). Edison mitigated this impact by developing sales to end customers and by increasing hydro generation.

The strength of hydrocarbon activities continued, with EBITDA advancing by 7%, thanks largely to improved downstream margins and the big increase in production made possible by the exploitation of the Abu-Qir gas fields, where new natural gas resources have been discovered.

Edison reported a 19.6% increase in Net income.

Fenice's results were down sharply, due to the slowdown of activity in the car industry.

Other international

The Other international segment recorded a strong performance, thanks in particular to the results of subsidiaries in Central and Eastern Europe. Sales totalled € 1.6 billion, up 13.6% organically. EBITDA amounted to € 297 million, up 5.5% organically.

Growth was driven chiefly by the positive impact from prices of 2008 contracts.

Other activities

Other activities were once again buoyed by growth at EDF Trading and EDF Energies Nouvelles. Sales for this segment totalled € 3 billion, up 18.5% organically. EBITDA amounted to € 1.2 billion, up 20.1% organically.

EDF Trading's trading margins benefited from a strong performance in practically all commodities.

The impressive sales and EBITDA growth (+57%) recorded by EDF Energies Nouvelles was driven by an increase in wind generation. Solar-power capacity targets set by EDF Energies Nouvelles for the full year had already been met by the end of the first half of 2009.

In the coming years, EDF will invest as much in Renewables as in New Nuclear Build.

France: performance affected by the step-up increase in Capex to maintain the industrial base and by one-off events

In France, sales amounted to € 18.3 billion, up 2.8%. 1.3 percentage points of this growth was attributable to higher electricity sales, driven by tariff increases in August 2008. Volumes of electricity sold to end customers were virtually unchanged in the first half of 2009, at 206 TWh. Net sales on wholesale markets contracted by 4.7 TWh. Growth in natural gas sales and services accounted for 1.5 percentage points of sales growth.

EBITDA amounted to € 6 billion, down -1.8% over the period, impacted by the increase in fuel and energy purchases and, exceptionally, by labour unrest, estimated at € 270 million over the period (loss of nuclear output of -7.6 TWh). Other external expenses have increased mainly because of the acceleration of maintenance work on the nuclear plants, the development of new activities and as a result of storms in January and February 2009, the impact of which amounted to around € 150 million.

Capex in France increased by 36% to € 3.4 billion. The sustained investment effort, the intensification of maintenance work and the pursuit of the "Operational Excellence" programme enabled progress in the nuclear fleet availability factor consistent with the road map established by the Company, i.e. a target of 85% by 2011, with 81% by 2009.

Group EBIT (operating income)

Group EBIT (operating income) totalled € 6.8 billion for the six months ended 30 June 2009, up 14.6%. This includes the impact of the sale of drawing rights on the Emossion hydro power station in the first half of 2009, resulting from the establishment of Swiss utility Alpiq. It also includes the impact of the consolidation of British Energy on amortisation charges.

Net income (Group share) and net income from ordinary operations²⁷

Against a background of worsened economic conditions and despite one-off events in France, EDF reports, thanks to its buoyant international business, stable net income (Group share) of € 3.1 billion in H1 2009.

After taking into account non-recurring items linked to the creation of the Swiss utility Alpiq, current net income amounted to € 2.9 billion, down -5.5%.

Robust cash-flow generation, sound financial structure and active debt management policy

The Group's operating cash flow (FFO) amounted to € 6.9 billion in the first half of 2009, up 7.9% compared with H1 2008. The Group's operating investments totalled € 5.6 billion, up a substantial 35.3%. Free cash flow totalled € 1.7 billion, compared with € 0.5 billion in H1 2008.

The increase in net financial debt from € 24.5 billion to € 36.8 billion reflects the financing of acquisitions, including British Energy for € 10.8 billion in the first half. This amount does not take into account the net cash proceeds of € 1.2 billion linked to Centrica's investments in British Energy and EDF's investment in SPE.

The net financial expenses related to the acquisition debt for British Energy are covered by cash flow generated by British Energy.

The Group has a sound balance sheet, with a net debt/EBITDA²⁸ ratio of 2.4x.

A policy of dynamic debt management allowed the Group to extend its average maturity from 5.3 to 6.7 years, and to reduce its average cost of debt from 4.7% to 4.4%.

2009 financial outlook

The Group confirms its financial outlook for 2009.

Group EBITDA will be buoyed thanks to the improved performance of the international business and the contribution of British Energy.

EDF maintains its objective of moderate organic EBITDA growth against a difficult economic background.

Net income excluding non recurring items will not increase, on account of the Group's continued investment programme.

The Group pursues a disciplined policy of maintaining a balanced financial structure, in particular through active preparatory work on its announced divestiture programme, which should lead to a reduction in net financial debt of at least € 5 billion.

The Group aims to maintain a strong rating, with a net debt / EBITDA ratio within a 2.5-3x range.

²⁷

Excluding non-recurring items.

²⁸

12-month rolling annualised EBITDA.

APPENDIX

Consolidated Income Statements

(in millions of euros)	H1 2009	H1 2008 [*]
Sales	34 897	32 239
Fuel and energy purchases	(13 860)	(12 947)
Other external expenses	(5 138)	(4 296)
Personnel expenses	(5 758)	(5 281)
Taxes other than income taxes	(1 650)	(1 562)
Other operating income and expenses	1 650	888
Operating profit before depreciation and amortization	10 141	9 041
Net depreciation and amortization	(3 383)	(2 812)
Net increases in provisions for renewal of property, plant and equipment operated under concession	(296)	(295)
(Impairment) / reversals	(17)	1
Other income and expenses	330	(22)
Operating profit	6 775	5 913
Cost of gross financial indebtedness	(1 271)	(761)
Discount expense	(1 592)	(1 420)
Other financial income and expenses	661	715
Financial result	(2 202)	(1 466)
Income before taxes of consolidated companies	4 573	4 447
Income taxes	(1 520)	(1 442)
Share in income of companies accounted for under the equity method	138	191
Group net income	3 191	3 196
Minority interests	74	80
EDF net income	3 117	3 116

* Restated for the impact of revised IAS 23: "borrowing costs".

Consolidated balance sheets

ASSETS	06.30.2009	12.31.2008[*]
(in millions of euros)		
Goodwill	13 534	6 807
Other intangible assets	3 937	3 099
Property, plant and equipment operated under French public electricity distribution concessions	41 632	41 213
Property, plant and equipment operated under concessions for other activities	27 748	26 959
Property, plant and equipment used in generation and other assets owned by the Group	51 418	39 403
Investments in companies accounted for under the equity method	3 390	2 852
Non-current financial assets	22 540	18 103
Deferred tax assets	2 761	2 900
Non-current assets	166 960	141 336
Inventories, including work-in-process	12 013	9 290
Trade receivables	17 172	19 144
Current financial assets	17 522	15 329
Current tax assets	384	992
Other receivables	8 109	8 530
Cash and cash equivalents	6 209	5 869
Current assets	61 409	59 154
Assets classified as held for sale	843	2
TOTAL ASSETS	229 212	200 492
EQUITY AND LIABILITIES	06.30.2009	12.31.2008
(in millions of euros)		
Capital	911	911
EDF net Income and consolidated reserves	25 105	22 286
Equity (EDF share)	26 016	23 197
Minority interests	1 733	1 801
Total Equity	27 749	24 998
Provisions for back-end nuclear fuel cycle	17 264	14 686
Provisions for decommissioning and for last cores	19 368	13 886
Provisions for employee benefits	12 997	12 890
Other provisions	2 097	1 953
Non-current provisions	51 726	43 415
Grantors' rights in existing assets operated under French public electricity distribution concessions	19 111	19 025
Grantors' rights in assets operated under French public electricity distribution concessions, to be replaced	20 050	19 491
Non-current financial liabilities	37 361	25 584
Other liabilities	5 663	5 628
Deferred tax liabilities	6 739	4 134
Non-current liabilities	140 650	117 277
Provisions	5 303	4 722
Trade payables	11 087	13 957
Current financial liabilities	22 235	18 958
Current tax liabilities	1 275	383
Other liabilities	20 584	20 197
Current liabilities	60 484	58 217
Liabilities related to assets classified as held for sale	329	-
TOTAL EQUITY AND LIABILITIES	229 212	200 492

* Restated for the impact of revised IAS 23: "borrowing costs".

Consolidated cash flow statements in IFRS

(in millions of euros)	H1 2009	H1 2008 *
Operating activities :		
Income before tax from consolidated companies	4 573	4 447
Accumulated depreciation and amortization, provisions and change in fair value	2 500	3 221
Financial income and expenses	865	228
Dividends received from companies accounted for under the equity method	146	95
Capital gains/losses	(324)	(161)
Change in working capital	335	(1 835)
Net cash flow from operations	8 095	5 995
Net financial expenses disbursed	(813)	(445)
Income taxes paid	(85)	(1 027)
Net cash flow from operating activities	7 197	4 523
Investing activities :		
Acquisition of companies, net of cash acquired	(11 084)	(109)
Purchases of property, plant and equipment and intangible assets	(5 565)	(4 112)
Net proceeds from sale of property, plant and equipment and intangible assets	84	80
Changes in financial assets	(594)	(3 027)
Net cash flow used in investing activities	(17 159)	(7 168)
Financing activities :		
Issuance of borrowings	20 362	8 308
Repayment of borrowings	(8 668)	(5 752)
Dividends paid by parent company	(1 164)	(1 273)
Dividends paid to minority interests	(61)	(49)
Increase in special concession liabilities	94	112
Investment subsidies	45	20
Treasury shares	1	(172)
Net cash flow from financing activities	10 609	1 194
Net increase/(decrease) in cash and cash equivalents	647	(1 451)
Cash and cash equivalents - opening balance	5 869	6 035
Effect of currency fluctuations	(326)	(33)
Financial income on cash and cash equivalents	39	93
Effect of other reclassifications	(20)	(7)
Cash and cash equivalents - closing balance	6 209	4 637

* Restated for the impact of revised IAS 23: "borrowing costs".

Change in net indebtedness

	H1 2009	H1 2008
(in millions of euros)		
Operating profit before depreciation and amortization (EBITDA)	10 141	9 041
Cancellation of non-monetary items included in EBITDA	(2 527)	(1 306)
Change in net working capital	335	(1 835)
Other items	146	95
Net cash flow from operations	8 095	5 995
Acquisitions of intangible assets and property, plant and equipment net of disposals	(5 481)	(4 032)
Net financial expenses disbursed	(813)	(445)
Income tax paid	(85)	(1 027)
Free cash flow	1 716	491
Financial investments	(12 293)	(1 546)
Dividends paid	(1 225)	(1 322)
Other items	33	63
Monetary increase in net indebtedness, excluding the impact of changes in scope of consolidation and exchanges rates	(11 769)	(2 314)
Effect of change in scope of consolidation	710	(19)
Effect of exchange rate fluctuations	(1 283)	354
Other non-monetary changes	27	57
Increase in net indebtedness	(12 315)	(1 922)
Net indebtedness at beginning of period	24 476	16 269
Net indebtedness at end of period	36 791	18 191

Evolution of Sales

<i>In millions of euros</i>	H1 2009	H1 2008	Evolution 2009/2008	Organic growth ¹
United Kingdom	5,757	3,945	+45.9%	+15.2%
Germany	3,778	3,707	+1.9%	+1.6%
Italy	2,525	2,817	-10.4%	-8.7%
Other International ²	1,556	1,480	+5.1%	+13.6%
Other Activities	2,959	2,473	+19.7%	+18.5%
France	18,322	17,817	+2.8%	+2.8%
Total EDF Group	34,897	32,239	+8.2%	+4.9%

Quarterly Sales

<i>In millions of euros</i>	H1 2009	Q1 2009	Q2 2009
United Kingdom	5,757	3,298	2,459
Germany	3,778	2,236	1,542
Italy	2,525	1,608	917
Other International ²	1,556	899	657
Other Activities	2,959	1,841	1,118
France	18,322	11,224	7,098
Total EDF Group	34,897	21,106	13,791

1 Excluding scope and exchange rate effects.

2 As of 1st January 2009, the Group has applied IFRS 8 "Operating Segments standards". The impact of this standard is limited to the presentation of two new operating segments instead of "Rest of Europe" and "Rest of the World" reporting segments:

- "Other International" which includes all international electricity and gas activities, with the exception of the United Kingdom, Germany and Italy

- "Other activities" which includes other support or services activities: essentially Dalkia, EDF Trading, EDF Energies Nouvelles, Tiru and Electricité de Strasbourg.

Evolution of EBITDA

<i>In millions of euros</i>	H1 2009	H1 2008	Evolution 2009/2008	Organic growth ^f
United Kingdom	1,611	587	+174.4%	+27.8%
Germany	655	634	+3.3%	+2.2%
Italy	393	457	-14%	-13.8%
Other International ²	297	310	-4.2%	+5.5%
Other Activities	1,229	986	+24.6%	+20.1%
France	5,956	6,067	-1.8%	-1.8%
Total EDF Group	10,141	9,041	+12.2%	+2.4%

- 1 Excluding scope and exchange rate effects.
- 2 As of 1st January 2009, the Group has applied IFRS 8 "Operating Segments standards". The impact of this standard is limited to the presentation of two new operating segments instead of "Rest of Europe" and "Rest of the World" reporting segments:
- "Other International" which includes all international electricity and gas activities, with the exception of the United Kingdom, Germany and Italy
 - "Other activities" which includes other support or services activities: essentially Dalkia, EDF Trading, EDF Energies Nouvelles, Tiru and Electricité de Strasbourg.

4 20 July 2009 – EDF and EnBW lay the first stone of extension work at the hydroelectric power station at Iffezheim, on the Rhine, in the presence of the Prime Minister of the State of Baden-Württemberg

Pierre Gadonneix, Chairman and Chief Executive Officer of EDF, Hans Peter Villis, Chairman and Chief Executive Officer of EnBW and Günter Oettinger, Prime Minister of the State of Baden-Württemberg (south west Germany) have just laid the first stone of a new 38 MW turbine at the Iffezheim hydroelectric power station on the Rhine. The Iffezheim power station is owned and operated by RKI (Rheinkraftwerk Iffezheim GmbH), a company in which EDF and EnBW are equal shareholders. It will have a total capacity of 148 MW, once the turbine comes on stream at the beginning of 2012.

The enterprise bears witness to the successful cooperation between EDF and EnBW, Baden-Württemberg's leading energy company and Germany's third largest producer, and will allow both groups to develop synergy in hydraulic engineering. The venture is also an example of the productive collaboration enjoyed for many years with OEW, a group of local authorities in Baden-Württemberg and a joint shareholder with EDF in EnBW.

In the words of Pierre Gadonneix, EDF's Chairman and Chief Executive Officer: *"the extension of the Iffezheim hydraulic power station allows EDF and EnBW to increase their capacity to produce electricity without CO2 emissions. The venture is part of the Group's strategy to develop renewable energy, particularly hydraulic energy, which is the first renewable energy to be exploited by EDF. Thus, together with electricity from nuclear energy, hydroelectricity helps meet people's growing demands for electricity and international commitments to combat global warming."*

5 16 July 2009 – The Nam Theun 2 hydroelectric power station in Laos, built by EDF, produces its first kWh

1070 MW, has just produced its first kWh during tests on one of its six turbines. The tests were conducted by EDF in co-ordination with NTPC (Nam Theun Power Company), a

35% subsidiary of EDF, and will continue until the power station is finally brought on line, expected at the end of the year.

The Nam Theun 2 power station is equipped with four 250 MW turbines producing electricity for Thailand's power network, and two 37 MW turbines producing electricity for Laos. 95% of the energy produced will therefore be exported to Thailand via a 138 km high voltage transmission line. The remaining 5% will meet 20% of Laos's annual electricity needs.

Hydroelectricity is the first renewable energy harnessed by EDF. Nam Theun 2 is a major project for the group in Southeast Asia and employed over 9000 people when the work was at its peak, 80% of them Lao. Construction at the site was accompanied by an exemplary social and environmental commitment in collaboration with the government of Laos, local people and international financial backers, including the World Bank, the Asian Development Bank, the European Investment Bank and the Agence Française de Développement (French Development Agency).

6 15 July 2009 – Review of EDF borrowing from private investors

The bonds issued last June 17 by EDF to retail investors allowed the company to raise 3.2 billion euros.

A total of 270 000 retail investors subscribed to this loan, of whom nearly 20 000 employees and retirees of the company who account for a sum of approximately 70 million euros.

Nearly 1 in 2 investors has invested on average less than 5 000 €. The bonds have attracted strong interest in the regions: 72% of subscriptions were attributed to the provinces, while 28% of subscriptions were attributed to the Paris region.

The settlement date for the entire transaction was set for July 17, 2009. In order to ensure daily liquidity, the bonds were listed on Euronext Paris, the company having already established liquidity contracts with three banks - BNP Paribas, Calyon and Société Générale - This is to ensure continued listing.

The leading industrial investor in France, EDF will have raised 7.5 billion euros in 2009 alone, particularly for the development of non-emitting CO2 energies.

Characteristics of EDF bonds

Coupon	4.5 per cent. (gross) per annum, i.e. a yield of 4.5 per cent. ⁽¹⁾
Maturity	5 years (17 July 2014)
Aggregate nominal amount	3,268,926,000 EUR
Nominal amount	1,000 EUR The subscription amount must be a multiple of 1000 EUR
Issue and subscription price	100 per cent. (1000 EUR for each obligation subscribed)
Subscription period	Period originally scheduled for June 17 to July 10, 2009, terminated prematurely by the issuer July 6, 2009 (included)
Maturity Date and date of settlement	17 July 2009

Listing	Euronext Paris
Recommended duration of investment	5 years, any sale of bonds prior to maturity may result in a gain or a loss
Total net proceeds of the issue	3,206,922,630 EUR
Listing fee ⁽²⁾	5,500 EUR
Market making agreement	BNP Paribas, Calyon and Société Générale have signed a market making agreement with the issuer dated July 10, 2009, which includes a daily general market liquidity obligation, for the secondary market on Euronext Paris on the basis of a bid / offer spread and allowing bondholders to resell their bonds at any time.

(1) *Yield of 4.5 per cent. which represents a yield gap of 1.48 per cent. in relation to tax free government bonds of an equivalent duration as at the time of fixation of issue conditions (i.e. 3.02 per cent. as noted on May 27, 2009 at around 9 o'clock). The current yield is determined on 27 May 2009 and is only significant for a purchaser who would retain his bonds until final repayment.*

(2) *The listing fees are paid by the issuer.*

7 2 July 2009 – The Renault Nissan Alliance and EDF to test 100 electric vehicles in the Paris region in 2010

The Renault Nissan Alliance and EDF have announced the launch of a large-scale electric vehicle test in the Paris region. Under the terms of the agreement signed on October 9, 2008 by Pierre Gadonneix, CEO of EDF, and Carlos Ghosn, CEO of Renault and Nissan, the two partners plan to test the development of electric mobility for the first time in France during real-life trials in the Paris region.

For one year from September 2010, consumers, professionals and local government employees will try out 100 electric Renault-Nissan Alliance passenger cars and light commercial vehicles. They will be able to use a charging infrastructure at home, at the workplace, in car parks and on the public highway. The experiment has been made possible by a technical and financial partnership between all the public and private parties involved.

The Renault Nissan Alliance and EDF plan to use the full-scale trial to test the usage and performance of their future electric vehicles. The vehicles will be identical to the seriesproduced models scheduled for launch at the start of 2011.

This joint initiative by the Renault Nissan Alliance and EDF is supported by the Paris region and Yvelines local authorities. It was devised in close cooperation with the "Etablissement Public d'Aménagement du Mantois Seine-Aval" (EPAMSA) local planning body.

The project, called SAVE (Seine Aval Véhicules Electriques), will involve a number of private partners. A file has been submitted to the French Energy Management Agency (ADEME) as part of the invitation for expressions of interest announced on June 26, 2009. The project will be launched only after the financing necessary for its implementation has been approved.

Please also refer to section 11 ("Subsequent Events") and note 34 of the condensed consolidated half-year financial statements at 30 June 2009 included in this Supplement for additional information.

PERSONS RESPONSIBLE FOR THE SUPPLEMENT

Individual assuming responsibility for the Supplement

In the name of the Issuer

Having taken all reasonable measures for this purpose, I declare that the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

The consolidated condensed financial statements for the first half-year of 2009, prepared in accordance with IAS-IFRS standards and included in chapter 2 of the Supplement were subject to a report by the statutory auditors set forth in chapter 3 of the Supplement and which includes comments in relation to such statements.

The consolidated financial statements for the financial year ended December 31, 2008, prepared in accordance with IAS-IFRS standards, as adopted by the European Union, and included in the *Document de Référence* registered with the *Autorité des marchés financiers* (hereafter the "**AMF**") on April 14, 2009 under number D.09-0243, were subject to a report by the statutory auditors set forth in section 20.2 of such 2008 *Document de Référence* and which included comments in relation to such statements.

The consolidated financial statements for the financial year ended December 31, 2007, prepared in accordance with IAS-IFRS standards and included in the *Document de Référence* registered with the AMF on April 14, 2008 under number R.08-022, were subject to a report by the statutory auditors set forth in section 20.2 of such 2007 *Document de Référence* and which included comments in relation to such statements.

Issued in Paris, on 2 September 2009

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 (Règlement général) of the Autorité des marchés financiers (the "AMF"), in particular Articles 212-31 to 212-33, the AMF has granted to this Supplement the visa No. 09-249 on 2 September 2009. It was prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L.621-8-1-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.

In accordance with Article 212- 32 of the Règlement général of the AMF, all Notes issued or admitted pursuant to this Supplement will result in the publication of the applicable Final Terms.

RESPONSABILITE DU SUPPLEMENT

Personne qui assume la responsabilité du présent Supplément

Au nom de l'Émetteur

Après avoir pris toute mesure raisonnable à cet effet, j'atteste 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 2009, préparés conformément au référentiel IAS-IFRS et inclus au sein du chapitre 2 du Supplément, ont fait l'objet d'un rapport des contrôleurs légaux figurant au chapitre 3 du Supplément, qui contient des observations.

Les comptes consolidés de l'exercice clos le 31 décembre 2008, préparés conformément au référentiel IAS-IFRS, tel qu'adopté par l'Union Européenne, et inclus dans le Document de Référence enregistré par l'Autorité des marchés financiers (ci-après l'"AMF") en date du 14 avril 2009 sous le numéro D.09-0243, ont fait l'objet d'un rapport des contrôleurs légaux figurant à la section 20.2 dudit Document de Référence 2008, qui contient des observations.

Les comptes consolidés de l'exercice clos le 31 décembre 2007, préparés selon les normes comptables internationales et inclus dans le Document de Référence enregistré par l'AMF en date du 14 avril 2008 sous le numéro R.08-022, ont fait l'objet d'un rapport des contrôleurs légaux figurant à la section 20.2 dudit Document de Référence 2007, qui contient des observations.

A Paris, le 2 septembre 2009

*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 de ses articles 212-31 à 212-33, l'Autorité des marchés financiers (l'"AMF") a apposé le visa n° 09-249 en date du 2 septembre 2009 sur le présent Supplément. Ce Supplément a été établi par l'Emetteur et engage la responsabilité de ses signataires.

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 ni approbation de l'opportunité de l'opération, ni authentification des éléments comptables et financiers présentés.

Conformément à l'article 212-32 du règlement général de l'AMF, toute émission ou admission de titres réalisée sur la base de ce Supplément donnera lieu à la publication de conditions définitives.