PROSPECTUS SUPPLEMENT DATED 7 OCTOBER 2013

TO THE BASE PROSPECTUS DATED 17 JUNE 2013

Electricité de France

€30,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

This prospectus supplement (the "**Supplement**") is supplemental to, and must be read in conjunction with, the Base Prospectus dated 17 June 2013 (the "**Base Prospectus**") granted visa No. 13-280 on 17 June 2013 by the *Autorité des marchés financiers* (the "**AMF**") prepared by Electricité de France ("**EDF**" or the "**Issuer**") with respect to its €30,000,000,000 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 the Directive 2003/71/EC of 4 November 2003 as amended (which includes the amendments made by Directive 2010/73/EU) (the "**Prospectus Directive**").

This Supplement has been prepared pursuant to Article 16 of the Prospectus Directive and article 212-25 of the *Règlement Général* of the AMF for the purposes of incorporating the half-year management report at 30 June 2013, the condensed consolidated half-year financial statements at 30 June 2013 and 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 (www.edf.com) and may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France and at the specified offices of each of the Paying Agents.

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

To the extent applicable, and provided that the conditions of Article 212-25 I of the AMF's General Regulation are fulfilled, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this Supplement is published, have the right, according to Article 212-25 II of the AMF's General Regulation, to withdraw their acceptances by no later than 9 October 2013.

Contents of the Supplement

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.

SUMMARY

In the section "Summary" on page 9 of the Base Prospectus, at the end of Element B.12 entitled "Selected historical key financial information", a new paragraph entitled "Key figures concerning consolidated selected financial data of the Issuer as at 30 June 2013" is hereby inserted with the following:

Key figures concerning consolidated selected financial data of the Issuer as at 30 June 2013

The following figures are taken from the EDF Group's condensed consolidated half-year financial statements at 30 June 2013, which were subject to limited review and which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The comparative figures for 2012 have been restated to reflect the change of accounting method resulting from application of IAS 19 (revised) on the measurement and recognition of provisions for employee benefits, and the change in presentation of EDF Energies Nouvelles' Development and Sale of Structured Assets (DSSA) business. These figures are presented in the tables in this Half-year financial report as "H1 2012 restated".

The Group's key figures at 30 June 2013 are shown in the following table. Variations in value and percentage are calculated with reference to the restated first-half 2012 figures.

Extract from the consolidated income statements

(in millions of Euros)	H1 2013	H1 2012 restated	Variation	Variation (%)	Organic growth (%)
Sales	39,747	35,903	3,844	+10.7	+4.3
Operating profit before depreciation and amortisation (EBITDA)	9,698	9,071	627	+6.9	+6.0
Operating profit (EBIT)	5,788	5,598	190	+3.4	
Income before taxes of consolidated companies	4,121	3,801	320	+8.4	
EDF net income	2,877	2,779	98	+3.5	
Net income excluding non-recurring items(1)	3,068	2,956	112	+3.8	

(1) 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 share of net income excluding non-recurring items and the net change in fair value on Energy and Commodity derivatives, excluding trading activities, net of tax (see section 3.9).

Operating cash flow

(in millions of Euros)	H1 2013	H1 2012 restated	Variation	Variation (%)
Operating cash flow (1)	7,910	6,586	1,324	+20.1

(1) Operating cash flow is not an aggregate defined by IFRS as a measure of financial performance, and is not directly comparable with indicators of the same name reported by other companies. This indicator, also known as Funds From Operations (FFO), is equivalent to net cash flow from operating activities excluding changes in working capital, adjusted for the impact of non-recurring items, less net financial expenses disbursed and income taxes paid.

Net indebtedness

(in millions of Euros)	30/06/2013	31/12/2012 proforma(1)	31/12/2012 restated	Variation(2)	Variation (%)(2)
Net indebtedness	33,729	39,175	41,575	(7,846)	-18.9
Equity (EDF's share)	33,435	26,257	26,257	7,178	+27.3
Net indebtedness/EBITDA	2.0(3)	2.4(4)	2.6(4)		

(1) The proforma figures for 2012 have been restated to reflect the allocation of the CSPE receivable to dedicated assets on 13 February 2013 and the €2.4 billion withdrawal of assets such that the dedicated asset portfolio covers 100% of EDF's eligible nuclear liabilities.

(2) Variations in value and percentage are based on the restated figures at 31 December 2012.

(3) The ratio at 30 June 2013 is calculated based on cumulative EBITDA for the second half-year of 2012 and the first half-year of 2013, using a numerator and denominator based on a comparable scope of consolidation.

(4) The denominator of the 2012 ratios includes 100% of Edison's restated EBITDA and the restatement for application of IAS 19 (revised).

RESUME EN FRANCAIS (SUMMARY IN FRENCH)

In the section "Résumé en français (Summary in French)" on page 35 of the Base Prospectus, at the end of Element B.12 entitled "*Informations financières historiques clés sélectionnées*", a new paragraph entitled "*Informations clés concernant les données financières consolidées de l'Emetteur au 30 juin 2013*" is hereby inserted with the following:

Informations clés concernant les données financières consolidées de l'Emetteur au 30 juin 2013

Les informations financières présentées ci-dessous sont issues des comptes consolidés résumés du semestre clos le 30 juin 2013 du groupe EDF, ayant fait l'objet d'un examen limité et ont été préparés conformément aux Internationl Financial Reporting Standards tels qu'adoptés par l'Union européenne.

Les données comparatives 2012 ont été retraitées pour intégrer le changement de méthode comptable lié à l'application à compter du 1^er^ janvier 2013 de la norme IAS 19 révisée relative à l'évaluation et la comptabilisation des provisions pour avantages du personnel ainsi que du changement de présentation des activités Développement-Vente d'Actifs Structurés (DVAS) d'EDF Energies Nouvelles. Elles sont présentées dans les différents tableaux du Rapport financier semestriel sous le libellé « 1^er^ semestre 2012 retraité ».

Les chiffres clés du Groupe pour le premier semestre 2013 sont présentés ci-après. Les variations en valeur et en % sont calculées par rapport aux données retraitées du premier semestre 2012.

Extrait du compte de résultat consolidé

(En millions d'euros)	1er semestre 2013	1er semestre 2012 retraité	Variation En valeur	Variation en %	Croissance organique en %
Chiffre d'affaires	39 747	35 903	3 844	+10,7	+4,3
Excédent brut d'exploitation (EBE)	9 698	9 071	627	+6,9	+6,0
Résultat d'exploitation	5 788	5 598	190	+3,4	
Résultat avant impôt des sociétés intégrées	4 121	3 801	320	+8,4	
Résultat net part du Groupe	2 877	2 779	98	+3,5	
Résultat net courant(1)	3 068	2 956	112	+3,8	

(1) Le résultat net courant n'est pas défini par les normes IFRS et n'apparaît pas en lecture directe dans les comptes de résultat consolidés du Groupe. Il correspond au résultat net part du Groupe hors éléments non récurrents et hors variations nettes de juste valeur sur instruments dérivés Energie et Matières Premières hors activités de trading nets d'impôts (cf. § 3.9).

Cash flow opérationnel

(En millions d'euros)	1er semestre 2013	1er semestre 2012 retraité	Variation en valeur	Variation en %
Cash flow opérationnel (1)	7 910	6 586	1 324	+20,1

(1) Le cash flow opérationnel ne constitue pas un agrégat défini par les normes IFRS comme élément de mesure de la performance financière et ne peut pas être comparable aux indicateurs ainsi dénommés par d'autres entreprises. Cet indicateur, appelé également *Funds from operations* (FFO), est égal aux flux de trésorerie nets générés par l'exploitation hors variation du besoin en fonds de roulement corrigés, le cas échéant, d'effets non récurrents et diminués des frais financiers nets décaissés et de l'impôt sur le résultat payé.

Informations relatives à l'endettement financier net

(En millions d'euros)	30/06/2013	31/12/2012 proforma(1)	31/12/2012 retraité	Variation en valeur(2)	Variation en %(2)
Endettement financier net	33 729	39 175	41 575	(7 846)	-18,9
Capitaux propres – part du Groupe	33 435	26 257	26 257	7 178	+27,3
Endettement financier net/EBE	2,0(3)	2,4(4)	2,6(4)		

(1) Le proforma 2012 est retraité de l'affectation de la créance CSPE aux actifs dédiés le 13 février 2013 et du retrait de 2,4 milliards d'euros permettant 100% de couverture des passifs nucléaires d'EDF éligibles aux actifs dédiés.

(2) Les variations en valeur et en % sont calculées par rapport au 31 décembre 2012 retraité.

(3) Le ratio au 30 juin 2013 est calculé sur la base de l'EBE cumulé du second semestre 2012 et du premier semestre 2013, avec numérateur et dénominateur à périmètre comparable.

(4) Les ratios 2012 EFN/EBE comprennent au dénominateur le retraitement de l'EBE d'Edison à 100% et le retraitement lié à l'application de la norme IAS19 révisée.

HALF-YEAR MANAGEMENT REPORT

30 JUNE 2013

MANAGEMENT REPORT CONTENTS

1. KEY FIGURES

Pursuant to European regulation 1606/2002 of 19 July 2002 on the adoption of international accounting standards, the EDF group's condensed consolidated financial statements at 30 June 2013 are prepared using the presentation, recognition and measurement rules set forth in the international accounting standards published by the IASB and approved by the European Union for application at 30 June 2013. These international standards are IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and SIC and IFRIC interpretations.

The accounting and valuation methods applied by the Group are presented in note 1 to the condensed consolidated half-year financial statements at 30 June 2013.

The figures presented in this document are taken from the EDF Group's condensed consolidated half-year financial statements at 30 June 2013.

The comparative figures for 2012 have been restated to reflect the change of accounting method resulting from application of IAS 19 (revised) on the measurement and recognition of provisions for employee benefits, and the change in presentation of EDF Energies Nouvelles' Development and Sale of Structured Assets (DSSA) business. These figures are presented in the tables in this Half-year financial report as "H1 2012 restated".

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(5) The proforma figures for 2012 have been restated to reflect the allocation of the CSPE receivable to dedicated assets on 13 February 2013 and the €2.4 billion withdrawal of assets such that the dedicated asset portfolio covers 100% of EDF's eligible nuclear liabilities.

(6) Variations in value and percentage are based on the restated figures at 31 December 2012.

(7) The ratio at 30 June 2013 is calculated based on cumulative EBITDA for the second half-year of 2012 and the first half-year of 2013, using a numerator and denominator based on a comparable scope of consolidation.

(8) The denominator of the 2012 ratios includes 100% of Edison's restated EBITDA and the restatement for application of IAS 19 (revised).

2. ECONOMIC ENVIRONMENT AND SIGNIFICANT EVENTS OF FIRST-HALF 2013

2.1. ECONOMIC ENVIRONMENT

2.1.1. TRENDS IN MARKET PRICES FOR ELECTRICITY AND THE PRINCIPAL ENERGY SOURCES

Energy prices in France, Germany and Italy were lower in first-half 2013 than 2012, largely due to the sharp downturn in coal and CO_2 prices.

The decline in electricity prices was nonetheless limited by higher consumption driven by weather effects: temperatures during the first six months of 2013 registered systematically below-normal monthly averages and remained lower than the previous year despite the wave of cold weather in February 2012.

In the United Kingdom, however, where power generation is highly dependent on gas, electricity prices were up compared to first-half 2012.

2.1.1.1. Spot electricity prices in France, the United Kingdom, Italy and Germany[1]

	France	United Kingdom	Italy	Germany
Average baseload price for H1 2013 (€/MWh)	43.8	60.6	60.6	37.4
Variation in average baseload H1 prices, 2013/2012	-9.8%	+12.4%	-21.7%	-12.4%
Average peakload price for H1 2013 (€/MWh)	55.3	68.9	68.6	47.7
Variation in average baseload H1 prices, 2013/2012	-11.4%	+12.7%	-22.7%	-9.5%

The comments below concern baseload prices.

In **France**, first-half spot electricity prices stood at an average €43.8/MWh, €4.8 MWh lower than in first-half 2012, due to a substantial downturn in CO_2 emission rights prices and coal prices, and the higher hydropower output. The decrease was lower than in first-half 2012 despite the peak prices of February 2012, due to high consumption throughout the winter of 2013 caused by consistently below-normal temperatures. In May and June, improved nuclear and hydropower availability led to record lows in spot electricity prices.

In the **United Kingdom**, spot electricity prices were over 12% above first-half 2012 levels, in line

[1] France and Germany: Average previous day EPEXSPOT price for same-day delivery;
United Kingdom: Average previous day EDF Trading OTC price for same-day delivery;
Italy: Average previous day GME price for same-day delivery.

with trends in spot gas prices which reached notable peaks of over €100/MWh at the end of March, when gas prices exceeded 100p/therm.

In **Italy**, prices were down by more than 20%, principally as a result of significantly higher hydropower and wind power output and lower consumption levels.

In **Germany**, spot prices retreated by an average €5.3/MWh compared to first-half 2012, as a result of fuel price movements. The price decrease was more pronounced than in France: since demand for electricity is not highly temperature-sensitive in Germany, prices were not sustained during the early months of the year by the colder-than-normal temperatures.

2.1.1.2. Forward electricity prices in France, the United Kingdom, Italy and Germany [2]

	France	United Kingdom	Italy	Germany
Average baseload price for H1 2013 (€/MWh)	43.9	61.1	63.6	40.6
Variation in average baseload H1 prices, 2013/2012	-14.3%	+2.9%	-15.3%	-20.2%
Forward baseload price at 12 June 2013 (€/MWh)	41.9	60.4	60.6	37.5
Average peakload price for H1 2013 (€/MWh)	56.9	69.8	70.8	51.0
Variation in average peakload H1 prices, 2013/2012	-11.8%	+3.9%	-14.8%	-18.6%
Forward peakload price at 12 June 2013 (€/MWh)	55.8	69.3	67.9	47.8

European annual baseload contract prices declined on average compared to first-half 2012, principally due to falling coal and CO_2 prices. In the United Kingdom, the upturn in gas prices and the carbon tax increase nonetheless led to higher prices.

In **France**, the annual contract baseload price was 14% lower on average than in first-half 2012. The difference is mainly explained by the decline in prices for coal and CO_2 emission rights, but also by the markedly lower prices in the summer quarters, in line with actors' anticipation of wider nuclear availability than in summer 2012.

[2] France and Germany: Average year-ahead EPD price;
Italy: average year-ahead EDF trading price;
United Kingdom: Average ICE annual contract prices, April 2013 then April 2014 (in the UK, annual contract deliveries take place from 1 April to 31 March).

In the **United Kingdom**, the April Ahead baseload contract price for 1 April Y+1 to 31 March Y+2 rose by 2.9% in the wake of forward gas price movements. The fact that the carbon tax on electricity generation in the United Kingdom is due to increase by £4.9/t from 1 April 2014 is also driving this contract price up.

In **Italy**, the annual baseload contract price was lower than in first-half 2012 due to developments in fuel and CO_2 prices, and the currently more relaxed spot markets.

In **Germany**, the annual contract baseload price also fell below its first-half 2012 level, due to developments in fuel prices.

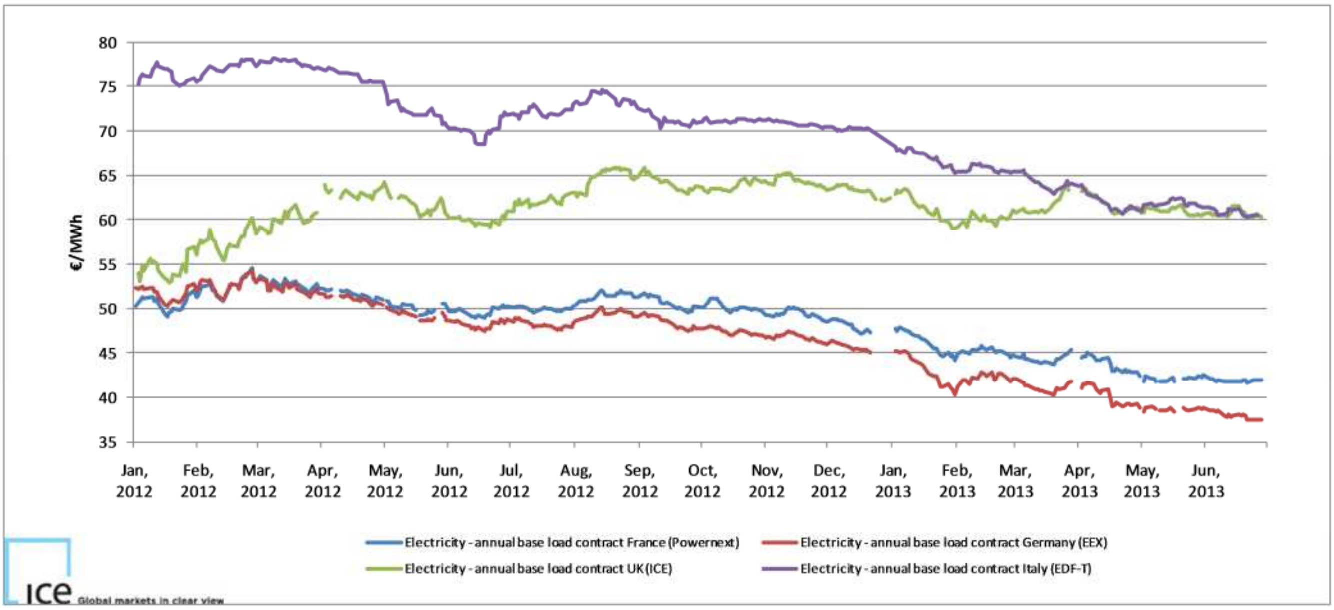
2.1.1.3. CO_2 emission rights prices[3]

The price of CO_2 emission rights for delivery in December 2013 stood at €4.3/t on average over the first half-year of 2013. Prices fell by more than 40% compared to first-half 2012, when CO_2 traded at €7.5/t.

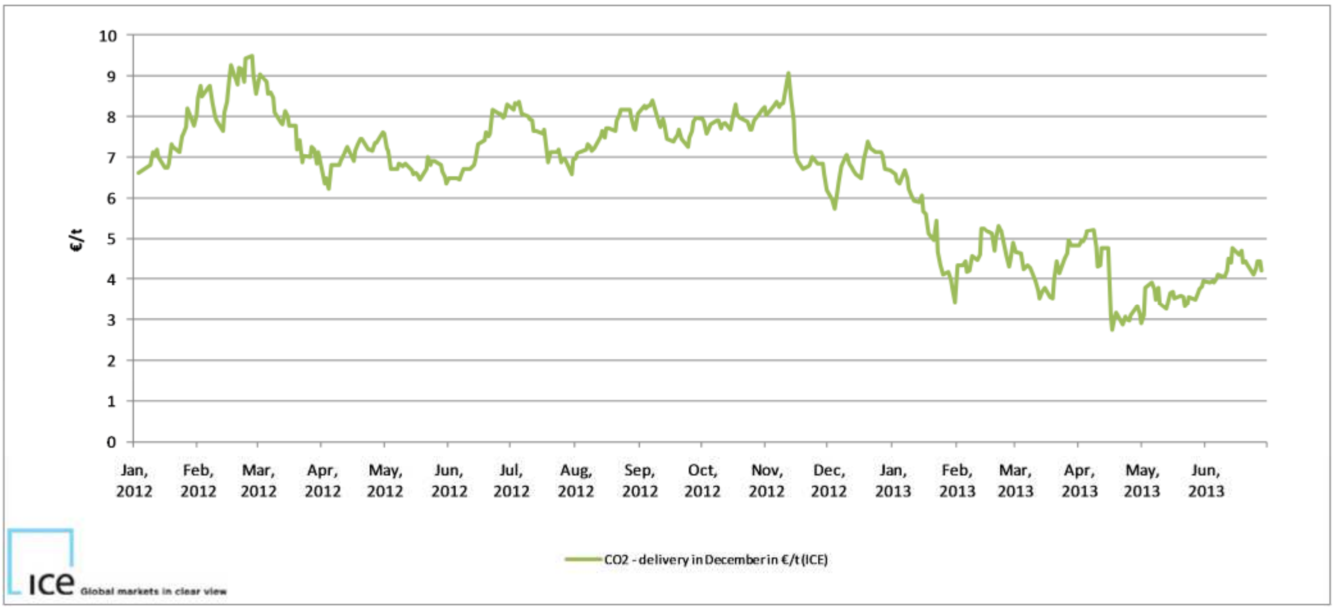
At European level, supply continued to outstrip demand overall on the market for CO_2 emission rights, and discussions took place at European Commission level to reduce supply levels. In first-half 2013, the price of emissions rights was influenced by announcements of a possible CO_2 emission rights freeze. On 16 April, the European Parliament voted against this proposal, and prices fell by €1.7/t in response. Negotiations later resumed, and emissions rights prices gradually moved back up, ending the half-year at €4.2/t. On 3 July 2013 the European Parliament finally approved the freeze, although the bill must still be approved by the Council of the European Union.

[3] Average ICE prices for the annual contract, Phase III (2013-2020).

Forward electricity prices in France, the United Kingdom, Germany and Italy



CO_2 emission rights prices



2.1.1.4. Fossil fuel prices[4]

	Coal ($/t)	Oil ($/bl)	Natural gas (p/th)
Average price for H1 2013	94.4	107.9	68.0
Average price variation, H1 2013/H1 2012	-13.6%	-5.0%	+4.9%
Highest price in H1 2013	102.2	118.9	69.7
Lowest price in H1 2013	84.9	97.7	66.4
Closing price, H1 2012	98.6	97.8	61.7
Closing price, H1 2013	85.6	102.2	68.2

Forward prices for **coal** saw an average decline from first-half 2012 levels, as supply levels are expected to remain plentiful. In the short term, the supply-demand balance remained very relaxed, largely because of cheap coal imports from Russia, the US and Colombia. The high stocks kept up downward pressure on forward prices, and the price per tonne of coal for delivery in 2014 ended the half-year at around $86.

Oil prices were lower than in first-half 2012. In the early months of the year, tension on supply was lower than in the past. On the demand side, the macro-economic environment remained sluggish, and this encouraged actors to regularly adjust their forecast consumption downwards.

Natural gas prices under the United Kingdom's annual contract were higher than in first-half 2012. The low temperatures recorded in the United Kingdom between January and April caused extensive use of long-term inventories to ensure good supply-demand balance and by mid-April, storage capacities were empty. Traditionally, inventories are largely replenished in the summer months, but it is not certain whether this will be achieved by the onset of the winter season this year given the exceptionally low early summer stock levels and the time needed to build them up. These fears led to a marked rise in prices for the coming winter, and to a lesser extent for next summer.

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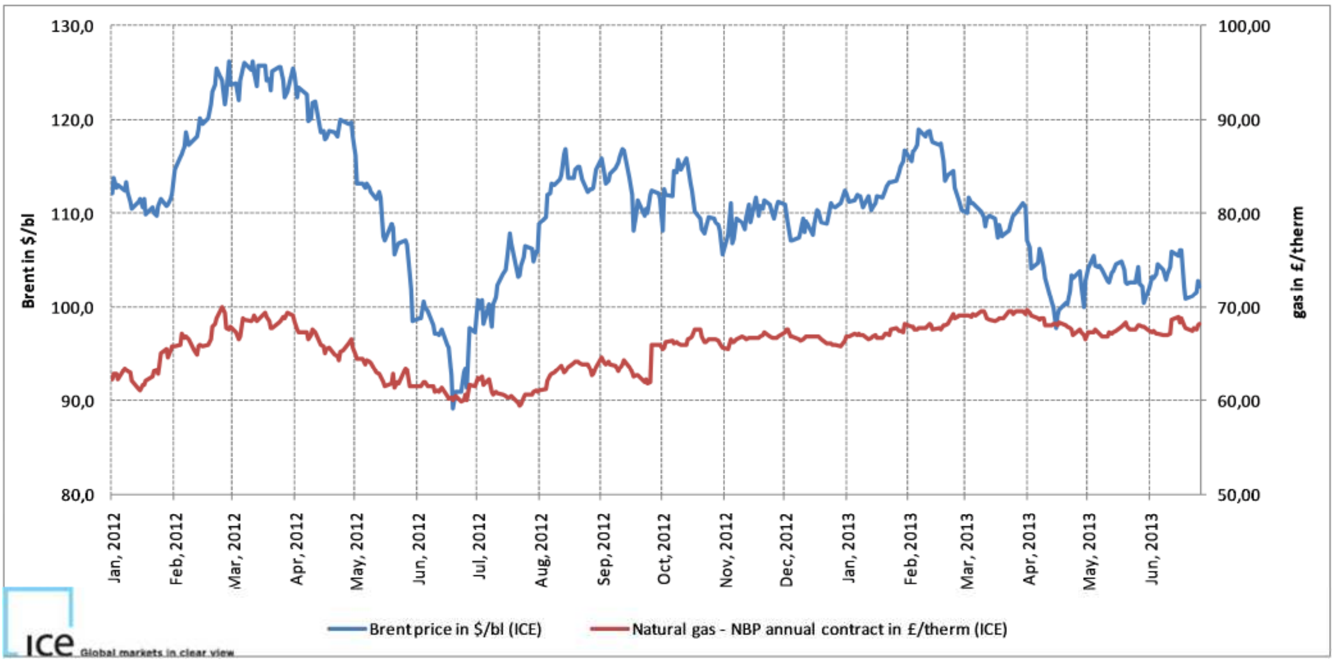
[4] Coal: Average ICE prices for delivery in Europe (CIF ARA) for the next calendar year ($/t) ;
Oil: Brent first reference crude oil barrel, IPE index (front month) ($/barrel);
Natural gas: Average ICE OTC prices, for delivery starting from October of the following year for the UK (NBP) (pence/therm).

Natural gas and oil prices ;



2.1.2. ELECTRICITY[5] AND GAS[6] CONSUMPTION

Overall electricity consumption in **France** in first-half 2013 was 2.3% higher than in first-half 2012. This difference is mostly explained by below-normal temperatures (-2°C on average) across every month of the period.

After correction for weather effects and the fact that 2012 was a leap year, consumption in France was stable overall between first-half 2012 and first-half 2013, as the lower consumption by large industrial customers was offset by a rise in consumption by residential and small business customers.

[5] Sources : France: RTE, unadjusted for weather effects;
United Kingdom: Department of Energy and Climate Change for the first quarter, local subsidiary estimate for the second quarter;
Italy: local subsidiary estimate.
[6] Sources : France: Pégase database, source SOeS *(Service de l'Observation et des Statistiques)* ;
United Kingdom: Department of Energy and Climate Change for the first quarter, local subsidiary estimate for the second quarter;
Italy: local subsidiary estimate.

In the **United Kingdom** domestic electricity consumption is not highly sensitive to temperatures, and first-half 2013 levels were stable (+0.4%) compared to first-half 2012. In **Italy**, domestic electricity consumption contracted by 3.9% compared to first-half 2012.

Natural gas consumption in **France** rose by approximately 4% in first-half 2013 compared to first-half 2012. Much of this rise is attributable to weather effects, especially the low temperatures of March and May.

Estimated domestic natural gas consumption was up by 9.4% in the **United Kingdom,** boosted by higher domestic consumption as 2013 temperatures were an average 2.7°C lower than the temperatures of first-half 2012.

Domestic natural gas consumption in **Italy** was down by 7.1%.

2.1.3. ELECTRICITY AND NATURAL GAS SALES TARIFFS

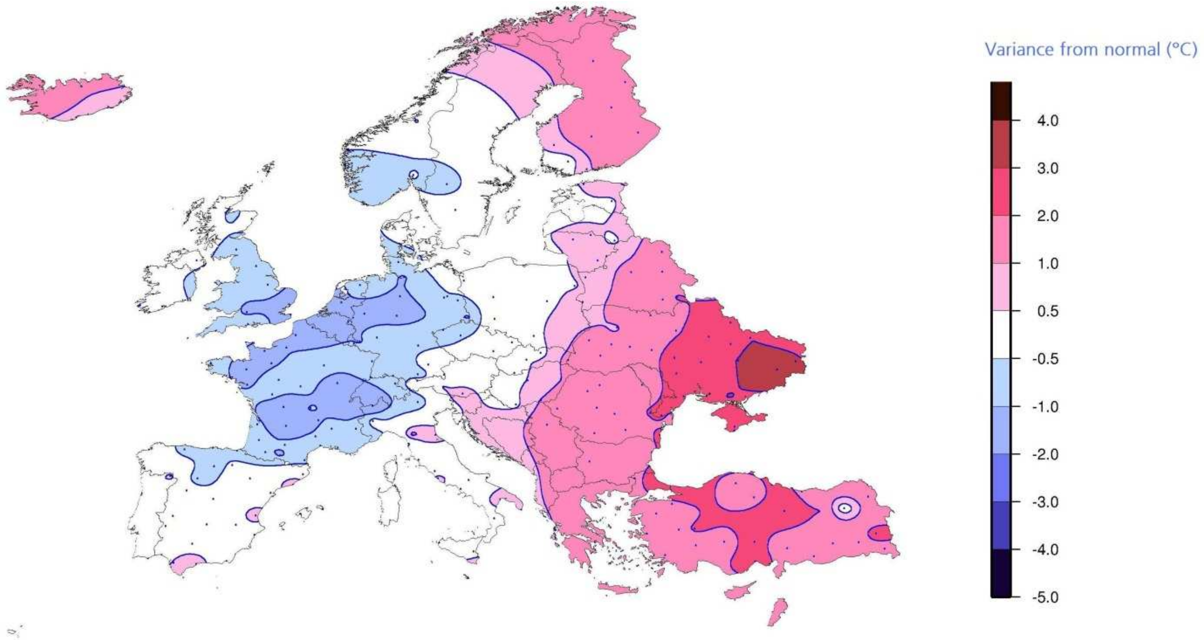
The announcement made on 9 July 2013 by the French Minister for Ecology, Sustainable Development and Energy is presented below in section 2.2.3.1.6.

In the **United Kingdom**, EDF Energy kept its gas and electricity tariffs stable over the first half-year of 2013.

2.1.4. WEATHER CONDITIONS

2.1.4.1. Temperatures

Average temperatures: variance from normal levels, January to June 2013[7]



The first half-year of 2013 was marked by a contrast between below-normal temperatures in western Europe (particularly France, the United Kingdom, Benelux and Germany), and above-normal temperatures in countries around the Black Sea and north Scandinavia.

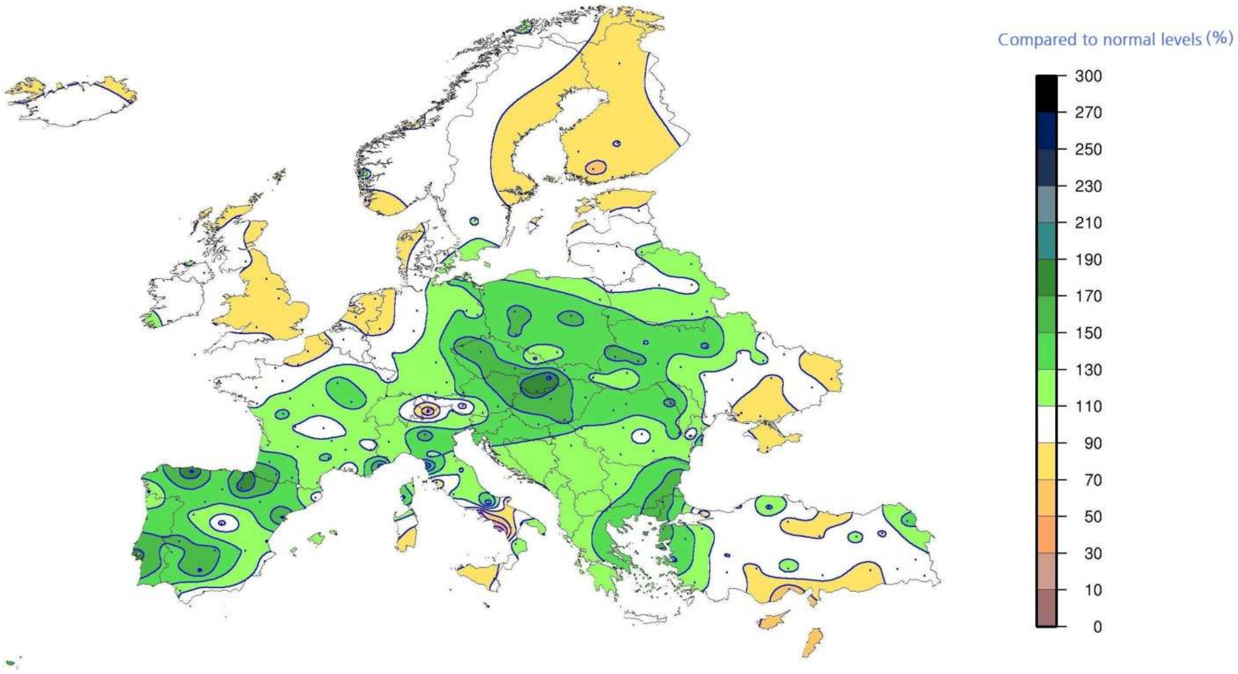
In France, a gloomy winter was followed by a cold spring with little sunshine, and average

[7] Map comparing average temperatures with normal levels between January and June 2013.
Normal temperatures are measured over 30 years (1971-2000 for Western Europe and 1961-1990 for Eastern Europe). Source: Base de Données
Climatologiques, Météo France.

temperatures were lower than normal for every month in the period.

2.1.4.2. Rainfall

Rainfall, January to June 2013[8]



The first half-year of 2013 was marked by heavy rainfall that exceeded normal levels for a large part of southern Europe, especially the Iberian peninsula, central Europe, and to a lesser extent, France. Only the United Kingdom, the Netherlands and Scandinavia experienced a moderate shortfall in precipitation.

In France, the conjunction of surplus rainfall and abnormally cold temperatures until the end of May resulted in unusually high snow coverage, which persisted late into the period in the Alps and the Pyrenees.
Hydropower capacity levels in France were above normal across the whole half-year, particularly between April and June 2013.

[8] Map comparing average rainfall with normal levels between January and June 2013.
Normal rainfall is measured over 30 years (1971-2000 for Western Europe and 1961-1990 for Eastern Europe). Source: Base de Données
Climatologiques, Météo France.

2.2. SIGNIFICANT EVENTS[9/10]

2.2.1. NEW INVESTMENTS AND PARTNERSHIPS

2.2.1.1. Final agreement with Total for the acquisition of TIGF

On 5 April 2013, the consortium made up of Snam, the Italian gas transmission and storage operator (45%), GIC, the Singaporean sovereign fund (35%), and EDF (20% through its dedicated assets portfolio) signed a final agreement with the Total group for the acquisition of its gas transmission and storage subsidiary in the South-West of France, called TIGF (Transport et Infrastructures Gaz France). On 5 February 2013, the consortium and Total had entered into exclusive negotiations for the takeover of TIGF.

The transaction received European Commission approval on 15 July 2013, and is awaiting authorisation from the other relevant regulatory and competition bodies for finalisation.

2.2.1.2. Investments by EDF Energies Nouvelles

On 11 February 2013 EDF Energies Nouvelles announced its acquisition of the French wind power business of Séchilienne Sidec, which has installed capacity of 56.5 MW and five projects in development totalling 60 MW.

On 8 April 2013 EDF EN Canada Inc., a Canadian subsidiary of EDF Energies Nouvelles, announced its acquisition of the 300 MW Blackspring Ridge wind power project in the Canadian province of Alberta. This transaction was undertaken in partnership with the US company Enbridge, an energy supplier operating in North America. EDF EN Canada will hold 50% of the Blackspring Ridge wind farm. Construction of the project, consisting of 166 Vestas 1.8 MW wind turbines, began in the second quarter of 2013 and completion is scheduled for mid-2014.

On 16 April 2013, EDF Renewable Energy, a US subsidiary of EDF Energies Nouvelles, announced that it was exercising its option to acquire 49% of the 161 MW Spinning Spur II wind power project in Texas, which had previously been owned and developed jointly with Cielo Wind Power. EDF Renewable Energy now has full ownership of the project. Construction of the wind farm, consisting of 87 General Electric wind turbines with unit power of 1.85 MW, began in June 2013 and commercial operation is expected to begin in mid 2014.

2.2.1.3. Renegotiations of Edison's gas supply contracts

[9] Significant events related to litigation are described in chapter 8.

[10] The reference document and a full list of press releases are available from the EDF website: www.edf.com.

On 23 April 2013, the Court of Arbitration of the International Chamber of Commerce found in favour of Edison in the litigation with Sonatrach (Algeria) initiated in August 2011, concerning the long-term gas price in the Algerian contract.

Edison and Rasgas (Qatar) also signed an agreement in July 2013 amending certain aspects of the long-term gas supply contract (particularly the pricing terms) between the two companies. In accordance with IAS 10, the effects of this agreement are included in the Group’s condensed consolidated financial statements for the first half-year of 2013.

The total impact of these operations on the EDF group’s EBITDA for first-half 2013 was a positive €585 million.

2.2.1.4. Sale of the Group's investment in SSE

On 24 May 2013, EDF and Energetický a Prumyslový Holding, a.s. (EPH), a Czech energy company that is a leading player in central and eastern Europe, signed a final agreement for the sale to EPH of EDF's 49% minority holding in Stredoslovenska Energetika a.s. (SSE), Slovakia's number two electricity distributor and supplier. The agreement values EDF's investment in SSE at approximately €400 million.
The operation requires authorisation by SSE's general shareholders' meeting. It should be completed in the second half-year of 2013 once the competition authorities have given their approval.

2.2.1.5. Finalisation of the acquisition of Iberdrola wind farms in France

On 27 May 2013, an international consortium comprising EDF Energies Nouvelles, MEAG, acting as the asset manager of Munich Re, and GE Energy Financial Services, a division of GE, signed the final agreement for the previously announced acquisition of 30 wind farms in service in France with 305 MW in total gross capacity.

Under this agreement, ownership of the assets is shared between EDF Energies Nouvelles (20%), GE Energy Financial Services (40%) and MEAG (40%). EDF Energies Nouvelles' share is accounted for under the equity method at 30 June 2013.

EDF Energies Nouvelles will provide asset management services and operation and maintenance services for the wind farms.

2.2.1.6. Formation of EDF Invest

EDF has set up EDF Invest, which will be in charge of managing the portfolio of unlisted investments included in EDF's dedicated assets: mainly infrastructures, but also real estate and private equity assets.

The EDF group's 20% investment in TIGF described in § 2.2.1.1 will be EDF Invest's first investment in infrastructures, along with the 50% of RTE shares already included in the dedicated asset portfolio. TIGF and the RTE shares thus will account for some 13% of dedicated assets.

EDF Invest's objective is to have €5 billion of unlisted investments under management after two years, representing 25% of total dedicated assets.

2.2.2. INVESTMENT PROJECTS

2.2.2.1. France

2.2.2.1.1. Flamanville 3

Significant construction milestones were reached during the first half-year of 2013:

- Connection of the stepdown transformer via a temporary 400kV supply,
- Installation of the equipment hatch through which components required for assembly of the principal primary circuit (such as steam generators and the vessel) will enter the reactor building,
- Placing the dome on the reactor building on 16 July.

The Flamanville EPR project is now entering its final phase: civil engineering work is 95% complete and 46% of the electro-mechanical equipment is in place. The objective is to start commercial operation in 2016.

2.2.2.1.2. Construction of the new power plant at Bouchain

In late 2011, EDF and GE Energy entered into a partnership arrangement for joint development of the new generation combined cycle gas (CCG) plant located in Bouchain in north France. Its CCGT is equipped with new technology that makes it possible to reach maximum capacity in a very short time. In April 2013, the first foundations were dug on the site, and the plant is scheduled to start operation in 2015.

2.2.2.1.3. ASN approval for operation of Fessenheim reactor no. 2

On 29 April 2013, the French Nuclear Safety Authority (ASN) issued authorisation for EDF to continue operating reactor n°2 at the Fessenheim nuclear power station beyond its third ten-year inspection. This positive decision follows the ten-year inspection conducted between April 2011 and March 2012, and is conditional on implementation of technical recommendations which will require work to be implemented by EDF.

2.2.2.1.4. Commissioning of the second Martigues Combined Cycle Gas (CCG) plant

The second CCG facility on the Martigues site began industrial operation on 7 June 2013. Martigues is now the largest CCG plant in France, with capacity of 930 MW and low environmental impact.

2.2.2.1.5. Inauguration of the Rizzanese dam in Corsica

On 17 June 2013, EDF inaugurated Corsica’s 4th major dam on the Rizzanese in South Corsica. This new facility with installed capacity of 55 MW raises the share of renewable energies in the island’s energy consumption to 30%. It has supplied the Corsican electricity network since February 2013, with the connection of one of the two turbines at the Sainte-Lucie de Tallano plant located downstream. The dam is expected to be fully operational by the end of 2013.

This hydroelectric facility will reduce Corsica’s hydrocarbon consumption and thus prevent the discharge of 60,000 tonnes of CO_2 every year. It is intended to be used in peak periods when electricity consumption is at its highest.

2.2.2.1.6. Launch of the rollout of “Linky” smart meters

On 9 July 2013, France's Prime Minister announced the start of the rollout of new "Linky" smart meters by ERDF. 3 million of these meters should be in use by 2016.

2.2.2.1.7. ASN approval for extending operational lifespan of Bugey reactor no. 4

Following the third 10-year inspection, the French Nuclear Safety Authority (ASN) issued a favourable recommendation on 29 July 2013 for extending the operation of the Bugey n°4 nuclear facility, as it had for reactor n°2. The authorisation is subject to the completion of related works that EDF will carry out within the required deadlines. Because the design of reactor n°2 is identical to that of reactor n°4, the recommendations for bolstering the safety levels of reactor n°4 are therefore similar.

2.2.2.2. United Kingdom

2.2.2.2.1 Hinkley Point C nuclear plant project

On 4 February 2013, Centrica announced its decision to end its partnership with EDF for the construction of EPRs in the United Kingdom, by exercising its option to sell EDF Energy its 20% investment in the company formed as a vehicle for "Nuclear New Build" projects in the UK. EDF thus became the company's sole shareholder.

On 19 March 2013, the British minister for energy and climate change announced that had consented to construction of a new nuclear power plant at Hinkley Point, in Somerset in south-west England. This decision follows a three-year consultation with local authorities and a one-year study by the UK Planning Inspectorate. Discussions on the introduction of Contracts for Difference (CfD) are continuing with the British government. These contracts are designed to guarantee the economic balance of new low-carbon electricity generation facilities (renewable energies and nuclear plants), and once approved by the European Union, should make the Hinkley Point C project an attractive prospect to many partner investors.

2.2.2.2.2. Inauguration of 2 Combined Cycle Gas turbines (CCGTs) at West Burton B

Units 1 and 2 of the West Burton B CCG power plant were began commercial operation in May 2013 and March 2013 respectively. West Burton B has three units, and the third is due to be commissioned in the second half-year of 2013.

2.2.2.3. Other activities

2.2.2.3.1. Construction of the Dunkirk methane terminal

Constriction work on the Dunkirk terminal headed by the subsidiary Dunkerque LNG is on schedule and the date for start of operations is scheduled for November 2015, with the following achieved to date:

- completion of work on the harbour by Grand Port Maritime de Dunkerque, and delivery of the land platform to Dunkerque LNG
- detailed engineering studies by the three turnkey contractors in charge of the construction
- construction of the concrete enclosure for the three reservoirs that will store the liquefied natural gas (LNG), and civil engineering work for gas processing
- start of excavation for the tunnel between the terminal and the Gravelines nuclear power plant, as warm water discharge from Gravelines will be used in regasification of the LNG. This industrial synergy will save the equivalent of annual gas consumption for the Dunkirk agglomeration. The tunnelling machine was inaugurated on site on 30 May 2013.

The two natural gas network managers, Belgian company Fluxys and French company GRTgaz, are continuing to build a new interconnection between France and Belgium, in addition to the work on connection to the French network. The Dunkirk methane terminal will thus be connected to two gas markets in Europe: the PEG Nord gas hub in France and the Belgian market.

2.2.2.3.2. Construction of wind farms

On 21 January 2013, EDF Energies Nouvelles announced the commissioning of two new wind farms, Massif du Sud and Lac Alfred (phase 1) in Quebec. These two facilities have installed capacity of 150 MW each, and are part of a seven wind farm programme running until 2015, totalling 1,003 MW.

On 16 May 2013, EDF Energies Nouvelles announced the commissioning of the Fallago Rig wind farm in Scotland by EDF Energy Renewables, with a 144 MW installed capacity and 48 Vestas turbines with unit capacity of 3 MW. This wind farm was developed and built by EDF Energy Renewables, the UK subsidiary of EDF Energies Nouvelles owned jointly in equal proportions with EDF Energy.

On 19 June 2013, EDF Energies Nouvelles also announced completion of the Teesside offshore wind farm, built by EDF Energy Renewables, and the start of operations for the first thirteen wind turbines at this 62 MW facility.

2.2.3. REGULATORY ENVIRONMENT

2.2.3.1. France

2.2.3.1.1. The NOME law and the ARENH system

Supplies of electricity to EDF’s competitors under the ARENH scheme for regulated access to nuclear power supplies concern a volume of 64.3 TWh for 2013. The annual volume cannot exceed 100 TWh, and will be progressively increased from 1 January 2014 by the amounts sold to network operators to compensate for their technical losses, according to a timetable set by government decision.

The ARENH price was set at €42/MWh from 1 January 2012, and will subsequently reflect the economic conditions of generation by the existing nuclear fleet. The decree stipulating the valuation method for costs making up the ARENH price is to be published by 7 December 2013.

2.2.3.1.2. CSPE

The Contribution to the Public Electricity Service *(Contribution au Service Public de l'Électricité* or CSPE) is intended to compensate for certain public service charges assigned to EDF in particular[11]. The CSPE is based on electricity consumption and collected directly from the end-user. It has stood at €13.5/MWh since 1 January 2013.
Under the agreement signed in early 2013 by EDF and the French authorities, EDF is to be progressively reimbursed over the period to 31 December 2018 for the receivable consisting of the CSPE shortfall at 31 December 2012 and the costs of bearing this shortfall for the Group (a total amount of some €4.9 billion).

Certain purchase tariffs for photovoltaic energy were raised in early 2013; a 10% premium was introduced for panels assembled in Europe and certain tariffs will be reduced less slowly for a given volume.

During the first quarter, the French energy regulator CRE[12] put out several tender offers for new offshore wind farms (1,000 MW) and photovoltaic installations with capacity above 100 kW. These facilities will be eligible for the purchase tariff, and the surplus cost in excess of market prices will be offset by the CSPE.

The law intended to prepare for the transition towards a low-consumption energy system (the so-called "Brottes law") published in France's Official Journal on 15 April 2013 allows for extension of the number of beneficiaries of the Basic Necessity Tariff, and compensation through the CSPE of a premium paid to load management operators.

In its forecasts of 2013 expenses published in late 2012, the CRE set the amount of expenses to be covered at €5,124 million and forecast receipts at an equivalent level, such that the shortfall in the CSPE system has been stabilised in 2013.

2.2.3.1.3. Council of State decision on electricity sales tariffs

The French Council of State issued a decision on 22 October 2012 at the request of SIPPEREC, cancelling its decision of 13 August 2009 setting regulated electricity sales tariffs and requiring the ministers for energy and the economy to issue a new decision within three months covering the period 15 August 2009 to 13 August 2010. This decision was retroactive in effect and was published on 15 March 2013. EDF has begun to issue rectified bills for approximately 1 million customers concerned by these tariff changes.

2.2.3.1.4. TURPE 3 and TURPE 4 network access tariffs

In a decision of 28 November 2012, the French Council of State cancelled the distribution component of the third generation network access tariffs TURPE 3 *(Tarifs d'Utilisation des Réseaux*

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[11] Local distribution companies and Électricité de Mayotte also make small contributions to the system.

[12] *Commission de Régulation de l'Energie.*

Publics d'Électricité) which had been approved on 5 May 2009 by the ministers for energy and the economy after a proposal from the CRE, and was supposed to apply for the period 1 August 2009 to 31 July 2013. This cancellation has no direct impact on the regulated tariffs for sales to customers. The new version of the TURPE 3 ("TURPE 3 bis") based on the CRE proposal of 29 March 2013 was published in France's Official Journal on 26 May 2013. It applies retroactively to the period 2009-2013, replacing the cancelled tariff, and reduces the tariffs for the period 1 June to 31 July 2013 by 2.5%.

On 10 July 2013 the CRE also published its deliberations of 28 May 2013 containing the decision for the period from 1 August 2013 to 31 December 2013 ("TURPE 3 ter"), which results in a 2.1% increase from 1 August 2013 compared to the period 1 June to 31 July 2013.
On 9 July 2013, the CRE began its consultation on the distribution tariffs that will take effect from 1 January 2014 for a 4-year period (TURPE 4).

For transmission tariffs, the CRE deliberations of 3 April 2013 were published in the Official Journal of 30 June 2013. This new tariff (TURPE 4 HTB) will be applicable from 1 August 2013 for a period of approximately four years. The tariff will be raised by 2.4% as of that date, and will subsequently be adjusted each year.

2.2.3.1.5. CRE report on EDF's generation and supply costs

As part of its mission defined in the French Energy Code to analyse EDF's costs and ensure they are covered through regulated sales tariffs, the CRE published a report on 4 June 2013 on EDF's generation and supply costs.

The CRE's study concerns costs recorded from 2007 to 2012, and estimated costs for 2013 to 2015.

For the period 2007 to 2012, the CRE notes that fixed and variable generation costs rose by 5.1% per year, capital expenses rose by 2.9% per year and sales and marketing costs rose by 6.3% per year.
It also observes that the rising trend in generation and supply costs is confirmed for 2013.

The CRE therefore concludes that the recommended tariff change for summer 2013 to cover the estimated costs should be between 9.6% and 6.8% for the "blue" tariffs (figures respectively excluding and including an assumption that the accounting useful life of nuclear plants will be extended by 10 years in 2013).

2.2.3.1.6. Increase in electricity tariffs announced by the French government

Following publication of the CRE report described in the above paragraph, the Government decided to spread the tariff rises necessary to cover EDF's costs as provided for in French law across several years. On 9 July 2013, it notified the *Conseil supérieur de l'énergie* and the CRE of an average 5% increase in household electricity tariffs ("blue" tariffs) to be applied on 1 August 2013 and 1 August 2014.

2.2.3.2. Belgium

Uncertainties remain in 2013 over the Belgian regulatory environment, which is awaiting official decisions by the government and parliament.

The nuclear tax levied on nuclear operators and owners of nuclear power-generating installations in Belgium was raised from €250 million in 2011 to €550 million in 2012, then reduced to €475 million in 2013. In late June 2013 EDF Luminus and EDF Belgium filed an appeal against this tax before Belgium's Constitutional court.

In late 2011 the national electricity and gas regulator CREG[13] approved the new tariffs for the period 2012-2015 to be applied by Elia, the electricity transmission network operator. These tariffs include a grid injection tariff that is now borne by generators. They were revised downwards in 2013 following legal action against the decision by generators in the Appeal Court.

Also, during the summer of 2012, inspections detected micro-cracks in the core tanks at Doel 3 and Tihange 2, which were shut down pending additional analyses by the Federal Nuclear Control Agency (AFCN) and Electrabel. On 17 May 2013, the AFCN gave its authorisation to restart operation by both nuclear reactors, and this took effect on 3 June for Doel 3 and 7 June for Tihange 2.

2.2.3.3. Hungary

In early 2013 the regulator announced a 10% reduction in regulated tariffs for supplies of gas, electricity and heat to domestic customers for the period 2013-2016. The Government also introduced a new network tax of HUF 125 per metre of network (approximately €0.45/m).

[13] *Commission de Régulation de l'Electricité et du Gaz.*.

2.2.3.4. United Kingdom

On 27 June 2013, as part of the electricity market reforms begun in 2012, the UK's minister for energy and climate change presented details of the British government's long-term strategy for construction, repair and renewal of major electricity infrastructures in the United Kingdom. The UK's finance minister also announced that the future Hinkley Point C power plant would qualify for a government guarantee.

The proposed law on the reform of the electricity market has been under examination by the House of Lords since early June 2013.

2.2.4. GOVERNANCE

2.2.4.1. The EDF group's Board of Directors

By a decree of 6 May 2013, Bruno Léchevin, Chairman of the Board of the French Environment and Energy Management Agency (ADEME – *Agence de l'Environnement et de la Maîtrise de l'Energie)* was appointed as a director of EDF representing the French State, replacing François Loos.

By a decree of 17 June 2013, Olivier Appert, Chairman of IFP Energies Nouvelles, was appointed as a director of EDF representing the French State, replacing Yannick d'Escatha.

These two new terms of office run until midnight on 22 November 2014, when the entire Board of directors is due to be renewed,.

2.2.4.2. Management

Henri Proglio engaged Philippe Monloubou for a six-month assignment concerning development and financing of smart electric systems, both in and outside France. In January 2014, Philippe Monloubou will be put forward for the position of Chairman of ERDF's Management Board.

3. ANALYSIS OF THE BUSINESS AND THE CONSOLIDATED INCOME STATEMENTS FOR THE FIRST HALF-YEARS OF 2012 AND 2013

Presentation and explanation of the consolidated income statements for the first half-years of 2012 and 2013 is shown at two levels of analysis for Sales and EBITDA: a first focusing on the Group, then a second reporting on the different business segments (France, United Kingdom, Italy, Other International and Other activities). EBIT (operating profit) and net income are analyzed from a general standpoint.

The comparative figures for first-half 2012 have been restated to reflect the impact of retrospective application of IAS 19 (revised) (€11 million impact on EDF net income) and the change in presentation of EDF Energies Nouvelles' DSSA business, which has no impact on Group EBITDA (a €319 million decrease in Sales, a €255 million decrease in Other external expenses and a €64 million increase in Other income and expenses).

(in millions of Euros)	**H1 2013**	**H1 2012 restated**
Sales	**39,747**	**35,903**
Fuel and energy purchases	(20,821)	(17,950)
Other external expenses	(4,134)	(4,340)
Personnel expenses	(6,020)	(5,787)
Taxes other than income taxes	(1,793)	(1,597)
Other operating income and expenses	2,719	2,842
Operating profit before depreciation and amortisation (EBITDA)	**9,698**	**9,071**
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities	(1)	98
Net depreciation and amortisation	(3,583)	(3,283)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(126)	(94)
(Impairment)/Reversals	(178)	(294)
Other income and expenses	(22)	100
Operating profit (EBIT)	**5,788**	**5,598**
Financial result	**(1,667)**	**(1,797)**
Income before taxes of consolidated companies	**4,121**	**3,801**
Income taxes	(1,531)	(1,235)
Share in income of associates	379	343
GROUP NET INCOME	**2,969**	**2,909**
EDF NET INCOME	**2,877**	**2,779**
Net income attributable to non-controlling interests	92	130
Earnings per share (EDF share) (in Euros)		

Earnings per share	**1.56**	**1.50**
Diluted earnings per share	**1.56**	**1.50**

3.1. SALES

Consolidated sales rose by 10.7%, with organic growth of 4.3%.

3.1.1. CHANGE IN GROUP SALES

(in millions of Euros)	**H1 2013**	**H1 2012 restated**	**Variation**	**Variation (%)**	**Organic growth (%)**
Sales	39,747	35,903	3,844	+10.7	+4.3

Sales growth was principally driven by changes in the scope of consolidation, essentially relating to the takeover of Edison in late May 2012 (+€2,494 million) and organic growth of €1,527 million (4.3%).

3.1.2. CHANGE IN SALES BY SEGMENT

(in millions of Euros)	**H1 2013**	**H1 2012 restated**	**Variation**	**Variation (%)**	**Organic growth (%)**
France	**21,294**	**20,706**	**588**	**+2.8**	**+2.8**
United Kingdom	4,990	4,821	169	+3.5	+7.3
Italy	6,481	3,607	2,874	+79.7	+10.5
Other International	4,106	4,009	97	+2.4	+3.0
Other activities	2,876	2,760	116	+4.2	+3.1
Total excluding France	**18,453**	**15,197**	**3,256**	**+21.4**	**+6.2**
Group sales	**39,747**	**35,903**	**3,844**	**+10.7**	**+4.3**

Sales outside France for the first half-year of 2013 represented 46.4% of total consolidated sales, compared to 42.3% in first-half 2012.

3.1.2.1. France

Change in sales in the "France" segment

France's contribution to Group sales amounted to €21,294 million, corresponding to organic growth of 2.8% compared to first-half 2012.

This growth results both from higher electricity sales volumes and the tariff increases introduced in July 2012.

The volumes sold to final customers rose due to the effect of colder weather than in first-half 2012 (+€608 million).
The positive €304 million price effect, combined with the 2012 increase in regulated tariffs, partly offset the progressive decrease in deliveries under long-term contracts (e.g. Eurodif) and calls for tender from suppliers (-€288 million).

At 30 June 2013, EDF's market share for electricity sales to all final customers is 79.9%, 0.4 points down from 30 June 2012. EDF's share of the natural gas market is 4.4% at 30 June 2013, up by 0.3 points compared to 30 June 2012.

Breakdown of sales for the "France" segment between deregulated activities[14], network activities[15] and island activities[16]

(in millions of Euros)	H1 2013	H2 2012 restated	Variation	Variation (%)
Sales	**21,294**	**20,706**	**588**	**+2.8**
Deregulated activities	**20,214**	**19,639**	**575**	**+2.9**
Network activities	**7,345**	**6,891**	**454**	**+6.6**
Island activities	**456**	**443**	**13**	**+2.9**
Eliminations	**(6,721)**	**(6,267)**	**(454)**	

The 2.9% increase in **sales by the deregulated activities** is principally explained by the favourable impact of the weather in the first half-year of 2013.

Sales by the **network activities** were boosted by the rise in volumes sold due to weather conditions, and higher distribution tariffs (€208 million and €95 million respectively).

[14] Generation, Supply and Optimisation in mainland France, and sales of engineering and consulting services.
[15] Network activities now only include Distribution, as a result of application of the equity method to the Transmission activity from December 31, 2010. In mainland France, network activities are regulated via the network access tariff TURPE *(Tarifs d'Utilisation des Réseaux Publics d'Électricité)*. Sales for the regulated activities include the delivery cost included in integrated tariffs.
[16] EDF's generation and distribution activities in the island energy systems (IES).

Sales by the **island activities** were up by €13 million.

Electricity generation

Nuclear output amounted to 207.2 TWh in the first half-year of 2013, compared to 207.7 TWh for the first half-year of 2012. Despite a more extensive programme of scheduled outages beginning earlier than in the corresponding period of 2012, output was equivalent to first-half 2012 thanks to the smaller number of unscheduled outages.

Hydropower output stood at 25.2 TWh, a 5.1 TWh improvement from first-half 2012 largely reflecting the rainfall levels of first-half 2013. The increase was evenly distributed between run-of-river and impoundment hydropower.

Fossil-fired generation produced 8.4 TWh, up by +1.4 TWh from first-half 2012.

Sales volumes to final customers, including Eurodif and local distribution firms, were up by +3.8 TWh. The year-on-year temperature differential alone accounts for an increase of +8.1 TWh. Also, losses of customers, mainly at the higher end of the portfolio[17], and the reduction in Eurodif supplies were not offset by demand growth.

Net volumes sold on the wholesale markets were down by 12.9 TWh compared to first-half 2012, mainly due to the end of the VPP auction system[18] (-11.5 TWh).

EDF was a net purchaser (excluding VPP auctions) of 2.1 TWh on the wholesale markets in first-half 2013, i.e. its position was close to equilibrium; in first-half 2012 it was a net purchaser (excluding VPP auctions) to the extent of 17.2 TWh.

[17] Very large business and industrial customers.

[18] Virtual Power Plant capacity auction system, generating deliveries for periods ranging from a few months to 3 years.

3.1.2.2. United Kingdom

Sales in the United Kingdom segment amounted to €4,990 million in first-half 2013, an increase of 3.5% from first-half 2012 mainly reflecting organic growth of 7.3% and unfavourable foreign exchange effects of -3.7%.

The increase in sales principally results from positive price effects driven by rising wholesale prices. Other contributing factors were the increase in electricity sales volumes on the wholesale markets, in application of the commitment made to the European Commission[19], and the rise in gas sales which benefited from favourable weather effects. These effects were partly counterbalanced by a decrease in structured sales following expiry of the legacy contracts transferred from British Energy.

3.1.2.3. Italy

Italy[20] contributed €6,481 million to consolidated sales, up by 79.7% with organic growth at 10.5%. This change includes the positive €2,494 million scope effect reflecting the change to full consolidation for Edison from 24 May 2012, and the sale of Edipower in 2012.

Sales by **Edison** rose by €2,909 million (+86.7%) and showed organic growth of €414 million (+12.3%).

In the electricity business, sales benefited from the effect of higher volumes, primarily on the wholesale markets, which was partly absorbed by the drop in average electricity prices.

In the hydrocarbon business, the lower rise in sales reflects the increase in volumes sold, partly offset by a downturn in prices on the gas and oil markets.

3.1.2.4. Other International

The **Other International** segment principally covers operations in Europe excluding the United Kingdom and Italy, and operations in the United States, Brazil and Asia (China, Vietnam and Laos).

This segment contributed €4,106 million to Group sales in the first half-year of 2013, €97 million or +2.4% more than in first-half 2012. Excluding foreign exchange and scope effects, sales showed organic growth of 3.0% compared to first-half 2012.

Most of this increase is associated with **Belgium**, where the rise in sales is chiefly explained by

[19] In application of commitments made following the European Commission merger regulation: sales of between 5 and 10 TWh of electricity on the wholesale British market over the period 2012 to 2015.

[20] Edison group and Fenice.

optimisation activities which had no significant effect on the margin, **Brazil**, where there were several shutdowns for maintenance in first-half 2012, and the **United States**, where nuclear plant availability improved because of a lower number of days of refuelling outages in first-half 2013 than first-half 2012.

However, sales were down in **Poland**, due to unfavourable price effects on sales of certificates and electricity, and a decline in the volumes of electricity sold.

3.1.2.5. Other activities

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

The contribution of the **Other activities** segment to Group sales in first-half 2013 was €2,876 million, up by €116 million or 4.2% compared to first-half 2012, with organic growth of 3.1%.

EDF Energies Nouvelles' contribution to Group sales showed organic growth of 30.7% from first-half 2012. This growth primarily results from expanding business in the Generation activity due to the higher capacities in operation and favourable wind conditions in Europe.

EDF Trading's[21] sales registered organic growth of €25 million from first-half 2012 (+5.8%) and benefited from good results, particularly in the coal and gas activities.

Dalkia's contribution to sales registered organic growth of €16 million (+1.2%).

[21] EDF Trading sales consist of trading margins.

3.2. EBITDA

EBITDA rose by 6.9%, with organic growth of 6.0%.

(in millions of Euros)	**H1 2013**	**H1 2012 restated**	**Variation**	**Variation (%)**	**Organic growth (%)**
Sales	**39,747**	**35,903**	**3,844**	**+10.7**	**+4.3**
Fuel and energy purchases	(20,821)	(17,950)	(2,871)	+16.0	+4.2
Other external expenses	(4,134)	(4,340)	206	-4.7	-6.8
Personnel expenses	(6,020)	(5,787)	(233)	+4.0	+3.8
Taxes other than income taxes	(1,793)	(1,597)	(196)	+12.3	+12.3
Other operating income and expenses	2,719	2,842	(123)	-4.3	-4.0
EBITDA	**9,698**	**9,071**	**627**	**+6.9**	**+6.0**

3.2.1. CHANGE IN CONSOLIDATED EBITA AND ANALYSIS

Consolidated EBITDA for first-half 2013 amounted to €9,698 million, up by 6.9% from first-half 2012, corresponding to organic growth of 6.0%. This rise incorporates scope effects of +€130 million, principally concerning Edison.

The Group's **fuel and energy purchases** amounted to €20,821 million in first-half 2013, an increase of €2,871 million (+16.0%) compared to first-half 2012 reflecting the scope effect related to Edison (+€2,190 million). Organic growth was 4.2%.
In **France,** organic growth stood at 2.1%. In the **United Kingdom**, the organic growth of €246 million (+9.2%) is essentially explained by the higher cost of energy, renewable energy certificates, and transmission tariffs. **Italy** registered 8.5% organic growth in fuel and energy purchases, in line with the rise in volumes sold.

The Group's **other external expenses** amounted to €4,134 million, down by €206 million (-4.7%) from first-half 2012, The organic variation of -6.8% is essentially attributable to the decrease in **France** following improvements to the management plan for nuclear units, which have enhanced monitoring of general maintenance expenditure and scheduled inspections carried out at regular intervals.

The Group's **personnel expenses** totalled €6,020 million, €233 million (+4.0%) higher than in first-half 2012, with organic growth of +3.8%. This change essentially relates to **France**, where personnel expenses totalled €4,560 million, reflecting organic growth of +4.9% compared to first-half 2012 due to the increase in the workforce (mainly in nuclear generation and distribution), the effect of pay measures, and the rise in pension charges (essentially resulting from application of lower discount rates in the second half-year of 2012).

Taxes other than income taxes amounted to €1,793 million for first-half 2013, up by €196 million from the equivalent period of 2012 (+12.3%, with identical organic growth). This rise is mainly explained by the increase in several taxes in France, particularly the *Contribution économique territoriale* local tax.

Other operating income and expenses generated net income of €2,719 million for the first half-year of 2013, down by 4.3% from first-half 2012 (an organic decline of -4.0%). In **France**, these expenses were stable. In the **United Kingdom**, they registered an organic decline of €113 million due mainly to the unfavourable effect of the fair value adjustment of electricity sale contracts at the time of EDF's acquisition of British Energy. **Italy** recorded organic growth in other operating income and expenses, which include income corresponding to the prior periods' shares of renegotiations of long-term gas supply contracts. The lower level of other operating income and expenses in the **Other activities** segment is explained by income on real estate operations and renegotiations of insurance contracts recorded in 2012, for which there was no equivalent in 2013.

3.2.2. CHANGE IN CONSOLIDATED EBITDA AND ANALYSIS BY SEGMENT

(in millions of Euros)	**H1 2013**	**H1 2012 restated**	**Variation**	**Variation (%)**	**Organic growth (%)**
France	**6,473**	**6,071**	**402**	**+6.6**	**+6.6**
United Kingdom	1,031	1,071	(40)	-3.7	-0.1
Italy	669	211	458	+217.1	+155.0
Other International	510	553	(43)	-7.8	-6.9
Other activities	1,015	1,165	(150)	-12.9	-12.4
Total excluding France	**3,225**	**3,000**	**225**	**+7.5**	**+4.8**
Group EBITDA	**9,698**	**9,071**	**627**	**+6.9**	**+6.0**

3.2.2.1. France

Change in EBITDA for the "France" segment

France contributed €6,473 million to consolidated EBITDA for first-half 2013, corresponding to organic growth of 6.6% compared to first-half 2012. This contribution accounted for 66.7% of Group EBITDA, against 66.9% in first-half 2012.

Breakdown[22] of EBITDA for the "France" segment between deregulated activities, network activities and island activities

(in millions of Euros)	H1 2013	H2 2012 restated	Variation	Variation (%)
EBITDA	**6,473**	**6,071**	**402**	**+6.6**
Deregulated activities	**4,284**	**3,973**	**311**	**+7.8**
Network activities	**2,025**	**1,942**	**83**	**+4.3**
Island activities	**164**	**156**	**8**	**+5.1**

EBITDA for the **deregulated activities** rose by +7.8%. This increase essentially reflects the improved hydropower output (+€255 million), and a favourable weather effect (+216 million), partly offset by the effect on nuclear generation of the programme for scheduled shutdowns (-€133 million).

EBITDA for the **network activities** registered a 4.3% increase resulting from the tariff increase for energy delivery, and a positive weather effect.

EBITDA for the **island activities** progressed by €8 million.

3.2.2.2. United Kingdom

The **United Kingdom's** contribution to Group EBITDA for first-half 2013 was €1,031 million, down by 3.7% from first-half 2012, with an organic change of -0.1%.

EBITDA benefited from favourable movements in wholesale prices in first-half 2013 compared to the same period of 2012, and good control of other external expenses and personnel expenses. This offset the 1 TWh decline in first-half nuclear power output from 29.8 TWh in 2012 to 28.8 TWh in 2013, resulting particularly from scheduled shutdowns.

[22] Further details of this breakdown can be found in section 3.1.2.1.

3.2.2.3. Italy

The **Italy** segment contributed €669 million to the Group's consolidated EBITDA, €458 million more than in first-half 2012 (organic growth of €327 million).

Edison's contribution to Group EBITDA stood at €627 million in first-half 2013, against €160 million in first-half 2012, corresponding to organic growth of €336 million.

EBITDA for the electricity activities increased thanks to favourable water levels and good use of power plants' potential for flexibility in energy management activities.

The hydrocarbon activities' contribution to EBITDA was higher than in first-half 2012 due to the retroactive effect of successful renegotiations of long-term supply contracts (see the discussion of Other operating income and expenses below). Nevertheless, the margins on gas activities were adversely affected by lower margins on gas sales to end customers, resulting from lower demand combined with high availability on spot markets at European gas hubs, which caused decorrelation between spot gas prices and the cost of long-term contracts.

Edison is continuing renegotiations with gas suppliers to improve the coherence between supply costs and sales prices.

3.2.2.4. Other International

EBITDA for the **Other International** segment declined by €43 million or 7.8%, corresponding to an organic decline of 6.9%.

EBITDA in **Belgium** registered an organic decline of €63 million, as margins were affected by cuts in electricity and gas tariffs in response to aggressive positioning by the competition. EDF Luminus' EBITDA also suffered the effect of lower nuclear power output after the shutdowns of the Doel 3 and Tihange 2 plants in the second half-year of 2012 were extended to 3 and 7 June 2013 respectively.

EBITDA in **Poland** registered an organic decline of €21 million, principally related to contracting margins caused by lower prices for green certificates (biomass).

EBITDA in the **United States** showed organic growth of €27 million, essentially due to the higher volumes of nuclear power generated by CENG, as there were extended outages in first-half 2012 that had no equivalent in first-half 2013.

Brazil achieved organic growth of €9 million in EBITDA, as in contrast to the first half-year of 2012 there was no major shutdown at the Norte Fluminense plant in the first half-year of 2013.

3.2.2.5. Other activities

Other activities contributed €1,015 million to Group EBITDA for first-half 2013, €150 million less than in first-half 2012, with an organic change of -12.4%.

EDF Energies Nouvelles' contribution to consolidated EBITDA totalled €345 million, or an organic increase of 2.9% from first-half 2012. This progression was driven by growth in the Generation activity, as the capacities in operation increased and wind conditions were favourable in Europe. It was partly counterbalanced by the lower EBITDA of the Development and Sales of Structured Assets business.

EBITDA at **EDF Trading** rose by €12 million (3.8%) compared to first-half 2012, in line with the trading margin as explained in paragraph 3.1.2.5.

Dalkia's EBITDA registered organic growth of €77 million (+78.6%), since the first half-year of 2012 had been marked by a difficult business environment in Italy. This growth in EBITDA was also driven by favourable developments in business in the Continental Europe zone.

The organic decline in EBITDA in the **Other activities** segment is explained by income on real estate operations and renegotiations of insurance contracts recorded in 2012, for which there was no equivalent in 2013.

3.3. OPERATING PROFIT (EBIT)

EBIT rose by 3.4%.

(in millions of Euros)	**H1 2013**	**H2 2012 restated**	**Variation**	**Variation (%)**
EBITDA	**9,698**	**9,071**	**627**	**+6.9**
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities	(1)	98	(99)	n.a.
Net depreciation and amortisation	(3,583)	(3,283)	(300)	+9.1
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(126)	(94)	(32)	+34.0
(Impairment)/reversals	(178)	(294)	116	-39.5
Other income and expenses	(22)	100	(122)	n.a.
Operating profit (EBIT)	**5,788**	**5,598**	**190**	**+3.4**

The Group's consolidated EBIT amounted to €5,788 million for the first half-year of 2013, €190 million higher than in first-half 2012. The main factors in this increase were the growth in EBITDA and the lower levels of impairment recorded in the first half-year of 2013 compared to the same period of 2012. These positive developments were partly counterbalanced by higher net depreciation and amortisation, a lower level of other income and expenses, and unfavourable movements in net changes in fair value on Energy and Commodity derivatives, excluding trading activities.

3.3.1. NET CHANGES IN FAIR VALUE ON ENERGY AND COMMODITY DERIVATIVES, EXCLUDING TRADING ACTIVITIES

The net changes in fair value on Energy and Commodity derivatives, excluding trading activities, declined from €98 million in first-half 2012 to -€1 million in first-half 2013. The negative change was mainly located in the **United Kingdom** segment.

3.3.2. NET DEPRECIATION AND AMORTISATION

Net depreciation and amortisation was up by 9.1% from first-half 2012.

In **France,** net depreciation and amortisation was up by €202 million, largely as a result of maintenance investments in the generation fleet and distribution assets.

In **Italy**, the rise in net depreciation and amortisation is due to a scope effect related to the takeover of Edison in late May 2012.

At **EDF Energies Nouvelles**, commissioning of new generation facilities caused a €34 million increase in net depreciation and amortisation.

3.3.3. NET INCREASES IN PROVISIONS FOR RENEWAL OF PROPERTY, PLANT AND EQUIPMENT OPERATED UNDER CONCESSIONS

The €32 million rise in net increases in provisions for renewal of property, plant and equipment operated under concessions between the first half-year of 2012 and the first half-year of 2013 is mainly attributable to ERDF.

3.3.4. IMPAIRMENT / REVERSALS

Impairment losses for first-half 2013 amounted to €178 million, primarily concerning **Belgium** (€104 million for an EDF Luminus fossil-fired generation plant) and **Dalkia** (€49 million due to the slowdown in business at Dalkia Investissement).

In the first-half 2012, impairment mainly concerned the **Other International** segment: CENG recognised impairment of €233 million in view of the poor outlook for forward electricity prices in the United States observed over the period.

3.3.5. OTHER INCOME AND EXPENSES

In the first half-year of 2013, other income and expenses were not significant.

In the first half-year of 2012, other income and expenses included income of €177 million at ERDF, mainly due to reversal from a provision for renewal following a change in estimate concerning the operating lifetime of high/low voltage transformers (which was extended from 30 years to 40 years), and the effects of the Group's takeover of Edison (-€51 million).

3.4. FINANCIAL RESULT

(in millions of Euros)	**H1 2013**	**H2 2012 restated**	**Variation**	**Variation (%)**
Cost of gross financial indebtedness	(1,203)	(1,240)	37	-3.0
Discount effect	(1,482)	(1,550)	68	-4.4
Other financial income and expenses	1,018	993	25	+2.5
Financial result	**(1,667)**	**(1,797)**	**130**	**-7.2**

The financial result for first-half 2013 is a financial expense of €1,667 million, €130 million lower than in first-half 2012. This decrease is explained by:

- a lower level of interest expenses (-3.0%) due to the stability of long-term gross financial indebtedness following issuance of a perpetual bond and a reduction in the average coupon, in keeping with interest rate movements over the period;
- a €68 million decrease in discount expenses, essentially in France and mainly associated with use of lower discount rates;
- a €25 million increase in other financial income and expenses.

3.5. INCOME TAXES

Income taxes amounted to €1,531 million in the first half-year of 2013, corresponding to an effective tax rate of 37.2% (compared to an expense of €1,235 million corresponding to an effective tax rate of 32.5% for the first half-year of 2012).
They are calculated by applying the forecast effective tax rate for 2013 to the pre-tax income at 30 June 2013. The main factor in the rise in the effective tax rate for first-half 2013 compared to first-half 2012 is the impact of the new French budget in France, and the positive effect of a 1-point reduction in UK tax rates in first-half 2012 which had no equivalent in first-half 2013.

3.6. SHARE IN INCOME OF ASSOCIATES

The Group's share in income of associates was a positive €379 million in first-half 2013, up by €36 million from first-half 2012, mainly due to the rise in RTE's net income.

3.7. NET INCOME ATTRIBUTABLE TO NON–CONTROLLING INTERESTS

Net income attributable to non-controlling interests[23] amounted to €92 million at 30 June 2013, €38 million lower than at 30 June 2012, essentially a as a result of the downturn in EDF Luminus' net income.

[23] Formerly called "minority interests".

3.8. EDF NET INCOME

EDF net income totalled €2,877 million at 30 June 2013, up by 3.5% compared to first-half 2012.

3.9. NET INCOME EXCLUDING NON-RECURRING ITEMS

The Group's net income excluding non-recurring items[24] stood at €3,068 million for first-half 2013, up by €112 million or 3.8% compared to first-half 2012.

[24] Group net after-tax income excluding non-recurring items and net changes in fair value on Energy and Commodity derivatives, excluding trading activities, net of tax.

Non-recurring items and net changes in fair value on Energy and Commodity derivatives, excluding trading activities, net of tax in first-half 2013 (-€191 million):

- -€188 million for miscellaneous risks and impairment,
- -€3 million of net changes in fair value on Energy and Commodity derivatives, excluding trading activities, net of tax.

Non-recurring items and net changes in fair value on Energy and Commodity derivatives, excluding trading activities, net of tax in first-half 2012 (-€177 million):

- +€113 million for reversals of provisions for renewal following extension of operating lifetimes of certain assets,
- -€51 million for the effect of the takeover of TdE/Edison,
- -€304 million for miscellaneous risks and impairment (principally at CENG in the United States),
- +€65 million of net changes in fair value on Energy and Commodity derivatives, excluding trading activities, net of tax.

4. NET INDEBTEDNESS, CASH FLOWS AND INVESTMENTS

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. It also includes the Group's loans to RTE (since 2010), and to joint ventures (since 2012).

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

In millions of Euros	H1 2013	H1 2012 [4]	Variation	Variation (%)
Operating profit before depreciation and amortisation (EBITDA)	**9,698**	**9,071**	**627**	**+6.9**
Cancellation of non-monetary items included in EBITDA	(48)	(779)	731	
Net financial expenses disbursed	(1,011)	(814)	(197)	
Income taxes paid	(977)	(892)	(85)	
Other items	248	-	248	
Operating cash flow [1]	**7,910**	**6,586**	**1,324**	**+20.1**
Change in working capital	(2,800)	(2,458)	(342)	
Net operating investments (gross CAPEX less disposals)	(6,547)	(5,884)	(663)	
Free cash flow	**(1,437)**	**(1,756)**	**319**	
Allocation to dedicated assets, France	(20)	(366)	346	
Net financial investments	2,361	(583)	2,944	
Dividends paid	(187)	(1,187)	1,000	
Issuance of perpetual subordinated bonds	6,125	-	6,125	
Other changes [2]	334	164	170	
(Increase)/ decrease in net indebtedness, excluding the impact of changes in scope of consolidation and exchange rates	**7,176**	**(3,728)**	**10,904**	
Effect of change in scope of consolidation	148	(2,292)	2,440	
Effect of change in exchange rates	387	(452)	839	
Effect of other non-monetary changes [3]	135	41	94	
(Increase)/Decrease in net indebtedness	**7,846**	**(6,431)**	**14,277**	
Net indebtedness at beginning of period	41,575	33,285		
Net indebtedness at end of period	33,729	39,716		

[1] Operating cash flow is not an aggregate defined by IFRS as a measure of financial performance, and is not directly comparable with indicators of the same name reported by other companies. This indicator, also known as Funds From Operations (FFO), is equivalent to net cash flow from operating activities excluding changes in working capital after adjustment for the impact of non-recurring items, less net financial expenses disbursed and income taxes paid.

[2] Principally capital increases subscribed by minority shareholders, changes in accrued interest on debt, contributions received on assets operated under concession and investment subsidies.

[3] Mainly corresponds to changes in fair value and accounting reclassifications affecting net indebtedness.

(4) Figures for 2012 have been restated to incorporate the change in accounting method for actuarial gains and losses on employee benefits under IAS 19 (revised): the restatements to "EBITDA" and "Cancellation of non-monetary items included in EBITDA" amount to -€4 million and +€4 million respectively.

4.1. OPERATING CASH FLOW

The operating cash flow amounted to €7,910 million in the first-half 2013 compared to €6,586 million in the first-half 2012, up by €1,324 million or 20.1%.

This increase principally reflects the rise in EBITDA excluding non-monetary items (+€1,358 million) and the higher amount of Other changes (+€248 million) which mainly reflects the dividend received from RTE.
These positive effects were partly counterbalanced by net financial expenses (-€197 million) and the rise in income taxes paid (-€85 million), mainly as a result of the differences in the taxes paid in France in respect of previous years and advance instalments on current year taxes.

4.2. CHANGE IN WORKING CAPITAL

The change in working capital over the first half-year of 2013 amounted to €2,800 million, similar to the change for the same period of 2012. Excluding optimisation and trading activities, the change amounted to €2,294 million and is explained by:

- a €1,458 million decrease in trade payables, essentially in France where it is mainly caused by seasonal effects, particularly affecting purchase volumes for generation and electricity purchase obligations;
- a €165 million increase in trade receivables, essentially in France due to the cold weather of the first half-year;
- a -€663 million variation in other receivables and liabilities included in working capital, mainly attributable to payment to external pension funds in France.

The working capital for optimisation and trading activities was down by -€506 million, notably due to a rise in coal-related activity.

4.3. OPERATING INVESTMENTS[25] (GROSS CAPEX)

Operating investments (gross capital expenditure before disposals) amounted to €6,619 million at 30 June 2013, €386 million (+6.2%) higher than for at 30 June 2012.

In millions of Euros	H1 2013	H1 2012	Variation	Variation (%)

[25] Operating investments before disposal of property, plant & equipment.

Network activities	1,596	1,491	105	+7.0
Deregulated activities	2,696	2,098	598	+28.5
Island activities	204	317	-113	-35.6
France	**4,496**	**3,906**	**590**	**+15.1**
United Kingdom	660	758	-98	-12.9
Italy	154	176	-22	-12.5
Other International	223	254	-31	-12.2
Total International	**1,037**	**1,188**	**-151**	**-12.7**
Other activities	**1,086**	**1,139**	**-53**	**-4.7**
Operating investments	**6,619**	**6,233**	**386**	**+6.2**

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

Capital expenditure in **France** increased by €590 million or +15.1%.

The €105 million increase in the network activities is essentially explained by investments in connections and network modernisation.

For the deregulated activities, the €598 million increase was concentrated in nuclear maintenance (€460 million), mainly for asset maintenance operations and improvement of nuclear plant performance. The reinforced management plan also enhanced monitoring of general maintenance expenditure and scheduled checks carried out at regular intervals. These checks qualify as major inspections and the related costs are capitalised. This rise in capital expenditure also reflects progress in work on Flamanville 3.

In the island activities, the €113 million decline in first-half operating investments between 2012 and 2013 is largely due to different paces of work on the projects at Bellefontaine in Martinique and Port Est on Reunion Island.

Internationally, capital expenditure was down by €151 million (-12.7%), principally as a result of lower investments in renewable energies in the United Kingdom.

In the **Other International** segment, capital expenditure for the first-half 2013 declined by €31 million (-12.2%). The decrease was mostly concentrated in the United States (-€18 million) and Continental Europe (-€13 million).

Capital expenditure in the **Other activities** was down by €53 million. This change is primarily due to a lower level of operating investments by EDF Energies Nouvelles (-€115 million) and to a lesser extent Dalkia (-€42 million), partly offset by progress on construction of the Dunkirk methane terminal (€104 million).

4.4. FREE CASH FLOW

The Group's free cash flow at 30 June 2013 was negative at -€1,437 million (against -€1,756 million at 30 June 2012). The main factors were:

- operating cash flow of €7,910 million (see section 4.1);
- use of working capital over the first half-year of 2013 (-€2,800 million, see section 4.2);
- gross capital expenditure of €6,619 million at June 30 (see section 4.3).

4.5. ALLOCATION TO DEDICATED ASSETS

In compliance with the French Law of 28 June 2006 on the sustainable management of radioactive materials and waste, EDF has built up a portfolio of dedicated assets for secure financing of long-term nuclear obligations (€20,666 million).

Allocation of the CSPE receivable to the dedicated asset portfolio on 13 February 2013 brought coverage of EDF's eligible nuclear liabilities to 100%, and as a result there have been no further allocations since February 2013. Allocations made during the first six months of 2013 amounted to €20 million, €346 million less than in first-half 2012.

4.6. NET FINANCIAL INVESTMENTS

In the first half-year of 2013, net financial investments generated income of €2,361 million, mainly in connection with the following operations:

- withdrawals from dedicated assets amounting to €2,407 million. Allocation of the CSPE receivable to dedicated assets (see section 4.5) achieved 100% coverage of eligible nuclear liabilities and made this withdrawal possible;
- receipt in March 2013 of €196 million for sale of the Sutton Bridge power plant in the United Kingdom;
- investments for external growth (-€216 million), mainly relating to Estag's additional investment (+34.57%) in SSG, the Taishan project, and various financial investments at EDF Energies Nouvelles.

4.7. DIVIDENDS

Dividends paid in cash (€187 million) correspond to the dividends paid by Group subsidiaries to their minority shareholders, principally Centrica in the UK (€127 million).

The level of dividends paid is lower than in first-half 2012 (-€1,000 million) because the balance of dividends for 2012 was paid on 8 July 2013, whereas the balance of the 2011 dividend was paid in June 2012. Payment was delayed to the second half-year because each shareholder was entitled to receive their dividends in the form of shares on a basis of €0.10 per share, and the period for choosing this option ran from 6 June to 26 June inclusive.

4.8. PERPETUAL BOND

In January 2013, the Group issued a perpetual bond for an equivalent of €6,125 million (net of transaction costs) in several different tranches and several currencies:

- $3,000 million at 5.25% with a 10-year first call date,
- £1,250 million at 6% with a 13-year first call date,
- €1,250 million in Euros at 4.25% with a 7-year first call date;
- €1,250 million in Euros at 5.375% with a 12-year first call date.

Details of this bond are given in section 5.1.1.2 below.

4.9. SCOPE AND FOREIGN EXCHANGE EFFECTS

The scope effect (changes in the scope of consolidation) essentially reflects acquisitions and disposals by EDF Energies Nouvelles during the first half-year of 2013 (€146 million).

The foreign exchange effect (the pound sterling fell sharply against the Euro while the US dollar showed a slight appreciation[26]) has a favourable impact of +€387 million on the change in the Group's net indebtedness during the first half-year of 2013.

4.10. NET INDEBTEDNESS

The Group's net indebtedness stood at €33,729 million at 30 June 2013 compared to €41,575 million at 31 December 2012, down by €7,846 million from the first-half 2013 despite the negative free cash flow (€1,437 million, see section 4.4). This decrease is principally explained by the perpetual bond issue in January 2013 (€6,125 million) and the withdrawal of €2,407 million from dedicated assets in March 2013 after the CSPE receivable was allocated to dedicated assets.

[26] The pound sterling fell by 5.0% against the Euro, from €1,2253/£1 at 31 December 2012 to €1.1666/£1 at 30 June 2013. The US dollar rose by 0.9% against the Euro, from €0.7579/$1 at 31 December 2012 to €0.7645/$1 at 30 June 2013.

4.11. FINANCIAL RATIOS

	30 June 2013	31 December 2012 proforma [1]	31 December 2012 restated
Net financial debt /EBITDA	**2.0**	**2.4** [2]	**2.6** [2]
Net financial debt /(Financial debt + equity) [3]	**47%**	**56%**	**57%**

[1] The 2012 proforma ratios have been restated to reflect allocation of the CSPE receivable to dedicated assets on 13 February 2013 and withdrawal of €2.4 billion of assets, such that 100% of EDF's eligible nuclear liabilities are covered by the dedicated assets.

[2] The 2012 NFD/EBITDA ratios include 100% of Edison's restated EBITDA in the denominator and the restatement resulting from application of IAS 19 (revised).

[3] Equity including non-controlling interests, restated following application of IAS 19 (revised).

5. MANAGEMENT AND CONTROL OF MARKET RISKS

The policy and principles for management and control of the Group's market risks are presented in Section 9.5 of the 2012 Reference Document. There have been no significant changes during the first half-year of 2013.

This chapter sets forth the main changes over the first half-year of 2013 in financial data concerning the management and control of market risks.

5.1. MANAGEMENT AND CONTROL OF FINANCIAL RISKS

5.1.1. LIQUIDITY POSITION AND MANAGEMENT OF LIQUIDITY RISKS

5.1.1.1. Liquidity position

At 30 June 2013, the Group's liquidities totalled €18,194 million compared to €16,163 million at 31 December 2012, and available credit lines amounted to €9,070 million compared to €8,598 million at 31 December 2012.

5.1.1.2. Management of liquidity risks

During the first-half 2013, EDF undertook several new bond issues:

- €120 million with annual coupon of 3.450% and 20-year maturity (on 25 January 2013)
- €100 million with annual coupon of 3.286% and 20-year maturity (on 31 May 2013)
- €100 million with annual coupon of 2.991% and 20-year maturity (on 19 June 2013)

Two bonds matured during the first half-year of 2013: a CHF 300 million bond which matured on 31 January 2013, and a €1,395 million bond which matured on 23 January 2013.

EDF also issued hybrid (perpetual) bonds in three currencies, for the equivalent of €6,125 million (net of transaction costs). The Euro and sterling tranches were negotiated on 22 January 2013. The US dollar tranche was negotiated on 23 January 2013. These bonds have perpetual maturity but include a redemption option at face value at the issuer's initiative, exercisable at the coupon payment dates after a certain contractual period. The tranches are as follows:

- £1,250 million with a 6% semi-annual coupon, with a 13-year first call date and subsequently at each coupon date,
- $3,000 million with a 5.250% semi-annual coupon, with a 10-year first call date and subsequently at each coupon date,
- €1,250 million with a 4.25% annual coupon with a 7-year first call date and subsequently at each coupon date,
- €1,250 million with a 5.375% annual coupon with a 12-year first call date and subsequently at each coupon date.

The average maturity of Group debt was thus 9 years at 30 June 2013, compared to 8.5 years at 31 December 2012. For EDF SA, the average maturity of debt was 10 years against 9.6 years at 31 December 2012.

No drawings were made on EDF SA's syndicated loan or bilateral credit lines during the first half-year of 2013.

EDF's controlled subsidiaries are managed in compliance with EDF's Financing and Treasury Guide. Their cash is included in the Group's cash pooling. They may benefit from a stand-by credit line from the parent company EDF SA to cover intrayear liquidity requirements. They may also benefit from long-term credits from ED IG to finance investments.

Edison is currently being integrated into the Group, and external credit lines are progressively being replaced by Group financing once they mature.

When its syndicated credit matured in April 2013, Edison reimbursed the €1.15 billion drawing made in late December 2012 and the €350 million drawing made during the first quarter of 2013.
This credit has been refinanced by two new bilateral credit lines with the EDF group:

- An €800 million loan from EDF IG with 7-year maturity,
- A revolving credit line from EDF SA, amounting to €600 million with 2-year maturity, drawn to the extent of €400 million at 30 June 2013.

5.1.2. CREDIT RATINGS

The financial ratings agencies Standard & Poor's, Moody's and Fitch Ratings attributed the following long-term and short-term ratings to EDF group entities at 30 June 2013:

Company	Agency	Long-term rating	Short-term rating
	Standard & Poor's	A+, stable outlook	A-1
EDF	Moody's	Aa3, negative outlook	P-1

EDF Trading	Moody's	A3, negative outlook	n.a
EDF Energy	Standard & Poor's Moody's	A, negative outlook n.a [2]	A-1 n.a
Edison	Standard & Poor's Moody's Fitch Ratings	BBB, creditwatch positive Baa3, negative outlook n.a [3]	A-2 n.a n.a

n.a.: not applicable.

[1] Fitch Ratings placed EDF on negative outlook on 1 July 2013 (as the electricity tariff rises were considered too low to maintain a level of indebtedness consistent with an A+ rating).

[2] Moody's stopped rating EDF Energy on 17 April 2013.

[3] Fitch Ratings stopped rating Edison on 20 February 2013.

5.1.3. MANAGEMENT OF FOREIGN EXCHANGE RISK

The Group's gross debt at 30 June 2013 breaks down as follows by currency after hedging as defined by IFRS: 61% in Euro, 23% in pound sterling and 10% in US dollar. The balance of 6% includes the Swiss franc, the Hungarian forint, the Polish zloty, the Brazilian real, and the Japanese yen.

Gross debt structure by currency, before and after hedging

30 June 2013 *(In millions of Euros)*	**Initial debt structure**	**Impact of hedging instruments [1]**	**Debt structure after hedges**	**% of debt**
EUR	33,153	39	33,192	61%
USD	9,638	-4,304	5,334	10%
GBP	7,374	4,898	12,272	23%
Other currencies	3,820	-633	3,187	6%
TOTAL DEBT	**53,985**	**0**	**53,985**	**100%**

[1] Hedges of liabilities and net assets of foreign subsidiaries.

The table below presents the impact of an unfavourable variation in exchange rates on the group's gross debt at 30 June 2013.

Sensitivity of the Group's gross debt to foreign exchange rate risks

30 June 2013 *(In millions of Euros)*	**Debt after hedging instruments converted into Euros**	**Impact of a 10% unfavourable variation in exchange rates**	**Debt after a 10% unfavourable variation in exchange rates**
EUR	33,192	-	33,192
USD	5,334	533	5,867
GBP	12,272	1,227	13,499
Other currencies	3,187	319	3,506
TOTAL DEBT	**53,985**	**2,079**	**56,064**

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 30 June 2013.

Net asset position

(In millions of currency units)	Net position after management (Assets) at 30 June 2013 [(1)]	Net position after management (Assets) at 31 December 2012
USD	178	430
CHF (Switzerland)	159	473
HUF (Hungary)	38,027	34,758
PLN (Poland)	1,192	869
GBP (United Kingdom)	4,787	3,189
BRL (Brazil)	772	626
CNY (China)	5,954	5,870

(1) Net asset positions as at 31 March 2013

The assets in the above table are the net assets of the Group's foreign subsidiaries in foreign currencies at 31 March 2013, adjusted for changes in the fair value of cash flow hedges and available-for-sale financial assets recorded in equity, and changes in the fair value of financial instruments recorded in income at 30 June 2013.

5.1.4. MANAGEMENT OF INTEREST RATE RISK

The Group's debt after hedging instruments at 30 June 2013 was structured as follows: 79% of debt bore interest at fixed rates and 21% at floating rates. These proportions have remained stable since 31 December 2012.

A 1% uniform rise in interest rates would generate an increase of approximately €113 million in financial expenses at 30 June 2013, based on gross floating-rate debt after hedging.

The average coupon on Group debt (weighted interest rate on outstanding amounts) was 3.9% at 30 June 2013 against 3.7% at 31 December 2012.

The table below sets forth the structure of Group debt and the impact of a 1% variation in interest rates at 30 June 2013:

Group debt structure and sensitivity to interest rate risks

30 June 2013 *(In millions of Euros)*	**Initial debt structure**	**Impact of hedging instruments**	**Debt structure after hedges**	**Impact on net income of a 1% variation in interest rates**
Fixed rate	48,124	-5,476	42,648	-
Floating rate	5,861	5,476	11,337	113
TOTAL DEBT	**53,985**	**0**	**53,985**	**113**

5.1.5. MANAGEMENT OF EQUITY RISKS

The equity risk is concentrated in the following areas:

Coverage of EDF's nuclear obligations

Analysis of the equity risk on coverage of EDF's nuclear obligations is presented below in section 5.1.6, "Management of financial risk on EDF's dedicated asset portfolio".

Coverage of employee benefit commitments for EDF, EDF Energy and British Energy

30.2% of the assets covering EDF's employee benefit obligations were invested in equities at 30 June 2013, corresponding to a total amount of €2.5 billion of equities.

At 30 June 2013, the two pension funds set up by EDF Energy *(EEGSG: EDF Energy Generation & Supply Group* and *EEPS: EDF Energy Pension Scheme)* were invested to the extent of 38.6% in equities, representing an amount of £336 million of equities.

31.7% of the British Energy funds were invested in equities at 30 June 2013, corresponding to an amount of £1,323 million.

CENG fund

CENG is exposed to equity risks in the management of its funds established to cover nuclear plant decommissioning and employee benefit obligations.

EDF's long-term cash management

In the first-half 2013, equity-correlated investments included in EDF's long-term cash management investments amounted to €2.8 million, and are still being reduced.

Direct investment securities

At 30 June 2013, EDF's investment in Veolia Environnement amounted to €193 million, with estimated volatility of 37.05% (annualised volatility of monthly returns observed over three years).

At the same date, EDF's investment in AREVA amounted to €102 million, with estimated volatility of 39.55% (annualised volatility of monthly returns observed over three years).

5.1.6. MANAGEMENT OF FINANCIAL RISK ON EDF'S DEDICATED ASSET PORTFOLIO

Content and performance of EDF's dedicated asset portfolio

At 30 June 2013[27], the total value of the dedicated asset portfolio was €20,666 million compared to €17,642 million at 31 December 2012 (restated for the effect of RTE share valuations and retrospective application of IAS 19 (revised)). Details of portfolio content are shown below:

	30 June 2013	31 December 2012
Equities sub-portfolio	33.8%	41.6%
Bonds sub-portfolio	27.3%	39.4%
Risk-free assets	26.9%	5.4%
RTE shares	12.0%	13.6%
TOTAL	100%	**100%**

The table below presents the performance by sub-portfolio at 30 June 2013 and 31 December 2012:

(In millions of Euros)	**30/06/2013 Stock market or realisable value**	**Performance at 30/06/2013**		**31/12/2012 Stock market or realisable value**	**Annual performance at 31/12/2012**	
		Portfolio	**Benchmark index[28]**		**Portfolio**	**Benchmark index[29]**
Equities sub-portfolio	6,984	+8.2 %	+8.2 %	7,343	+13.8 %	+14.4 %
Bonds sub-portfolio	5,638	-1.1 %	+0.1 %	6,937	+10.3 %	+10.6 %
Total Equities and Bonds portfolio	**12,622**	**+3.7 %**	**+4.0 %**	**14,280**	**+12.0 %**	**+12.6 %**
Cash sub-portfolio				953	+1.1%	+0.2%
Total Financial portfolio	**12,622**	**+3.7 %**	**+4.0 %**	**15,233**	**+11.1 %**	**+12.6 %**
Risk-free assets	5,571	+0.7%	- %			
RTE shares	2,473	+7.0%		2,409[30]		
TOTAL Dedicated Assets after hedging	**20,666**	**+4.1%**		**17,642**	**+10.4%**	

(1)The assets from the Cash sub-portfolio have been transferred to "Risk-free assets".

The first half-year of 2013 was marked by two phases. The first phase continued the movement

[27] In fact these are the prices at 28 June 2013, as 30 June 2013 was a Sunday.

[28] Benchmark index in 2013: MSCI World AC DN hedged in Euros 50% (excluding emerging country currencies) for the equities sub-portfolio, Citigroup EGBI for the bonds sub-portfolio, Eonia Capitalisé for the cash sub-portfolio, 49% equities index + 51% bonds index for the total portfolio.

[29]Benchmark index in 2012: MSCI World DN hedged in Euros 50% for the equities sub-portfolio, Citigroup EGBI for the bonds sub-portfolio, Eonia Capitalisé for the cash sub-portfolio, 50% equities index + 50% bonds index for the total portfolio.

[30] ~~Pro forma after the change of accounting method for actuarial gains and losses on employee benefits.~~

begun in the year 2012 when trust in the Euro markets returned and American growth was stable, and stock markets rose in all zones. Japan in particular was boosted by introduction of new economic, budgetary and monetary policies, and the United States by their improved economic situation; meanwhile, the emerging markets lagged behind, with disappointing growth in China. In bond markets the focus was on returns, as reflected in a general shrinking of spreads. The Federal bank's two-stage announcement from mid-April of a possible reversal of its policy towards less quantitative easing caused a sudden switch in the market: equity markets declined, led by the emerging markets, while spreads rose slightly on the bond markets.

Against this background, the financial portfolio ended the half-year on a positive note at +3.7%. The difference compared to the composite benchmark index, which registered a +4.0% rise, is explained by continued prudent management, achieving greater asset diversification and lower volatility than in the benchmark index, and the decision in the bond pocket to keep exposure low on the edges of the Euro zone, especially Spain.

As part of the regular reviews of strategic allocation, in order to pursue the diversification into real assets begun since 2010 with the RTE shares, the Board of Directors approved a new strategic allocation that took effect in early 2013, with a 2-year transition period for implementation. This allocation consists of real assets (18% infrastructure assets including the RTE shares allocated, 4% real estate assets, 2% unlisted assets) in addition to the financial portfolio (37% international equities and 39% bonds). The index for the equities sub-portfolio is now the MSCI World AC DN hedged in Euros 50%, excluding emerging country currencies.

In application of the decree of 23 February 2007, on 8 February 2013 the French government authorised allocation of CSPE receivable held by EDF to the dedicated assets for secure financing of long-term nuclear expenses. In view of this authorisation, the positive opinion of the Nuclear Commitments Monitoring Committee and the deliberations of the Board of Directors at its meeting of 13 February 2013, EDF decided to allocate the total receivable, which represents the accumulated shortfall in CSPE compensation at 31 December 2012 and amounts to €4,879 million, to dedicated assets. This allocation is concurrent with a withdrawal of financial assets from the portfolio (diversified bond and equity investments) totalling €2,379 million (pro forma at 31 December 2012). The net allocation to dedicated assets was thus €2,500 million (pro forma at 31 December 2012) and the objective of 100% coverage of long-term nuclear provisions has thus been reached in advance of the legal deadline of June 2016 set by the "NOME" law on the new electricity market organisation.

The actual (unadjusted) allocation for the first half-year of 2013 amounts to €2,502 million, resulting from allocation of the CSPE receivable (€4,889 million at 13 February 2013 including accrued interest) net of withdrawals (€2,407 million unadjusted) and a €20 million cash allocation.

The market value of the equities sub-portfolio was €6,984 million at 30 June 2013. The volatility of the equities sub-portfolio in the dedicated assets can be estimated on the basis of the volatility of the benchmark index. At 30 June 2013, this volatility was 10.1% 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 €705 million. This volatility is likely to affect consolidated equity.

At 30 June 2013, the sensitivity of the bonds sub-portfolio (€5,638 million) was 5.2%, i.e. a uniform 100 basis point rise in interest rates would result in a €293 million decline in market value, which would be recognised in Group equity. This bond sub-portfolio sensitivity was 5.06 at 31 December 2012.

5.1.7. MANAGEMENT OF COUNTERPARTY / CREDIT RISK

Counterparty risk is defined as the total loss that the EDF group would sustain on its business and market transactions if a counterparty defaulted and failed to perform its contractual obligations.

The Group has a counterparty risk management policy which applies to the parent company and all operationally controlled subsidiaries. This policy defines the organisation of counterparty risk management and monitoring, and reporting procedures and circuits. It involves monthly consolidation of the exposures on financial and energy markets and half-yearly consolidation for all activities. The policy also includes close supervision of Group counterparties (daily review of alerts, special cautionary measures for certain counterparties).

These supervision procedures proved their robustness in the early stages of the financial crisis, when the Group moved to a more frequent (quarterly) consolidation of all counterparty risks. Since the end of 2012, a consolidation system has been in use, making the process more reliable and more responsive.

The table below gives details, by rating, of the EDF group's consolidated exposure at the end of March 2013. 85% of the main counterparties for the Group's business qualify as "investment grade", slightly more than the proportion resulting from the risk consolidation at 30 September 2012.

	AAA	AA	A	BBB	BB	B	CCC/C	Unrated	Total
31/03/2013	8%	21%	40%	16%	3%	0%	1%	11%	**100%**
30/09/2012	7%	23%	39%	14%	2%	1%	1%	13%	**100%**

The exposure to counterparty risk by nature of activity is distributed as follows:

	Purchases	Insurance	Distribution and sales	Cash and asset management	Fuel purchases and energy trading	Total

31/03/2013	2%	37%	6%	44%	11%	**100%**
30/09/2012	4%	38%	7%	39%	12%	**100%**

Exposure in the energy trading activities is concentrated at EDF Trading. Counterparty risk management for this subsidiary has explicit limits for each counterparty according to its financial robustness. A range of means are used to reduce counterparty risk at EDF Trading, primarily position netting agreements, cash collateral agreements and establishment of guarantees from banks or affiliates.

Particularly for counterparties dealing with EDF's trading room, the Group Risk Control department has drawn up a framework specifying counterparty authorisation procedures and the methodology for calculation of allocated limits (which must correspond to requirements). The level of exposure can be consulted in real time and is systematically monitored on a daily basis. The suitability of limits is reviewed without delay in the event of an alert or unfavourable development concerning a counterparty.

In the context of the Euro zone's financial crisis, EDF has continued its prudent management policy for cash investments (EDF SA and cash pooling) concerning countries on the edges of the Euro zone. Sovereign debt purchases are limited to Italy and Ireland (no exposure in Portugal, Greece, Cyprus and Spain) for maturities of less than one year. Only "investment grade" banking counterparties considered systemic by the Financial Stability Board (meaning they have low risk of default) are authorised, for restricted amounts and maturities.

5.2. MANAGEMENT AND CONTROL OF ENERGY MARKET RISKS

This section presents the main changes in energy market risks affecting the Group since 31 December 2012.

The principles for management and control of energy market risks are presented in section 9.5.2 of the 2012 reference document. They are unchanged from 31 December 2012.

For operationally controlled entities in the Group, positions on the energy markets are taken predominantly by EDF Trading, the Group's trading entity, which operates on the markets on behalf of other group entities and for the purposes of its own trading activity, backed by the Group's industrial assets. EDF Trading is therefore subject to a strict governance and control framework in line with current practices in trading companies.

The principles for management of the Group's energy market risks referred to above are partially applied in CENG (in respect of EDF's share of energy). For Edison, rollout of these principles began in 2012 with consolidation of Edison's positions into the Group's risk profile, and will continue as Edison is integrated into the EDF group.

The table below presents the values of risk indicators used to monitor EDF Trading's markets commitments for the first half-year of 2013 and the second half-year of 2012.

The stop-loss was not triggered during the first half-year of 2013.

(in millions of Euros)	**H1 2013**	**H2 2012**
VaR limit[31] (97.5 % 1-day)	45	45
Stop-loss limit	225	225
Minimum VaR	3.8	2.6
Average VaR	5.5	7.1
Maximum VaR	8.7	11.4

[31] This limit takes account of the risk diversification between the activities of EDF Trading and EDF Trading North America. It does not take account of diversification related to the Chubu joint venture, whose VaR limit of €2 million is added to EDF Trading's VaR limit of €43 million.

6. TRANSACTIONS WITH RELATED PARTIES

The types of transaction undertaken with related parties are detailed in note 26 to the condensed consolidated half-year financial statements at 30 June 2013.

7. PRINCIPAL RISKS AND UNCERTAINTIES FOR THE SECOND HALF-YEAR OF 2013

The principal risks and uncertainties to which the EDF Group considers itself exposed are described in section 4.1 of the 2012 Reference Document.

The EDF Group policies for risk management and control are described in section 4.2 of the 2012 Reference Document.

This presentation of the major risks remains valid at the date of publication of this report for assessment of the principal risks and uncertainties for the second half-year of 2013, and the Group remains subject to the usual risks specific to its business.

8. SIGNIFICANT EVENTS RELATED TO LITIGATION IN PROCESS

Litigations concerning the EDF group are described in section 20.5 of the 2012 Reference Document. This chapter reports on litigations which have seen significant developments since the release of the 2012 Reference Document.

8.1. PROCEEDINGS CONCERNING EDF

General network

The European Commission initiated proceedings against France in October 2002, claiming that EDF had received State aid when its balance sheet was restructured at 1 January 1997. By a decision dated 16 December 2003, the European Commission set the amount of aid to be repaid at €889 million (principal). On 11 February 2004, the French State issued a collection note for €1,224 million, comprised of the principal amount of the aid to be repaid, plus interest. This amount was paid by EDF. On 27 April 2004, EDF filed an appeal with the European Court of First Instance, now the General Court of the European Union, to have the Commission's decision reversed. The Court issued a ruling on 15 December 2009 cancelling the Commission's decision of 16 December 2003. As this was immediately enforceable, the State repaid the sum of €1,224 million to EDF on 30 December 2009. By a decision of 5 June 2012, the Court of Justice upheld the 15 December 2009 ruling by the General Court of the European Union. On 2 May 2013, the Commission adopted a decision to reopen these proceedings, and this decision marked the start of a further adversarial exchange of positions between the French state and the European Commission.

Solaire Direct

On 19 May 2008, Solaire Direct filed a complaint and an application for protective measures with France's Competition Council *(Conseil de la Concurrence)*, alleging that the EDF group had abused its dominant position in the various electricity markets to penetrate the emerging comprehensive services market for shared photovoltaic electricity generation through its subsidiary EDF Energies Nouvelles Réparties ("EDF ENR"), thereby hindering the entry of new competitors on that market.

The Council met on 26 November 2008 to consider the admissibility of the case on the merits and the request for protective measures. EDF proposed certain commitments to address concerns over competition expressed by the Council. These commitments were posted on the Council's website as part of a "market test" procedure, in order to allow interested companies to state their opinion.

In early 2009, the Competition Council, now renamed the Competition Authority *(Autorité de la Concurrence)* decided not to pursue the commitment proposal made by EDF, and to order protective measures relating to the methods used by EDF ENR to market global photovoltaic energy services, without prejudice to the outcome of the proceedings. At that stage, the Competition Authority considered that the communication methods used by EDF maintained a confusion between EDF's role as electricity supplier subject to regulated tariffs, and the deregulated activities of its subsidiary. In a ruling of 8 April 2009, the Competition Authority ordered EDF (i) to delete all reference to EDF ENR's activity in the photovoltaic market from all communication materials for the Bleu Ciel® brand, (ii) to forbid agents answering calls on the 3929 hotline (a dedicated number for individuals and EDF clients) to make any reference to the services offered by EDF ENR, (iii) to cease all communication of information obtained through the 3929 hotline to EDF ENR, not only fixing appointments for EDF ENR but also passing on information about people interested in photovoltaic energy generation, and finally (iv) to refrain from providing EDF ENR with information EDF possesses as a result of its business as an electricity services provider subject to regulated tariffs. EDF complied with these orders within the deadlines set by the Competition Authority.

Once examination of the substance of the case was complete, the Competition Authority met on 11 June 2013 and is expected to issue its decision in the autumn. If the Authority concludes that anti-competitive practices were applied by EDF, it could, among other sanctions, levy a fine on EDF in accordance with article L. 464-2 of the French Commercial Code. The amount of any sanctions must be proportional to the seriousness of the offences, the significance of the damage to the economy, and the company's position, up to a maximum of 10% of its potential worldwide sales excluding taxes.

Fessenheim

On 25 July 2008, an association and individuals petitioned the French ministers in charge of nuclear safety (the ministers for energy and environmental protection) to order the permanent shutdown and dismantling of the Fessenheim nuclear power plant. This request was based on article 34 of French law 2006-686 of 13 June 2006 relating to transparency and safety in nuclear matters, which allows the enactment of a decree adopted in the French Council of State, after consultation with the Nuclear Safety Authority *(Autorité de Sûreté Nucléaire* - ASN), to order the final shutdown and dismantling of a nuclear installation that presents serious risks, when no other course of action is possible.

After the dismissal of the petition by the ministers, the petitioners filed an appeal with the Strasbourg Administrative Tribunal on 10 December 2008, which was rejected on 9 March 2011. The petitioners lodged an appeal against this decision on 4 May 2011, and this too was rejected by the Nancy Administrative Court in a decision of 16 May 2013.

The same petitioners filed an application for review on 18 April 2011, requesting the ministers in charge of nuclear safety and the ASN to suspend operation of the Fessenheim power plant. This request is founded on articles 34 and 35 of the decree of 2 November 2007 relating to basic nuclear installations and the control of nuclear safety and security for the transportation of radioactive substances, which entitles ministers or the ASN to suspend the operation of a basic nuclear installation in the event of serious risk. After the ministers and the ASN refused to grant their request, the petitioners initiated actions before the Strasbourg Administrative Court (against the ministers' implicit decision of refusal) and French Council of State (against the ASN's implicit decision of refusal).

By an ordinance of 9 March 2012, the President of Strasbourg Administrative Court referred the actions concerning the ministers' implicit decision of refusal back before the Council of State. On 28 June 2013, the Council of State issued a decision rejecting these actions, considering that there was no demonstrable existence of serious imminent risks concerning the security, health and safety of the public, nature and the environment that would justify suspension of the plant.

Finally, an application was filed on 23 March 2013 by several associations including the Réseau Sortir Du Nucléaire, requesting summary suspension of work on the review of safety, particularly reinforcement of the apron. This petition was rejected in an ordinance by the Council of State dated 10 April 2013.

Packaging and interim storage installation for radioactive waste (ICEDA)

A decree of 23 April 2010 authorised EDF to open a regulated nuclear installation, a conditioning and interim storage installation for radioactive waste (ICEDA), in the town of Saint-Vulbas in the Ain *department* of France. Two petitions for cancellation of the decree were filed with the French Council of State in June 2010, one by Roozen, a horticultural company operating near the site, and the other by a group of environmental protection associations. Both were rejected by the Council of State in a decision of 1 March 2013.

A third petition for cancellation of the decree was filed in April 2012 before the Council of State by the city of Geneva, and the decision is still pending.

Roozen also filed a petition with the Lyon Administrative Court on 21 April 2010 seeking cancellation of the building permit. In a judgment of 13 December 2011, the Administrative Court cancelled the building permit due to violation of the local zoning plan. EDF lodged an appeal with the Lyon Administrative Court of Appeal. After this court confirmed cancellation of the building permit in a ruling of 19 June 2012, EDF filed a further appeal before the Council of State in August 2012.

Meanwhile, the town of Saint-Vulbas initiated a review of its local zoning plan together with the stakeholders, and EDF filed a new building permit application which is still being processed.

Roozen applied for an emergency injunction to suspend the zoning plan. The Judge at the Lyon Administrative Court dismissed this application on 14 January 2013 on the grounds that there was no urgency.

Vent de Colère – Appeal against the decision of 17 November 2008 setting wind power purchase tariffs

Following an appeal by the association "Vent de Colère" against the decision of 17 November 2008 setting the purchase tariffs for wind power, the French Council of State suspended judgment and submitted a prejudicial question to the Court of Justice of the European Union, on the point of whether the purchase obligation financing system based on the CSPE should be considered as intervention by the State or through State resources as defined in the EU Treaty provisions concerning State aid, for the purposes of application of the treaty.

On 11 July 2013, the Advocate General at the Court of Justice issued his Opinion that this financing mechanism does indeed qualify as intervention by the State or through State resources. The Court is due to issue its decision in the coming months. It is under no obligation to concur with the opinion of its Advocate General.

Once the Court has issued its decision, the case will resume before the French Council of State, which will make a final ruling on the appeal lodged by "Vent de Colère" against the decision of 17 November 2008.

Superphénix

Following France's decision to stop building the Superphénix nuclear reactor, AREVA NC considers that EDF should bear part of the cost of the preparatory services for construction of core 3, and the cost of processing wasyte from manufacturing of cores 1 and 2 to recover the surplus plutonium. As the companies were unable to reach an amicable settlement, Areva NC decided to bring action against EDF on 19 June 2013 for payment of an amount (subject to adjustment) of €148 million (under the initial economic conditions). The case is scheduled to be heard by the Paris Commercial Court on 5 September 2013.

8.2. PROCEEDINGS CONCERNING EDF'S SUBSIDIARIES AND AFFILIATES

8.2.1. ERDF

Litigation with photovoltaic producers

Announcements made during 2010 of lower tariffs for purchases of photovoltaic electricity caused an upsurge in the number of applications for connection received by ERDF's units from photovoltaic operators, particularly in August 2010 (at the time, the applicable tariff depended on the application filing date). Three months later, a "moratorium decree" of 9 December 2010 suspended conclusion of new contracts for a three-month period and stipulated that applications for which the technical and financial proposals had not been adopted by 2 December 2010 would have to be resubmitted after that three-month period.

When the moratorium ended, new arrangements for electricity purchases were introduced. A system of tender offers developed, and a further decision set the new tariff for compulsory purchases of photovoltaic power. This decision was issued on 4 March 2011 and significantly reduced the purchase price applicable.

A decision of the French Council of State of 16 November 2011 rejecting appeals against the moratorium decree of December 2010 generated a large volume of legal proceedings against ERDF in November and December 2011, which continued, although at a slower pace, throughout 2012. New summonses were also received in 2013. Most actions were initiated by generators who found themselves forced to abandon their projects because the new electricity purchase tariffs made operating conditions less favourable; they consider ERDF responsible for this situation since it did not issue the technical and financial connection proposals in time for them to benefit from more advantageous electricity purchase terms. ERDF considers that it cannot be held liable, and has lodged appeals against the small number of first instance rulings against it issued in 2011 and

2012. ERDF won a favourable first instance ruling in May 2013.

The Conflict Tribunal ruled on 8 July 2013 that the ordinary judicial courts were competent to handle litigations between ERDF and electricity generators concerning delays in issuing technical and financial proposals.

Consequences of cancellation of the TURPE 3 network access tariff decisions

On 28 November 2012, the French Council of State announced the cancellation of the decisions of 5 May and 5 June 2009 setting the TURPE 3 distribution network access tariff for the period 2009-2013.

The grounds for cancellation concerned the method used to calculate weighted average cost of capital (WACC): the French Council of State judged this method "an error in law" because it does not take account of "the special concession accounts, which correspond to the grantor's rights to recover concession assets for no consideration at the end of the contract (...) and the provisions for renewal of assets".

This cancellation took effect on 1 June 2013. The tariff applicable from 1 June 2013 is described in section 2.2.3.1.4.

8.2.2. EnBW

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

Neckarpri claims that the price paid for the EDF group's investment in EnBW was excessive and therefore constitutes illegal State aid. On those grounds, it is claiming reimbursement of the allegedly excess portion of the price. This was initially estimated at €2 billion in the request for arbitration, but was re-estimated at €834 million in July 2012 in an independent report on the valuation of EnBW commissioned by Baden- Württemberg. In September 2012, Neckarpir confirmed that its principal claim was being reduced to that amount. As an alternative Neckarpri is seeking cancellation of the sale of the EDF group's stake in EnBW.

The arbitration procedure is currently in process. The first conclusions filed in support of Neckarpri's claim and in defence of EDF have been exchanged, including EDF's counterpetition for compensation for the prejudice suffered as a result of these proceedings, which EDF considers unfounded and a misuse of law. After a further exchange of conclusions, the hearings//interviews will take place in January 2014 and the decision should be issued in the first half-year of 2014.

9. FINANCIAL OUTLOOK

The results for the first half-year of 2013 showed a positive development, notably thanks to higher hydropower output and a favourable weather effect, partly counterbalanced by the scheduled outages in the nuclear generation fleet. The faster conclusion of Edison's renegotiations of certain gas supply contracts also contributed to the positive trends in half-year results.

In this context, for 2013 the Group :

- has raised its operating performance targets :
  - growth in EBITDA[32] (excluding Edison) of at least 3%
  - EBITDA of approximately €1 billion for Edison

- and confirmed its financial objectives:
  - net indebtedness/EBITDA ratio of between 2x and 2.5x
  - a dividend distribution rate of between 55% and 65% of net income excluding non-recurring items.

These financial objectives are notably founded on the rollout of a cost optimisation plan which is progressing in line with forecasts, such that the target was 35% achieved by 30 June. This plan covers both operating expenses and investments, and will cut costs by €1 billion in 2013.

The Group aims to make net investments of between €12 billion and €12.5 billion in 2013, depending on the timing of completion of certain disposals.

[32] Growth based on constant scope of consolidation and exchange rates.

Board of directors' meeting of 29 July 2013

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT 30 JUNE 2013

Consolidated income statements

(in millions of Euros)	Notes	H1 2013	H1 2012 [1]
Sales	6	39,747	35,903
Fuel and energy purchases		(20,821)	(17,950)
Other external expenses		(4,134)	(4,340)
Personnel expenses		(6,020)	(5,787)
Taxes other than income taxes		(1,793)	(1,597)
Other operating income and expenses	7	2,719	2,842
Operating profit before depreciation and amortisation		**9,698**	**9,071**
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities		(1)	98
Net depreciation and amortisation		(3,583)	(3,283)
Net increases in provisions for renewal of property, plant and equipment operated under concessions		(126)	(94)
(Impairment) / reversals	8	(178)	(294)
Other income and expenses	9	(22)	100
Operating profit		**5,788**	**5,598**
Cost of gross financial indebtedness		(1,203)	(1,240)
Discount effect	10	(1,482)	(1,550)
Other financial income and expenses		1,018	993
Financial result	10	**(1,667)**	**(1,797)**
Income before taxes of consolidated companies		**4,121**	**3,801**
Income taxes	11	(1,531)	(1,235)
Share in income of associates	14	379	343
Group net income		**2,969**	**2,909**
EDF net income		**2,877**	**2,779**
Net income attributable to non-controlling interests		**92**	**130**
Earnings per share (EDF share) in Euros:			
Earnings per share		**1.56**	**1.50**
Diluted earnings per share		**1.56**	**1.50**

(1) The figures published for first-half 2012 have been restated for the impact of retrospective application of IAS 19 revised and the change in presentation of disposals of generation assets by EDF Energies Nouvelles as part of its Development and Sale of Structured Assets (DSSA) business (see note 2).

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

(in millions of Euros)	Notes	H1 2013			H1 2012 [1]		
		EDF net income	Net income attributable to non-controlling interests	**Total**	EDF net income	Net income attributable to non-controlling interests	**Total**
Group net income		**2,877**	**92**	**2,969**	**2,779**	**130**	**2,909**
Gross change in fair value of available-for-sale financial assets [2]		226	-	226	406	-	406
Related tax effect		(75)	-	(75)	(179)	-	(179)
Associates' share of fair value of available-for-sale financial assets		-	-	-	(24)	-	(24)
Change in fair value of available-for-sale financial assets	19.4.1	***151***	-	***151***	***203***	-	***203***
Gross change in fair value of hedging instruments [2]		793	2	795	(910)	-	(910)
Related tax effect		(65)	(1)	(66)	148	-	148
Associates' share of fair value of hedging instruments		8	-	8	2	-	2
Change in fair value of hedging instruments	19.4.2	***736***	***1***	***737***	***(760)***	-	***(760)***
Translation adjustments - controlled entities		(915)	(171)	(1,086)	836	109	945
Translation adjustments - associates		11	-	11	52	-	52
Translation adjustments		***(904)***	***(171)***	***(1,075)***	***888***	***109***	***997***
Gains and losses recorded directly in equity that will be reclassified subsequently to profit or loss		**(17)**	**(170)**	**(187)**	**331**	**109**	**440**
Gross change in actuarial gains and losses on post-employment benefits		(733)	(23)	(756)	(1,470)	(23)	(1,493)
Related tax effect		119	5	124	328	5	333
Associates' share of change in actuarial gains and losses on post-employment benefits		(63)	-	(63)	(24)	-	(24)
Change in actuarial gains and losses on post-employment benefits		***(677)***	***(18)***	***(695)***	***(1,166)***	***(18)***	***(1,184)***
Gains and losses recorded directly in equity that will not be reclassified subsequently to profit or loss		**(677)**	**(18)**	**(695)**	**(1,166)**	**(18)**	**(1,184)**
Total gains and losses recorded directly in equity		**(694)**	**(188)**	**(882)**	**(835)**	**91**	**(744)**

Net income and gains and losses recorded directly in equity	**2,183**	**(96)**	**2,087**	**1,944**	**221**	**2,165**

(1) The figures published for first-half 2012 have been restated for the impact of retrospective application of IAS 19 revised (see note 2).

(2) Gross changes in fair value transferred to income in respect of available-for-sale financial assets and hedging instruments are presented in note 19.4.

Consolidated balance sheets

ASSETS *(in millions of Euros)*	Notes	30/6/2013	31/12/2012 (1)
Goodwill	12	9,895	10,412
Other intangible assets		7,633	7,625
Property, plant and equipment operated under French public electricity distribution concessions	13	47,926	47,222
Property, plant and equipment operated under concessions for other activities	13	7,232	7,182
Property, plant and equipment used in generation and other tangible assets owned by the Group	13	68,387	67,838
Investments in associates	14	7,678	7,587
Non-current financial assets	15	28,280	30,471
Deferred tax assets		3,441	3,421
Non-current assets		**180,472**	**181,758**
Inventories		13,854	14,213
Trade receivables	16	23,096	22,497
Current financial assets	15	19,178	16,433
Current tax assets		466	582
Other receivables	17	9,184	8,486
Cash and cash equivalents		6,065	5,874
Current assets		**71,843**	**68,085**
Assets classified as held for sale	18	**430**	**241**
Total assets		**252,745**	**250,084**

EQUITY AND LIABILITIES *(in millions of Euros)*	Notes	30/6/2013	31/12/2012 (1)
Capital	19	924	924
EDF net income and consolidated reserves		32,511	25,333
Equity (EDF share)		**33,435**	**26,257**
Equity (non-controlling interests)		4,388	4,854
Total equity		**37,823**	**31,111**
Provisions related to nuclear generation – Back-end nuclear cycle, plant decommissioning and last cores		39,216	39,185
Provisions for decommissioning of non-nuclear facilities		1,143	1,090
Provisions for employee benefits		19,836	19,119
Other provisions		1,711	1,873
Non-current provisions	20.1	***61,906***	***61,267***
Special French public electricity distribution concession liabilities	21	43,014	42,551
Non-current financial liabilities	22.1	44,330	46,980
Other non-current liabilities	23	3,888	4,218
Deferred tax liabilities		5,630	5,601
Non-current liabilities		**158,768**	**160,617**
Current provisions	20.1	4,297	3,882
Trade payables		13,026	14,643
Current financial liabilities	22.1	15,108	17,521
Current tax liabilities		1,251	1,224
Other current liabilities	23	22,338	21,037
Current liabilities		**56,020**	**58,307**

Liabilities related to assets classified as held for sale	18	**134**	**49**
Total equity and liabilities		**252,745**	**250,084**

(1) The figures published for 2012 have been restated for the impact of retrospective application of IAS 19 revised (see note 2).

Consolidated cash flow statements

(in millions of Euros)	Notes	H1 2013	H1 2012[1]
Operating activities:			
Income before taxes of consolidated companies		**4,121**	**3,801**
Impairment (reversals)		178	294
Accumulated depreciation and amortisation, provisions and change in fair value		4,717	3,764
Financial income and expenses		827	686
Dividends received from associates		235	22
Capital gains/losses		(178)	(275)
Change in working capital		(2,800)	(2,458)
Net cash flow from operations		***7,100***	**5,834**
Net financial expenses disbursed		(1,011)	(814)
Income taxes paid		(977)	(892)
Net cash flow from operating activities		**5,112**	**4,128**
Investing activities:			
Acquisitions / disposals of equity investments, net of cash (acquired/transferred)		174	(172)
Investments in intangible assets and property, plant and equipment		(6,619)	(6,233)
Net proceeds from sale of intangible assets and property, plant and equipment		72	349
Changes in financial assets		341	(4,368)
Net cash flow used in investing activities		**(6,032)**	**(10,424)**
Financing activities:			
Transactions with non-controlling interests [2]		(46)	(237)
Dividends paid by parent company	19.2	-	(1,072)
Dividends paid to non-controlling interests		(187)	(115)
Purchases / sales of treasury shares		8	(1)
Cash flows with shareholders		***(225)***	***(1,425)***
Issuance of borrowings		2,163	8,489
Repayment of borrowings		(7,066)	(1,786)
Issuance of perpetual subordinated bonds	19.3	6,125	-
Funding contributions received for assets operated under concessions		74	85
Investment subsidies		43	72
Other cash flows from financing activities		***1,339***	***6,860***
Net cash flow from financing activities		**1,114**	**5,435**
Net increase/(decrease) in cash and cash equivalents		**194**	**(861)**
Cash and cash equivalents - opening balance		**5,874**	**5,743**
Net increase/(decrease) in cash and cash equivalents		194	(861)
Effect of currency fluctuations		6	50
Financial income on cash and cash equivalents		18	25
Effect of reclassifications		(27)	(37)
Cash and cash equivalents - closing balance		**6,065**	**4,920**

(1) The figures published for first-half 2012 have been restated for the impact of retrospective application of IAS 19 revised

(see note 2).

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

In first-half 2012, acquisition of additional interests in EnBW's investment in its subsidiary ERSA amount to

€252 million.

Changes in consolidated equity

The changes in equity between 1 January and 30 June 2013 are as follows:

(in millions of Euros)	Capital	Treasury shares	Translation adjustments	Impact of fair value adjustment of financial instruments [2]	Other consolidated reserves and net income	Equity (EDF share)	Equity (share attributable to non-controlling interests)	Total equity
Equity at 31/12/2012 (restated) [1]	**924**	**(33)**	**1,593**	**(1,109)**	**24,882**	**26,257**	**4,854**	**31,111**
Gains and losses recorded directly in equity	-	-	(904)	887	(677)	(694)	(188)	(882)
Net income	-	-	-	-	2,877	2,877	92	2,969
Net income and gains and losses recorded directly in equity	**-**	**-**	**(904)**	**887**	**2,200**	**2,183**	**(96)**	**2,087**
Issuance of perpetual subordinated bonds [3]	-	-	-	-	6,125	6,125	-	6,125
Dividends paid	-	-	-	-	(1,257)	(1,257)	(203)	(1,460)
Purchases/sales of treasury shares	-	-	-	-	-	-	-	-
Other changes [4]	-	-	-	-	127	127	(167)	(40)
Equity at 30/6/2013	**924**	**(33)**	**689**	**(222)**	**32,077**	**33,435**	**4,388**	**37,823**

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

(in millions of Euros)	Capital	Treasury shares	Translation adjustments	Impact of fair value adjustment of financial instruments [2]	Other consolidated reserves and net income	Equity (EDF share)	Equity (share attributable to non-controlling interests)	Total equity
Equity at 31/12/2011	**924**	**(26)**	**1,147**	**(1,073)**	**27,511**	**28,483**	**4,189**	**32,672**
Restatements due to change of method [1]	-	-	-	-	333	333	-	333
Equity at 31/12/2011 (restated) [1]	**924**	**(26)**	**1,147**	**(1,073)**	**27,844**	**28,816**	**4,189**	**33,005**
Gains and losses recorded directly in equity	-	-	888	(557)	(1,166)	(835)	91	(744)
Net income	-	-	-	-	2,779	2,779	130	2,909
Net income and gains and losses recorded directly in equity	**-**	**-**	**888**	**(557)**	**1,613**	**1,944**	**221**	**2,165**
Dividends paid	-	-	-	-	(1,072)	(1,072)	(130)	(1,202)
Purchases/sales of treasury shares	-	3	-	-	-	3	-	3
Other changes [5]	-	-	-	-	(166)	(166)	1,476	1,310
Equity at 30/6/2012	**924**	**(23)**	**2,035**	**(1,630)**	**28,219**	**29,525**	**5,756**	**35,281**

(1) The figures published for 2011 and 2012 have been restated for the impact of retrospective application of IAS 19 revised (see note 2).

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

(3) In January 2013 the Group issued perpetual subordinated bonds totalling €6,125 million net of transaction costs (see note 3.1).

(4) Other changes in the first half of 2013 (EDF's share) include the €228 million effects of the acquisition of Centrica's 20% investment in Nuclear New Build Holdings (see note 4.1).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

The Company's condensed consolidated half-year financial statements at 30 June 2013 include the accounts of companies directly or indirectly under the exclusive control of the Company and its subsidiaries, which are fully consolidated, the accounts of jointly-controlled companies (joint ventures), which are proportionally consolidated, and the accounts of companies in which the Company exercises significant influence (associates), which are accounted for under the equity method. All these economic entities are collectively referred to as the "Group".

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

The Group's condensed consolidated financial statements at 30 June 2013 were prepared under the responsibility of the Board of Directors and approved by the Directors at the Board meeting held on 29 July 2013.

The comparative figures for 2012 presented in the notes to these condensed consolidated financial statements have been restated for the impact of retrospective application of IAS 19 revised and the change in presentation of disposals of generation assets by EDF Energies Nouvelles as part of its Development and Sale of Structured Assets business (see note 2).

1 MAIN GROUP ACCOUNTING PRINCIPLES AND METHODS

1.1 DECLARATION OF CONFORMITY AND GROUP ACCOUNTING POLICIES

Pursuant to European regulation 1606/2002 of 19 July 2002 on the adoption of international accounting standards, the EDF group's condensed consolidated financial statements at 30 June 2013 are prepared using the presentation, recognition and measurement rules set forth in the international accounting standards published by the IASB and approved by the European Union for application at 30 June 2013. These international standards are IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and SIC and IFRIC interpretations.

The condensed consolidated half-year financial statements comply with standard IAS 34 on interim financial reporting. They do not therefore include all the information required for full annual financial statements, and are to be read in conjunction with the consolidated financial statements at

31 December 2012.

Apart from the changes indicated below, the accounting principles and methods are identical to those applied in the consolidated financial statements at 31 December 2012, as described in note 1 to those financial statements.

1.2 ACCOUNTING METHODS FOR THE FIRST HALF-YEAR OF 2013

- **Change in accounting method – 1st application of IAS 19 revised**

IAS 19 was revised in June 2011. The new version, which became mandatory on 1 January 2013, introduces the following changes for valuation and recognition of the EDF group's provisions for employee benefits:

- Immediate recognition of the unvested past service cost,
- Inclusion of the administrative and financial costs of employee benefit plans in the current service cost, with a corresponding reversal from the provisions previously established for those costs,
- Inclusion in the financial result of a "net interest expense", equivalent to the interest expense on obligations net of income from fund assets, which is now valued using the same discount rate as the rate applied to measure obligations. The differential between the discount rate for obligations and the actual rate of return on fund assets is recorded directly in equity.

The Group decided in 2012 to stop using the "corridor" method and now recognises all actuarial gains and losses in full under the "SoRIE" method.

In compliance with IAS 8, this change of method is applied retrospectively. The resulting impacts on the Group's consolidated financial statements are presented in note 2.

- **Other standards and interpretations**

The following standards, amendments and interpretations are also applied for the first time by the EDF group from 1 January 2013:

- IFRS 13 "Fair value measurement", which chiefly concerns the valuation of financial instruments at Group level. Application of IFRS 13 did not have a significant impact on the Group's financial statements,
- The amendments to IAS 1 entitled "Presentation of items of other comprehensive income (OCI)". In the statement of net income and gains and losses recognised directly in equity, the Group now makes a distinction between:

- Components of gains and losses recognised directly in equity that will later be reclassified to profit and loss,
- Components of gains and losses recognised directly in equity that will not later be reclassified to profit and loss (this only concerns the change in actuarial gains and losses on post-employment benefits),
- The associates' share of each of these types of gains and losses recognised directly in equity.

The EDF group's condensed consolidated financial statements at 30 June 2013 are not affected by the following amendments and interpretation, which became mandatory from 1 January 2013:

- Amendments to IFRS 7 "Disclosures — Offsetting Financial Assets and Financial Liabilities", adopted by the European Union in 2011,
- IFRIC 20, "Stripping costs in the production phase of a surface mine",
- Amendment to IAS 12 "Deferred tax: recovery of underlying assets".

The Group has not undertaken early application of any standard, interpretation or amendment.

Apart from the above changes and the valuation methods specific to interim financial statements described in note 1.3, the accounting methods and valuation rules applied by the Group in these half-year financial statements are identical to those used in the consolidated financial statements for the year ended December 31, 2012.

1.3 VALUATION METHODS SPECIFIC TO INTERIM FINANCIAL STATEMENTS

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

1.3.1 EMPLOYEE BENEFITS

The amount of the obligation corresponding to post-employment benefits and other long-term benefits at 30 June 2013 was calculated by projecting the obligation at 31 December 2012 over one half-year, taking into account the benefits paid out and the changes in fund assets.
The actuarial assumptions used to calculate employee benefits for interim financial statements are identical to those used for the previous annual financial statements, unless significant developments arise for certain parameters, for example the discount rate.

1.3.2 INCOME TAXES

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

1.3.3 GREENHOUSE GAS EMISSION RIGHTS

The third phase of the Kyoto protocol began on 1 January 2013, introducing changes to the methods for allocation of greenhouse gas emissions which in some countries (including France) put an end to free allocation of emission rights for electricity generating companies such as EDF.

When the estimated emissions by a Group entity over a given period are higher than the rights allocated for the period after deduction of any rights acquired on the spot or forward markets, a provision is established to cover the excess emissions. For interim financial statements, the quantity to be covered by provision is the shortfall at the closing date between the share of rights allocated (and held) and actual emissions.

If no emission rights are allocated free of charge, a provision is systematically recorded equivalent to the actual emissions at the closing date.

In either case, the provision is equivalent to the acquisition cost up to the amount of rights acquired on the spot or forward markets, and based on market prices for the balance.

1.4 MANAGEMENT JUDGMENT AND ESTIMATES

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

EDF's industrial strategy is to continue operation of the French nuclear power plants beyond their current accounting depreciation period of 40 years, in optimum conditions as regards safety and efficiency.

The Group has been preparing for extension of the plants' useful lives for several years, making the necessary investments. EDF considers that the required technical conditions are now in place, and in 2013 an appropriate balance between the depreciation period and the industrial strategy will be assessed in the light of the ongoing verifications.

The principal sensitive accounting methods involving use of estimates and judgments are the same as those described in note 1.3.2 to the consolidated financial statements at 31 December 2012.

1.5 SEASONAL NATURE OF THE BUSINESS

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

To illustrate this, the table below shows the sales and operating profit before depreciation and amortisation for the first half and second half of 2012:

(in millions of Euros)	**H1 2012**	**H2 2012 (1)**	**2012**
Sales	35,903	36,275	72,178
Operating profit before depreciation and amortisation	9,071	6,927	15,998

(1) Including a positive €3.3 billion effect on sales for the second half of 2012 resulting from the takeover of the Edison group.

2 COMPARABILITY

2.1 CHANGES IN ACCOUNTING AND PRESENTATION METHODS

2.1.1 IAS 19 REVISED « EMPLOYEE BENEFITS »

The revised IAS 19 became mandatory on 1 January 2013, with retrospective application to all periods presented (see note 1.2).

The impacts of application of IAS 19 revised on EDF's share of net income for the first half of 2012 and EDF's share of equity at 1 January 2012 amount to €11 million and €333 million respectively, and principally concern France.

2.1.2 CHANGE IN PRESENTATION OF DISPOSAL OF GENERATION ASSETS BY EDF ENERGIES NOUVELLES AS PART OF ITS DEVELOPMENT AND SALE OF STRUCTURED ASSETS (DSSA) BUSINESS

From 2013 and for the comparative periods presented, disposals of generation assets by EDF Energies Nouvelles are now recorded at net value (sale price less the associated cost of construction) in "Other operating income and expenses". Previously, the proceeds of these sales were included in sales revenues and the construction costs were included in "Other external expenses".
This change in presentation has the effect of reducing "Sales" and "Other external expenses" for the first half of 2012 by €(319) million and €255 million respectively, and increasing "Other operating

income and expenses" by €64 million (with no impact on the Group's operating profit before depreciation and amortisation, or net income).

This change standardises the presentation used in the Group's income statement for asset disposal operations by EDF Energies Nouvelles (facilities under construction and facilities in operation).

2.2 IMPACT ON THE INCOME STATEMENT FOR THE FIRST HALF OF 2012

(in millions of Euros)	H1 2012 AS PUBLISHED	IMPACTS OF IAS 19 REVISED	IMPACTS OF CHANGE IN DSSA PRESENTATION	H1 2012 RESTATED
Sales	36,222	-	(319)	35,903
Fuel and energy purchases	(17,950)	-	-	(17,950)
Other external expenses	(4,595)	-	255	(4,340)
Personnel expenses	(5,783)	(4)	-	(5,787)
Taxes other than income taxes	(1,597)	-	-	(1,597)
Other operating income and expenses	2,778	-	64	2,842
Operating profit before depreciation and amortisation	**9,075**	**(4)**	**-**	**9,071**
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities	98	-	-	98
Net depreciation and amortisation	(3,283)	-	-	(3,283)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(94)	-	-	(94)
(Impairment) / reversals	(294)	-	-	(294)
Other income and expenses	100	-	-	100
Operating profit	**5,602**	**(4)**	**-**	**5,598**
Cost of gross financial indebtedness	(1,240)	-	-	(1,240)
Discount effect	(1,562)	12	-	(1,550)
Other financial income and expenses	992	1	-	993
Financial result	**(1,810)**	**13**	**-**	**(1,797)**
Income before taxes of consolidated companies	**3,792**	**9**	**-**	**3,801**
Income taxes	(1,235)	-	-	(1,235)
Share in income of associates	343	-	-	343
Group net income	**2,900**	**9**	**-**	**2,909**
EDF net income	**2,768**	**11**	**-**	**2,779**
Net income attributable to non-controlling interests	**132**	**(2)**	**-**	**130**

2.3 IMPACT ON THE STATEMENT OF NET INCOME AND GAINS AND LOSSES RECORDED DIRECTLY IN EQUITY FOR THE FIRST HALF OF 2012

(in millions of Euros)	H1 2012 AS PUBLISHED	IMPACTS OF IAS 19 REVISED	H1 2012 RESTATED
Group net income	**2,900**	**9**	**2,909**
Change in fair value of available-for-sale financial assets	203	-	203
Change in fair value of hedging instruments	(760)	-	(760)
Translation adjustments	997	-	997
Gains and losses recorded directly in equity that will be reclassified subsequently to profit or loss	**440**	**-**	**440**
Change in actuarial gains and losses on post-employment benefits	(1,220)	36	(1,184)

Gains and losses recorded directly in equity that will not be reclassified subsequently to profit or loss	**(1,220)**	**36**	**(1,184)**
Total gains and losses recorded directly in equity	**(780)**	**36**	**(744)**
Net income and gains and losses recorded directly in equity	**2,120**	**45**	**2,165**

2.4 IMPACT ON THE BALANCE SHEET AT 31 DECEMBER 2012

ASSETS *(in millions of Euros)*	31/12/2012 AS PUBLISHED	IMPACTS OF IAS 19 REVISED	31/12/2012 RESTATED
Goodwill	10,412	-	10,412
Other intangible assets	7,625	-	7,625
Property, plant and equipment operated under French public electricity distribution concessions	47,222	-	47,222
Property, plant and equipment operated under concessions for other activities	7,182	-	7,182
Property, plant and equipment used in generation and other tangible assets owned by the Group	67,838	-	67,838
Investments in associates	7,555	32	7,587
Non-current financial assets	30,471	-	30,471
Deferred tax assets	3,487	(66)	3,421
Non-current assets	**181,792**	**(34)**	**181,758**
Inventories	14,213	-	14,213
Trade receivables	22,497	-	22,497
Current financial assets	16,433	-	16,433
Current tax assets	582	-	582
Other receivables	8,486	-	8,486
Cash and cash equivalents	5,874	-	5,874
Current assets	**68,085**	**-**	**68,085**
Assets classified as held for sale	**241**	**-**	**241**
Total assets	**250,118**	**(34)**	**250,084**

EQUITY AND LIABILITIES *(in millions of Euros)*	31/12/2012 AS PUBLISHED	IMPACTS OF IAS 19 REVISED	31/12/2012 RESTATED
Capital	924	-	924
EDF net income and consolidated reserves	24,934	399	25,333
Equity (EDF share)	**25,858**	**399**	**26,257**
Equity (non-controlling interests)	4,854	-	4,854
Total equity	**30,712**	**399**	**31,111**
Provisions related to nuclear generation – Back-end nuclear cycle, plant decommissioning and last cores	39,185	-	39,185
Provisions for decommissioning of non-nuclear facilities	1,090	-	1,090
Provisions for employee benefits	19,540	(421)	19,119
Other provisions	1 873	-	1,873
Non-current provisions	***61,688***	***(421)***	***61,267***
Special French public electricity distribution concession liabilities	42,551	-	42,551
Non-current financial liabilities	46,980	-	46,980
Other non-current liabilities	4,218	-	4,218
Deferred tax liabilities	5,601	-	5,601
Non-current liabilities	**161,038**	**(421)**	**160,617**
Current provisions	3,894	(12)	3,882
Trade payables	14,643	-	14,643
Current financial liabilities	17,521	-	17,521

Current tax liabilities	1,224	-	1,224
Other current liabilities	21,037	-	21,037
Current liabilities	**58,319**	**(12)**	**58,307**
Liabilities related to assets classified as held for sale	**49**	**-**	**49**
Total equity and liabilities	**250,118**	**(34)**	**250,084**

2.5 IMPACT ON THE STATEMENT OF CASH FLOWS FOR THE FIRST HALF OF 2012

(in millions of Euros)	H1 2012 AS PUBLISHED	IMPACTS OF IAS 19 REVISED	H1 2012 RESTATED
Operating activities:			
Income before taxes of consolidated companies	**3,792**	**9**	**3,801**
Impairment (reversals)	294	-	294
Accumulated depreciation and amortisation, provisions and change in fair value	3,773	(9)	3,764
Financial income and expenses	686	-	686
Dividends received from associates	22	-	22
Capital gains/losses	(275)	-	(275)
Change in working capital	(2,458)	-	(2,458)
Net cash flow from operations	***5,834***		***5,834***
Net financial expenses disbursed	(814)	-	(814)
Income taxes paid	(892)	-	(892)
Net cash flow from operating activities	**4,128**	**-**	**4,128**
Investing activities:			
Acquisitions / disposals of equity investments, net of cash (acquired/transferred)	(172)	-	(172)
Investments in intangible assets and property, plant and equipment	(6,233)	-	(6,233)
Net proceeds from sale of intangible assets and property, plant and equipment	349	-	349
Changes in financial assets	(4,368)	-	(4,368)
Net cash flow used in investing activities	**(10,424)**	**-**	**(10,424)**
Financing activities:			
Transactions with non-controlling interests	(237)	-	(237)
Dividends paid by parent company	(1,072)	-	(1, 072)
Dividends paid to non-controlling interests	(115)	-	(115)
Purchases / sales of treasury shares	(1)	-	(1)
Cash flows with shareholders	***(1,425)***	-	***(1,425)***
Issuance of borrowings	8,489	-	8, 489
Repayment of borrowings	(1,786)	-	(1,786)
Funding contributions received for assets operated under concessions	85	-	85
Investment subsidies	72	-	72
Other cash flows from financing activities	***6,860***	-	***6,860***
Net cash flow from financing activities	**5,435**	**-**	**5,435**
Net increase / (decrease) in cash and cash equivalents	**(861)**		**(861)**
Cash and cash equivalents - opening balance	**5,743**	**-**	**5,743**
Net increase / (decrease) in cash and cash equivalents	(861)	-	(861)
Effect of currency fluctuations	50	-	50
Financial income on cash and cash equivalents	25	-	25
Effect of reclassifications	(37)	-	(37)
Cash and cash equivalents - closing balance	**4,920**	**-**	**4,920**

3 SIGNIFICANT EVENTS AND TRANSACTIONS OF THE FIRST HALF-YEAR OF 2013

3.1 ISSUANCE OF PERPETUAL SUBORDINATED BONDS

On 22 January 2013 EDF launched several tranches of a perpetual subordinated bond in Euros and sterling:

- €1.25 billion at 4.25% coupon for the tranche with a 7-year first call date,
- €1.25 billion at 5.375% coupon for the tranche with a 12-year first call date,
- £1.25 billion at 6% coupon for the tranche with a 13-year first call date.

On 24 January 2013 EDF also launched a US$ 3 billion perpetual subordinated bond at 5.25% coupon and a 10-year first call date.

Given their characteristics, in compliance with IAS 32 these issues are recorded in equity from reception of funds (29 January 2013) at the amount of €6,125 million (net of transaction costs). The coupons paid will be considered as dividends.

3.2 ALLOCATION OF THE CSPE RECEIVABLE TO DEDICATED ASSETS FOR SECURE FINANCING OF LONG-TERM NUCLEAR EXPENSES

The Contribution to the Public Electricity Service (*Contribution au Service Public de l'Électricité* or CSPE) is a contribution introduced by the French law of 3 January 2003, which is collected by network operators and electricity suppliers and passed on to the State.

In application of the decree of 23 February 2007, on 8 February 2013 the French government authorised allocation of CSPE receivable held by EDF to the dedicated assets for secure financing of long-term nuclear expenses.

In view of this authorisation, the positive opinion of the Nuclear Commitments Monitoring Committee and the deliberations of the Board of Directors at its meeting of 13 February 2013, EDF has allocated the total receivable, which represents the accumulated shortfall in CSPE compensation at 31 December 2012 and amounts to €4.9 billion (including the associated financing costs), to dedicated assets. This allocation is concurrent with a withdrawal of financial assets from the portfolio (diversified bond and equity investments) totalling €2.4 billion. The net allocation to dedicated assets was thus €2.5 billion, and the objective of 100% coverage of long-term nuclear provisions has thus been reached in advance of the legal June 2016 deadline set by the "NOME" law on the new electricity market organisation.

Withdrawals of financial assets from the dedicated asset portfolio during the first half of 2013 are reflected in a €2.4 billion reduction in the Group's net indebtedness.

3.3 EDISON

3.3.1 Renegotiation of gas contracts

On 23 April 2013, the Court of Arbitration of the International Chamber of Commerce found in favour of Edison in the litigation concerning revision of the price in the long-term gas supply contact with Sonatrach (Algeria).

An agreement was also signed by Edison and Rasgas (Qatar) on July 2013 amending certain aspects of the long-term gas supply contract (particularly the pricing terms) between the two companies. In accordance with IAS 10, the effects of this agreement are included in the Group's condensed consolidated financial statements for the first half of 2013.

This results in a total positive impact of €585 million on the EDF group's operating profit before depreciation and amortisation for first-half 2013.

3.3.2 Finalisation of the opening balance sheet following the takeover on 24 May 2012

All identifiable assets, liabilities and contingent liabilities of the Edison group that qualified for recognition under IFRS 3 were included in the opening balance sheet at their fair value at the date the EDF group took over control (24 May 2012).

In compliance with IFRS 3, these values were provisionally determined at 31 December 2012 and the Group had 12 months to finalise allocation of the acquisition price and harmonise valuation methods and rules.

Finalisation is now complete, and no change has been made in the first half of 2013 to the opening balance sheet for Edison presented in note 3.1.4 to the 2012 consolidated financial statements.

3.4 TURPE 3 AND TURPE 4 NETWORK ACCESS TARIFFS

In a decision of 28 November 2012, the French Council of State cancelled the distribution component of the third generation network access tariffs TURPE 3 (*Tarifs d'Utilisation des Réseaux Publics d'Électricité*) which had been approved on 5 May 2009 by the ministers for energy and the economy after a proposal from the CRE, and was supposed to apply for the period 1 August 2009 to 31 July 2013. This cancellation has no direct impact on the regulated tariffs for sales to customers. The new version of the TURPE 3 (« TURPE 3 bis ») based on the CRE proposal of 29 March 2013 was published in France's Official Journal on 26 May 2013. It applies retroactively to the period 2009-2013, replacing the cancelled tariff, and reduces the tariffs for the period 1 June to 31 July 2013 by 2.5%.

On 10 July 2013 the CRE also published its deliberations of 28 May 2013 containing the decision for the period from 1 August 2013 to 31 December 2013 (« TURPE 3 ter »), which results in a 2.1% increase from 1 August 2013 compared to the period 1 June to 31 July 2013.
On 9 July 2013, the CRE began its consultation on the distribution tariffs that will take effect from 1 January 2014 for a 4-year period (TURPE 4).

For transmission tariffs, the CRE deliberations of 3 April 2013 were published in the Official Journal of 30 June 2013. This new tariff (TURPE 4 HTB) will be applicable from 1 August 2013 for a period of approximately four years. The tariff will be raised by 2.4% as of that date, and will subsequently be adjusted each year.

4 CHANGES IN THE SCOPE OF CONSOLIDATION

4.1 ACQUISITION OF CENTRICA'S 20% INVESTMENT IN NUCLEAR NEW BUILD HOLDINGS

On 4 February 2013, Centrica announced its decision to end its partnership with EDF for the construction of EPRs in the United Kingdom, by exercising its option to sell EDF Energy its 20% investment in Nuclear New Build Holdings (NNBH), a company formed as a vehicle for "Nuclear New Build" projects in the UK. Since EDF already owned 80% of NNBH via EDF Energy, it now holds 100% of the company.

The acquisition of Centrica's holding generated a positive impact of €228 million on equity (EDF's share), resulting from the positive difference between the share of assets received and the price paid after the option was exercised.

Centrica will continue to work with EDF through its 20% interest in existing nuclear facilities in the United Kingdom, and retains its commercial electricity purchase contracts with the EDF group.

4.2 SALE IN PROCESS OF THE GROUP'S INVESTMENT IN SSE

On 24 May 2013, the EDF group received an irrevocable offer from the Czech energy company Energetický a Prumyslový Holding, a.s. (EPH), which is a leading player in central and eastern Europe, for the acquisition of EDF's 49% minority stake in Stredoslovenska Energetika a.s. (SSE), Slovakia's number two electricity distributor and supplier. The operation should be finalised during the second half of 2013 after authorisation by the competition authorities.

In accordance with IFRS 5, the assets and liabilities of SSE are presented in the consolidated balance sheet at 30 June 2013 in the lines "Assets classified as held for sale" and "Liabilities related to assets classified as held for sale".

The Group's investment in SSE is valued at approximately €400 million in the proposed transaction. Based on the net consolidated value of SSE at 30 June 2013 and the expected sale price, no impairment is recorded in the income statement for the first half of 2013.

5 SEGMENT REPORTING

Segment reporting presentation complies with IFRS 8, "Operating segments".
Segment reporting is determined before inter-segment eliminations. Inter-segment transactions take place at market prices.

In accordance with IFRS 8, the breakdown used by the EDF group corresponds to the operating segments as regularly reviewed by the Management Committee. The segments used by the Group are identical to those described in note 6.1 to the consolidated financial statements at 31 December 2012.

5.1 AT 30 JUNE 2013

(in millions of Euros)	France	United Kingdom	Italy	Other international	Other activities	Inter-segment eliminations	Total
External sales	21,294	4,990	6,481	4,106	2,876	-	39,747
Inter-segment sales	373	-	-	111	492	(976)	-
Total sales	**21,667**	**4,990**	**6,481**	**4,217**	**3,368**	**(976)**	**39,747**
Operating profit before depreciation and amortisation	**6,473**	**1,031**	**669**	**510**	**1,015**	**-**	**9,698**
Operating profit	**4,139**	**556**	**294**	**95**	**704**	**-**	**5,788**

5.2 AT 30 JUNE 2012

(in millions of Euros)	France	United Kingdom	Italy	Other international	Other activities	Inter-segment eliminations	Total
External sales	20,706	4,821	3,607	4,009	2,760	-	35,903
Inter-segment sales	268	-	-	77	300	(645)	-
Total sales	**20,974**	**4,821**	**3,607**	**4,086**	**3,060**	**(645)**	**35,903**
Operating profit before depreciation and amortisation	**6,071**	**1,071**	**211**	**553**	**1,165**	**-**	**9,071**

Operating profit	**4,092**	**686**	**(137)**	**54**	**903**	**-**	**5,598**

6 SALES

(in millions of Euros)	H1 2013	H1 2012
Sales of energy and energy-related services	37,328	33,525
Other sales of goods and services	1,921	1,927
Trading	498	451
Sales	**39,747**	**35,903**

7 OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses include the amount received or receivable by EDF under the CSPE system (see note 3.2), which is reflected in the consolidated financial statements by recognition of income of €2,570 million for the first half-year of 2013 (€2,362 million for the first half-year of 2012).

In first-half 2013, other operating income and expenses also include:

- €12 million corresponding to reversals of negative fair value on British Energy commodity sales contracts recognised at the acquisition date of 5 January 2009 following their settlement (€72 million in the first half-year of 2012);
- gains on sales of real estate assets in France amounting to €11 million (€187 million in first-half 2012).

8 IMPAIRMENT

8.1 AT 30 JUNE 2013

Impairment amounted to €(178) million for the first half-year of 2013, including €(104) million concerning an EDF Luminus gas-fired generation plant in Belgium and €(49) million on Dalkia Investissement goodwill.

In March 2013, EDF Luminus notified the Belgian government of the temporary shutdown of the Seraing plant from mid-2014. This decision is an indication of loss of value that led to application of an impairment test. As a result of the test conclusions, the recoverable value of the plant has been written down by €104 million.

8.2 AT 30 JUNE 2012

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

In the United States, the substantial downturn in gas prices in first quarter 2012 led to a decline in forward electricity prices, providing an indication of loss of value in CENG's generation assets.
Following an updated impairment test incorporating these new parameters and a lower discount rate of 6.7% (7.1% at 31 December 2011) associated with the risk-free dollar rate, the recoverable value of CENG's assets was written down by €233 million.

9 OTHER INCOME AND EXPENSES

No significant amounts were recorded in "Other income and expenses" for first-half 2013.

Other income and expenses for first-half 2012 include:

- the effects of the Group's takeover of Edison during the period, amounting to €(51) million. Details of the impacts of this operation are presented in note 3.1 to the consolidated financial statements at 31 December 2012,
- income of €177 million concerning ERDF, primarily resulting from reversal of a provision for renewal following a change in estimate for the useful life of high/low voltage transformers (extended from 30 years to 40 years).

10 FINANCIAL RESULT

10.1 DISCOUNT EFFECT

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

Details of this expense are as follows:

(in millions of Euros)	H1 2013	H1 2012
Provisions for long-term and post-employment employee benefits	(624)	(679)
Provisions for back-end nuclear cycle, decommissioning and last cores	(831)	(800)
Other provisions and advances	(27)	(71)
Discount effect	**(1,482)**	**(1,550)**

10.2 OTHER FINANCIAL INCOME AND EXPENSES

In the first half of 2013, other financial income and expenses include net gains on disposals of EDF's dedicated assets amounting to €264 million (€72 million in first-half 2012).

11 INCOME TAXES

Income taxes amount to €(1,531) million for the first half of 2013, corresponding to an effective tax rate of 37.2 % (compared to an expense of €(1,235) million corresponding to an effective tax rate of 32.5% for the first half of 2012). They are calculated by applying the forecast effective tax rate for 2013 to the pre-tax income for first-half 2013.

The main factors in the rise in effective tax rate for first half 2013 compared to first half 2012 are the higher effective rate in France (principally resulting from introduction of a dividend tax and a cap on deductions of interest income and expenses from second-half 2012) and the non-recurring positive effect of a one point decrease in the UK tax rate in the first half of 2012.

12 GOODWILL

Goodwill on consolidated entities comprises the following:

(in millions of Euros)	
Net book value at 31 December 2012	**10,412**
Acquisitions	6
Disposals	-
Impairment (note 8)	(49)
Translation adjustments	(413)
Changes in scope of consolidation and other	(61)
Net book value at 30 June 2013	**9,895**
Gross value at 30 June 2013	10,613
Accumulated impairment at 30 June 2013	(718)

The change in goodwill over the period is mainly associated with translation adjustments (particularly resulting from the pound sterling's decline against the euro).

13 PROPERTY, PLANT AND EQUIPMENT

(in millions of Euros)	30/6/2013	31/12/2012
Property, plant and equipment	46,553	45,919
Property, plant and equipment in progress	1,373	1,303
Property, plant and equipment operated under French public electricity distribution concessions	**47,926**	**47,222**
Property, plant and equipment	6,313	6,256
Property, plant and equipment in progress	919	926
Property, plant and equipment operated under concessions for other activities	**7,232**	**7,182**
Property, plant and equipment	50,403	51,392
Property, plant and equipment in progress	17,682	16,130
Finance-leased property, plant and equipment	302	316
Property, plant and equipment used in generation and other tangible assets owned by the Group	**68,387**	**67,838**

The net value of property, plant and equipment, excluding construction in progress and finance-leased assets, breaks down as follows:

(in millions of Euros)	**Property, plant and equipment operated under French public electricity distribution concessions (1)**	**Property, plant and equipment operated under concessions for other activities**	**Property, plant and equipment used in generation and other tangible assets owned by the Group**
Gross values at 30/6/2013	**82,309**	**13,023**	**109,975**
Depreciation and impairment at 30/6/2013	(35,756)	(6,710)	(59,572)
Net values at 30/6/2013	**46,553**	**6,313**	**50,403**
Net values at 31/12/2012	**45,919**	**6,256**	**51,392**

(1) Network assets account for most of these amounts: €76,662 million gross value and €44,315 million net value at 30 June 2013 (€75,367 million gross value and €43,725 million net value at 31 December 2012).

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

(in millions of Euros)	**Land and buildings**	**Networks**	**Nuclear power plants**	**Fossil-fired and hydropower plants**	**Other installations, plant, machinery and equipment and other**	**Total**
Net values at 30/6/2013	**5,321**	**261**	**26,241**	**9,058**	**9,522**	**50,403**
Net values at 31/12/2012	**5,428**	**418**	**27,166**	**9,222**	**9,158**	**51,392**

14 INVESTMENTS IN ASSOCIATES

14.1 INFORMATION ON THE PRINCIPAL ASSOCIATES

			30/6/2013		**31/12/2012**	
(in millions of Euros)	**Principal activity (1)**	**Ownership %**	**Share of net equity**	**Share of net income**	**Share of net equity**	**Share of net income**
RTE Réseau de Transport d'Electricité	T	100.00	4,946	345	4,818	408
ALPIQ	G	25.00	1,129	(4)	1,203	(201)
Taishan	G	30.00	774	-	693	-
Dalkia Holding	O	34.00	351	10	422	(1)
NTPC	G	40.00	139	14	123	27
Other investments in associates			339	14	328	28
Total			**7,678**	**379**	**7,587**	**261**

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

14.2 RTE RESEAU DE TRANSPORT D'ELECTRICITE (RTE)

14.2.1 RTE – FINANCIAL INDICATORS

The key financial indicators for RTE for first-half 2013 are as follows:

(in millions of Euros)	
Operating profit before depreciation and amortisation	1,036
Net income	345
Equity at 30 June 2013	4,946
Balance sheet total at 30 June 2013	15,799
Net indebtedness at 30 June 2013	6,824

14.2.2 TRANSACTIONS BETWEEN THE EDF GROUP AND RTE

At 30 June 2013 the main transactions between the EDF group and RTE were as follows.

Sales

ERDF uses RTE's high-voltage and very high-voltage networks to convey energy from its point of generation to the distribution networks. This service generated €1,773 million in sales revenues for RTE from ERDF over the first half of 2013.

In executing its responsibility to ensure balance in the electricity system, during first-half 2013 RTE also undertook:

- energy purchases and sales with EDF, amounting to €82 million and €138 million respectively;
- system service purchases from EDF amounting to €153 million.

Other transactions

The EDF group contributes to financing of RTE through loans amounting to a total of €1,204 million at 30 June 2013 (€1,174 million at 31 December 2012). RTE recorded a total of €30 million in interest expenses on this loan in first-half 2013.
RTE is also included in the EDF group tax consolidation, under a tax consolidation agreement between the two companies.

14.3 ALPIQ

On 25 April 2013, the main Swiss shareholders of Alpiq subscribed to a hybrid loan of CHF 366.5 million. Following this first step, Alpiq placed on 2 May 2013 a public hybrid bond amounting to CHF 650 million, with 5% coupon and a redemption option after five and a half years at the earliest.

Due to their characteristics, in compliance with IAS 32, the hybrid loan from shareholders and the public hybrid bond were recorded in equity in Alpiq's consolidated financial statements from the date of reception of the funds. Since the EDF group did not subscribe to the operation, it has no impact on the value of the investment in Alpiq reported in "Investments in associates".

15 CURRENT AND NON-CURRENT FINANCIAL ASSETS

15.1 BREAKDOWN BETWEEN CURRENT AND NON-CURRENT FINANCIAL ASSETS

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

	30/6/2013			31/12/2012		
(in millions of Euros)	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Financial assets carried at fair value with changes in fair value included in income	4,177	13	**4,190**	3,167	12	**3,179**
Available-for-sale financial assets	12,682	14,483	**27,165**	11,208	16,045	**27,253**
Held-to-maturity investments	2	4	**6**	9	14	**23**
Positive fair value of hedging derivatives	841	1,190	**2,031**	825	1,596	**2,421**
Loans and financial receivables	1,476	12,590	**14,066**	1,224	12,804	**14,028**
Current and non-current financial assets(1)	**19,178**	**28,280**	**47,458**	**16,433**	**30,471**	**46,904**

(1) Including impairment of €(1,095) million at 30 June 2013 (€(1,111) million at 31 December 2012).

15.2 DETAILS OF FINANCIAL ASSETS

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

(in millions of Euros)	30/6/2013	31/12/2012
Derivatives - positive fair value	4,170	3,162
Fair value of derivatives held for trading	7	5
Financial assets carried at fair value optionally in income	13	12
Financial assets carried at fair value with changes in fair value included in income	**4,190**	**3,179**

15.2.2 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30/6/2013			31/12/2012		
(in millions of Euros)	Equities [1]	Debt securities	Total	Equities [1]	Debt securities	Total
EDF dedicated assets	6,986	6,288	**13,274**	7,328	7,890	**15,218**
Liquid assets	3,411	8,718	**12,129**	3,715	6,574	**10,289**
Other securities	1,695	67	**1,762**	1,676	70	**1,746**
Available-for-sale financial assets	**12,092**	**15,073**	**27,165**	**12,719**	**14,534**	**27,253**

(1) Equities or investment funds.

Available-for-sale financial assets classified as level 3 – internal models – mainly correspond to shares in unconsolidated companies. At 31 December 2012 they amounted to €615 million and no significant variation was recorded in the first half of 2013.

15.2.2.1 Liquid assets

EDF's monetary investment funds included in liquid assets amount to €3,323 million (€3,249 million at 31 December 2012).

15.2.2.2 Other securities

At 30 June 2013, other securities mainly include:

- at CENG, €661 million of available-for-sale financial assets related to decommissioning trust funds (reserved for financing of nuclear plant decommissioning),
- at EDF, shares in Areva (€102 million) and Veolia Environnement (€193 million).

15.3 LOANS AND FINANCIAL RECEIVABLES

Loans and financial receivables include amounts representing reimbursements receivable from the Nuclear Liabilities Fund (NLF) and the British government for coverage of long-term nuclear obligations, totalling €6,659 million at 30 June 2013 (€6,920 million at 31 December 2012).

Following the agreement reached with the French authorities, the receivable corresponding to EDF's CSPE shortfall at 31 December 2012 has been transferred from "other receivables" to "loans and financial receivables" (€4,879 million including the costs of bearing this receivable). At 30 June 2013 this receivable amounts to a total €4,916 million.

Other loans and financial receivables include EDF's loans to RTE, amounting to €1,204 million at 30 June 2013 (€1,174 million at 31 December 2012).

16 TRADE RECEIVABLES

Details of net trade receivables are as follows:

(in millions of Euros)	30/6/2013	31/12/2012
Trade receivables, gross value – excluding EDF Trading	20,999	20,518
Trade receivables, gross value – EDF Trading	3,199	2,927
Impairment	(1,102)	(948)
Trade receivables – net value	**23,096**	**22,497**

Most trade receivables mature within one year.

The Group undertook securitisation of trade receivables during first-half 2013. These operations mostly concerned Edison for a total of €653 million in June 2013.
As most securitisation operations are carried out on a recurrent basis, without-recourse, the corresponding receivables are not carried in the Group's consolidated balance sheet.

17 OTHER RECEIVABLES

At 30 June 2013, other receivables include €1,178 million corresponding to the CSPE to be collected, principally on energy supplied but not yet billed (€997 million at 31 December 2012).

18 HELD-FOR-SALE ASSETS AND LIABILITIES

Assets and liabilities classified as held for sale at 30 June 2013 mainly relate to the group's investment in SSE, which is in the process of being sold (see note 4.2).

19 EQUITY

19.1 SHARE CAPITAL

At 30 June 2013, EDF's share capital amounts to €924,433,331 comprising 1,848,866,662 fully subscribed and paid-up shares with nominal value of €0.5 each (unchanged from 31 December 2012).

19.2 DIVIDENDS

The General Shareholders' meeting of 30 May 2013 decided to distribute a dividend of €1.25 per share in circulation in respect of 2012. An interim dividend of €0.57 per share had been paid out on 17 December 2012, and the balance of €0.68 per share amounting to a total of €1,257 million was paid on 8 July 2013.
Shareholders can opt to receive dividends in the form of new EDF shares on a basis of €0.10 per share of this balance and this led to a capital increase of €6 million in July 2013 due to issuance of 11,141,806 shares with nominal value of €0.5 each, plus an issuance premium of €165 million (excluding issuance expenses).

19.3 ISSUANCE OF PERPETUAL SUBORDINATED BONDS

In January 2013 EDF issued perpetual subordinated bonds totalling €6,125 million (net of transaction costs). Details of the operation are given in note 3.1.

No coupons were paid on these perpetual subordinated bonds during the first half of 2013.

19.4 CHANGES IN THE FAIR VALUE OF FINANCIAL INSTRUMENTS

19.4.1 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Changes in the fair value of available-for-sale financial assets were recorded in equity (EDF share) over the period as follows:

	30/6/2013		30/6/2012	
(in millions of Euros)	**Gross changes in fair value recorded in equity (1)**	**Gross changes in fair value transferred to income (2)**	**Gross changes in fair value recorded in equity (1)**	**Gross changes in fair value transferred to income (2)**
EDF dedicated assets	420	217	598	98
Liquid assets	19	16	47	17
Other assets	20	-	(85)	68
Available-for-sale financial assets	**459**	**233**	**560**	**183**

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

(2) + / ( ) : increase / (decrease) in income (EDF's share)

In first-half 2013, gross changes in fair value principally concern:

- EDF (€188 million, including €203 million for dedicated assets),
- CENG (€42 million for the Decommissioning Trust Fund).

In first-half 2012, gross changes in fair value principally concern:

- EDF (€487 million, including €500 million for dedicated assets),
- EDF Inc (€(25) million for shares in Exelon),
- CENG (€31 million for the Decommissioning Trust Fund).

19.4.2 HEDGING INSTRUMENTS

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

	30/6/2013			30/6/2012		
(in millions of Euros)	**Gross changes in fair value recorded in equity (1)**	**Gross changes in fair value transferred to income - Recycling (2)**	**Gross changes in fair value transferred to income - Ineffectiveness**	**Gross changes in fair value recorded in equity (1)**	**Gross changes in fair value transferred to income - Recycling (2)**	**Gross changes in fair value transferred to income - Ineffectiveness**
Interest rate hedging	87	-	-	(24)	-	(1)
Exchange rate hedging	(20)	(190)	4	21	53	9
Net foreign investment hedging	707	-	5	(729)	-	-
Commodity hedging	(304)	(141)	(1)	(417)	(294)	-
Hedging instruments	**470**	**(331)**	**8**	**(1,149)**	**(241)**	**8**

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

(2) + / ( ) : increase / (decrease) in income (EDF's share)

20 PROVISIONS

20.1 BREAKDOWN BETWEEN CURRENT AND NON-CURRENT PROVISIONS

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

		30/6/2013			31/12/012		
(in millions of Euros)	**Notes**	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Provisions for back-end nuclear cycle	20.2	1,174	18,334	**19,508**	1,094	18,431	**19,525**
Provisions for decommissioning and last cores	20.2	257	20,882	**21,139**	225	20,754	**20,979**
Provisions related to nuclear generation	**20.2**	**1,431**	**39,216**	**40,647**	**1,319**	**39,185**	**40,504**

Provisions for decommissioning of non-nuclear facilities		31	1,143	1,174	45	1,090	1,135
Provisions for employee benefits	20.3	960	19,836	20,796	900	19,119	20,019
Other provisions	20.4	1,875	1,711	3,586	1,618	1,873	3,491
Total provisions		**4,297**	**61,906**	**66,203**	**3,882**	**61,267**	**65,149**

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

In the first half of 2013, the movement in provisions for back-end nuclear cycle, provisions for decommissioning and provisions for last cores breaks down as follows:

(in millions of Euros)	31/12/2012	Increases	Decreases		Other movements	30/6/2013
			Utilisations	Reversals		
Provisions for spent nuclear fuel management	**11,817**	444	(235)	-	(252)	**11,774**
Provisions for long-term radioactive waste management	**7,708**	187	(126)	(23)	(12)	**7,734**
Provisions for back-end nuclear cycle	**19,525**	**631**	**(361)**	**(23)**	**(264)**	**19,508**
Provisions for nuclear plant decommissioning	**17,428**	328	(85)	-	(79)	**17,592**
Provisions for last cores	**3,551**	93	-	-	(97)	**3,547**
Provisions for decommissioning and last cores	**20,979**	**421**	**(85)**	**-**	**(176)**	**21,139**
Provisions related to nuclear generation	**40,504**	**1,052**	**(446)**	**(23)**	**(440)**	**40,647**

Other changes in provisions related to nuclear generation reflect the change in amounts reimbursable by the NLF and the British government for coverage of EDF Energy's long-term nuclear obligations, totalling €(261) million, including €(332) million resulting from translation adjustments.

The breakdown of provisions by company is shown below:

(in millions of Euros)	EDF	EDF Energy	CENG	Other entities	Total
Provisions for spent nuclear fuel management	9,632	2,142	-	-	11,774
Provisions for long-term radioactive waste management	7,146	586	-	2	7,734
Provisions for back-end nuclear cycle at 30 June 2013	**16,778**	**2,728**	**-**	**2**	**19,508**
Provisions for back-end nuclear cycle at 31 December 2012	**16,611**	**2,913**	**-**	**1**	**19,525**
Provisions for nuclear plant decommissioning	12,813	4,086	518	175	17,592
Provisions for last cores	2,253	1,243	51	-	3,547
Provisions for decommissioning and last cores at 30 June 2013	**15,066**	**5,329**	**569**	**175**	**21,139**

Provisions for decommissioning and last cores at 31 December 2012	**14,771**	**5,489**	**547**	**172**	**20,979**

20.2.1 NUCLEAR PROVISIONS IN FRANCE

The measurement of provisions for the back-end of the nuclear cycle, nuclear plant decommissioning and last cores is sensitive to assumptions concerning costs, inflation rate, long-term discount rate, and disbursement schedules. A revised estimate is therefore established at each closing date to ensure that the amounts accrued correspond to the best estimate of the costs eventually to be borne by the Group.

The provision for long-life medium and high-level waste is the largest component of the provisions for long-term radioactive waste management. It is based on a scenario of industrial geological waste storage established in 2005.
In 2011 ANDRA and waste producers set up a partnership to conduct joint studies on targeted issues and organise an interface between the ANDRA project team and nuclear operators. ANDRA has drawn up specifications for early conceptional studies, taking into consideration many of the proposed design options, either as the benchmark or as variations. It should be in a position to propose an estimate for storage costs in late 2013, after incorporating the recommendations of the French Nuclear Safety Authority (*Autorité de Sûreté Nucléaire* or ASN), the National Evaluation Commission (*Commission Nationale d'Évaluation* or CNE) and the public debate. After consulting waste producers and the ASN, France's minister for Energy should decide on the value of these costs and make a public announcement.

The ceiling rate referred to in the third paragraph of article 3 of the decree of 23 February 2007 and defined in article 3 of the decision of 21 March 2007 is 4.67% at 30 June 2013. Given the ongoing discussions between nuclear operators and the French administration concerning a review of the regulatory limits, the discount rate applied is identical to the rate used at 31 December 2012, i.e. 4.8%.

The inflation rate and calculation method used to calculate provisions are identical to those used at 31 December 2012.

The corresponding expenses are measured under the economic conditions at 30 June 2013 and spread over a forecast disbursement schedule. A provision is booked equivalent to the discounted value.

	30/6/2013		**31/12/2012**	
(in millions of Euros)	**Costs based on economic conditions at end of period**	**Amounts in provisions at present value**	**Costs based on economic conditions at end of period**	**Amounts in provisions at present value**
Spent fuel management	15,546	9,632	15,250	9,498
Long-term radioactive waste management	24,774	7,146	24,562	7,113
Back-end nuclear cycle	**40,320**	**16,778**	**39,812**	**16,611**

Decommissioning provisions for nuclear power plants	22,326	12,813	22,174	12,578
Provisions for last cores	3,936	2,253	3,887	2,193
Provision for decommissioning and last cores	**26,262**	**15,066**	**26,061**	**14,771**

20.2.2 EDF ENERGY'S NUCLEAR PROVISIONS

The specific regulatory and contractual framework related to provisions for back-end nuclear cycle and decommissioning of EDF Energy's power plants is described in note 29.2 to the financial statements at 31 December 2012.

As part of its procedures, EDF Energy is currently working on updated estimates for its nuclear liabilities. This work should be finalised in the second half-year of 2013 and its conclusions could lead to revision of the amount of provisions currently recorded in the liabilities, although there would be an equivalent revision of the amount receivable from the Nuclear Liabilities Fund (NLF) (or from the British government if the NLF cannot meet its obligations).

20.3 EMPLOYEE BENEFITS

20.3.1 EDF group

(in millions of Euros)	**30/6/2013**	**31/12/2012**
Provision for employee benefits - current portion	960	900
Provision for employee benefits - non-current portion	19,836	19,119
Provision for employee benefits	**20,796**	**20,019**

20.3.1.1 Breakdown of the change in the provisions

(in millions of Euros)	**Obligations**	**Fund assets**	**Provision in the balance sheet**
Balance at 31/12/2012	**34,427**	**(14,408)**	**20,019**
Net expense for first-half 2013	1,163	(276)	887
Change in actuarial gains and losses	708	48	756
Employer's contributions to funds	-	(244)	(244)
Employees' contributions to funds	3	(3)	-
Benefits paid	(697)	112	(585)
Translation adjustment	(302)	277	(25)
Changes in scope of consolidation	(4)	-	(4)
Other movements	(3)	(5)	(8)
Balance at 30/6/13	**35,295**	**(14,499)**	**20,796**

20.3.1.2 Post-employment and long-term employee benefit expenses

(in millions of Euros)	**30/6/2013**
Current service cost	(484)
Change in actuarial gains and losses – long-term benefits	(52)
Effect of plan curtailment or settlement	(3)
Net expenses recorded as operating expenses	***(539)***
Interest expense (discount effect)	(624)
Expected return on fund assets	276
Net expenses recorded as financial expenses	***(348)***
Post-employment and other long-term employee benefit expenses	**(887)**

20.3.1.3 Provision by operating segment

(in millions of Euros)	France	United Kingdom	Italy	Other international	Other activities	Total
Obligations at 31/12/2012	**27,264**	**6,166**	**50**	**529**	**418**	**34,427**
Net expense for first-half 2013	897	235	3	18	10	1,163
Change in actuarial gains and losses	391	304	2	(3)	14	708
Employees' contributions to funds	-	3	-	-	-	3
Benefits paid	(578)	(100)	(1)	(13)	(5)	(697)
Translation adjustment	-	(298)	-	-	(4)	(302)
Changes in scope of consolidation	-	-	-	(4)	-	(4)
Other movements	-	-	(2)	(1)	-	(3)
Obligations at 30/6/2013	**27,974**	**6,310**	**52**	**526**	**433**	**35,295**
Fair value of fund assets	(8,224)	(5,884)	-	(219)	(172)	(14,499)
Provision for employee benefits at 30/6/2013	**19,750**	**426**	**52**	**307**	**261**	**20,796**

(in millions of Euros)	France	United Kingdom	Italy	Other International	Other Activities	Total
Obligations at 31/12/2012	**27,264**	**6,166**	**50**	**529**	**418**	**34,427**
Fair value of fund assets	(8,280)	(5,755)	-	(207)	(166)	**(14,408)**
Provision for employee benefits at 31/12/2012	**18,984**	**411**	**50**	**322**	**252**	**20,019**

20.3.2 Actuarial assumptions

20.3.2.1 France

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

(%)	30/6/2013	31/12/2012
Discount rate	3.40%	3.50%
Wage increase rate	2.00%	2.00%

In France, the discount rate for long-term obligations to employees is determined based on the return on a government bond of comparable duration - the 2035 French Treasury bond, which has a duration of 15 years consistent with the duration of employee benefit obligations - plus a spread calculated on the leading nonfinancial companies, also over a comparable duration.

In view of changes in the economic and market parameters used, the Group revised the discount rate to 3.40% at 30 June 2013.

20.3.2.2 United Kingdom

(%)	30/6/2013	31/12/2012

Discount rate	4.60%	4.50%
Wage increase rate	3.50%	3.10%

20.4 OTHER PROVISIONS AND CONTINGENT LIABILITIES

20.4.1 OTHER PROVISIONS

Details of changes in other provisions are as follows:

(in millions of Euros)	31/12/2012	Increases	Decreases		Changes in scope	Other changes	30/6/2013
			Utilisations	Reversals			
Provisions for contingencies related to investments	**192**	150	-	-	-	(1)	**341**
Provisions for tax liabilities	**414**		(2)	-	-	2	**414**
Provisions for litigation (1)	**604**	42	(119)	(15)	(1)	(4)	**507**
Provisions for onerous contracts	**703**	12	(78)	(7)	-	3	**633**
Provisions related to environmental schemes (2)	**581**	506	(274)	-	-	(23)	**790**
Other provisions	**997**	173	(235)	(23)	(1)	(10)	**901**
Total	**3,491**	**883**	**(708)**	**(45)**	**(2)**	**(33)**	**3,586**

(1) Provisions for litigation include a provision relating to a dispute with social security bodies.

(2) Provisions related to environmental schemes include provisions for greenhouse gas emission rights and renewable energy certificates.

Provisions for onerous contracts include the fair value of CENG long-term sales contracts (2011-2021) amounting to €464 million at 30 June 2013 (€461 million at 31 December 2012). Reversals from provisions relating to these contracts result from the difference over the year between contractualised income and income valued on the basis of market prices at the acquisition date.

20.4.2 CONTINGENT LIABILITIES

The main changes during the first half-year of 2013 compared to the contingent liabilities reported in note 45 to the consolidated financial statements for 2012 are as follows:

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

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

On 5 June 2012, the Court of Justice of the European Union issued a decision rejecting the European Commission's appeal and upheld the European Union Court's decision of 15 December 2009.

The European Commission then decided in May 2013 to reopen the proceedings. As a result, a further adversarial exchange of positions has begun between the French state and the Commission.

21 SPECIAL FRENCH PUBLIC ELECTRICITY DISTRIBUTION CONCESSION LIABILITIES

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

(in millions of Euros)	30/6/2013	31/12/2012
Value in kind of assets	42,305	41,702
Unamortised financing by the operator	(20,680)	(20,182)
Rights in existing assets - net value	**21,625**	**21,520**
Amortisation of financing by the grantor	10,749	10,453
Provisions for renewal	10,640	10,578
Rights in assets to be replaced	**21,389**	**21,031**
Special French public electricity distribution concession liabilities	**43,014**	**42,551**

The valuation methods for special concession liabilities are identical to those presented in the consolidated financial statements at 31 December 2012, particularly note 1.3.13.2, 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.

22 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

22.1 BREAKDOWN BETWEEN CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

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

(in millions of Euros)	30/6/2013 Non-current	30/6/2013 Current	30/6/2013 Total	31/12/2012 Non-current	31/12/2012 Current	31/12/2012 Total
Loans and other financial liabilities	43,685	10,300	**53,985**	45,891	14,041	**59,932**
Negative fair value of derivatives held for trading	-	3,500	**3,500**	-	2,290	**2,290**
Negative fair value of hedging derivatives	645	1,308	**1,953**	1,089	1,190	**2,279**
Financial liabilities	**44,330**	**15,108**	**59,438**	**46,980**	**17,521**	**64,501**

22.2 LOANS AND OTHER FINANCIAL LIABILITIES

22.2.1 CHANGES IN LOANS AND OTHER FINANCIAL LIABILITIES

(in millions of Euros)	Bonds	Loans from financial institutions	Other financial liabilities	Loans related to finance-leased assets	Accrued Interest	Total
Balances at 31/12/2012	**43,869**	**4,908**	**9,388**	**427**	**1,340**	**59,932**
Increases	314	943	902	-	33	**2,192**
Decreases	(1,776)	(1,954)	(3,332)	(4)	(150)	**(7,216)**
Translation adjustments	(352)	-	(32)	(1)	(3)	**(388)**
Changes in scope of consolidation	-	(72)	19	18	-	**(35)**
Other changes	(535)	45	(16)	(2)	8	**(500)**
Balances at 30/6/2013	**41,520**	**3,870**	**6,929**	**438**	**1,228**	**53,985**

Other changes in loans and financial liabilities mainly correspond to fair value changes amounting to €(490) million.

There was no significant ordinary bond issued by the Group during first-half 2013.

22.2.2 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	3,347	960	4,872	37	1,084	**10,300**
From one to five years	10,546	900	577	130	67	**12,220**
More than five years	27,627	2,010	1,480	271	77	**31,465**

Loans and other financial liabilities at 30 June 2013	**41,520**	**3,870**	**6,929**	**438**	**1,228**	**53,985**

22.2.3 CREDIT LINES

At 30 June 2013, the Group has unused credit lines with various banks totalling €9,070 million (€8,598 million at 31 December 2012).

	30/6/2013				31/12/2012
		Maturity			
(in millions of Euros)	Total	< 1 year	1 - 5 years	> 5 years	Total
Confirmed credit lines	**9,070**	**305**	**8,765**	**-**	**8,598**

22.2.4 FAIR VALUE OF LOANS AND OTHER FINANCIAL LIABILITIES

	30/6/2013		31/12/2012	
(in millions of Euros)	Fair value	Net book value	Fair value	Net book value
Loans and other financial liabilities	**62,986**	**53,985**	**71,671**	**59,932**

22.3 NET INDEBTEDNESS

(in millions of Euros)	Notes	30/6/2013	31/12/2012
Loans and other financial liabilities	**22.2.1**	53,985	59,932
Derivatives used to hedge liabilities		(478)	(797)
Cash and cash equivalents		(6,065)	(5,874)
Liquid assets	**15.2.2**	(12,129)	(10,289)
Loans to RTE and joint ventures(1)		(1,602)	(1,397)
Net indebtedness of assets held for sale		18	-
Net indebtedness		**33,729**	**41,575**

(1) Including €1,204 million of loans to RTE at 30 June 2013 (€1,174 million at 31 December 2012).

The observed decline in net indebtedness over first-half 2013 is largely explained by the €6.1 billion effect of the perpetual subordinated bond issue (see note 3.1) and allocation of the CSPE receivable to dedicated assets, which made it possible to withdraw financial assets from the portfolio in the amount of €2.4 billion (see note 3.2).

23 OTHER LIABILITIES

Details of other liabilities are as follows

(in millions of Euros)	**30/6/2013**	**31/12/2012**
Advances and progress payments received	6,839	6,491
Liabilities related to property, plant and equipment	2,019	2,699
Tax liabilities	5,426	4,922
Social liabilities	3,120	3,166
Deferred income on long-term contracts	3,986	4,004
Other deferred income	948	996
Other creditors	3,888	2,977
Other liabilities	**26,226**	**25,255**
Non-current portion	3,888	4,218
Current portion	22,338	21,037

23.1 ADVANCES AND PROGRESS PAYMENTS RECEIVED

At 30 June 2013 advances and progress payments received include monthly standing order payments by EDF's residential and business customers amounting to €6,140 million (€5,558 million at 31 December 2012).

23.2 TAX LIABILITIES

At 30 June 2013 tax liabilities mainly include an amount of €996 million for the CSPE income to be collected by EDF on energy supplied but not yet billed (€747 million at 31 December 2012).

23.3 DEFERRED INCOME ON LONG-TERM CONTRACTS

EDF's deferred income on long-term contracts at 30 June 2013 comprises €2,207 million (€2,183 million at 31 December 2012) of partner advances made under the nuclear plant financing plans.

Deferred income on long-term contracts also include an advance paid to EDF in 2010 under the agreement with the Exeltium consortium.

23.4 OTHER CREDITORS

Other liabilities at 30 June 2013 include €1,257 million corresponding to the balance of dividends payable to EDF shareholders in respect of 2012, following the decision made at the General Shareholders' Meeting of 30 May 2013.

24 OFF BALANCE SHEET COMMITMENTS

24.1 COMMITMENTS GIVEN

(in millions of Euros)		30/6/2013	31/12/2012
Operating contract performance commitments	24.1.2	**21,664**	**20,529**
Investment commitments given	24.1.4	**522**	**367**
Financing commitments given	24.1.5	**5,605**	**5,449**

24.1.1 FUEL AND ENERGY PURCHASE COMMITMENTS

Commitments to purchase commodities, energy and nuclear fuel (other than gas purchases) amount to €30,931 million at 31 December 2012. There was no significant change during the first half of 2013.

24.1.2 OPERATING CONTRACT PERFORMANCE COMMITMENTS GIVEN

At 30 June 2013, these commitments comprise the following:

(in millions of Euros)	30/6/2013	31/12/2012
Satisfactory performance, completion and bid guarantees	453	486
Commitments related to orders for operating items	4,650	4,379
Commitments related to orders for fixed assets	12,796	11,657
Other operating commitments	3,765	4,007
Operating contract performance commitments given	**21,664**	**20,529**

24.1.3 OPERATING LEASE COMMITMENTS AS LESSEE

Operating lease commitments as lessee amount to €4,165 million at 31 December 2012. There was no significant variation in the first half of 2013.

24.1.4 INVESTMENT COMMITMENTS GIVEN

Commitments related to investments are as follows:

(in millions of Euros)	30/6/2013	31/12/2012
Investment commitments	487	333
Other commitments related to investments	35	34
Investment commitments given	**522**	**367**

Investment commitments given at 30 June 2013 include the commitment to acquire a 20% stake in Transport et Infrastructures Gaz France (TIGF), a subsidiary of the Total group. This investment will be included in the portfolio of dedicated assets for secure financing of EDF's long-term nuclear expenses.

24.1.5 FINANCING COMMITMENTS GIVEN

Financing commitments given by the Group at 30 June 2013 comprise the following:

(in millions of Euros)	**30/6/2013**	**31/12/2012**
Security interests in real property	5,046	4,906
Guarantees related to borrowings	263	218
Other financing commitments	296	325
Financing commitments given	**5,605**	**5,449**

24.2 COMMITMENTS RECEIVED

The commitments received reported below do not include the credit lines presented in note 22.2.3, operating lease commitments as lessor and electricity supply commitments.

(in millions of Euros)	**30/6/2013**	**31/12/2012**
Operating commitments received	**1,521**	**1,557**
Investment commitments received	**465**	**17**
Financing commitments received	**115**	**129**

Investment commitments received mainly relate to the effects of the Group's agreement with EPH concerning the sale of EDF's 49% minority stake in SSE (see note 4.2).

25 EDF'S DEDICATED ASSETS

In an increasingly open electricity market, EDF has built up a portfolio of financial assets dedicated to secure financing of long-term nuclear obligations, specifically decommissioning of the nuclear power plants and long-term management of radioactive waste.
The key features of this portfolio, the principles governing its management and the applicable regulations are presented in note 48 to the financial statements at 31 December 2012.

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

(in millions of Euros)	**Balance sheet presentation**	**30/6/2013**	**31/12/2012**
Equities		6,986	7,328
Debt instruments and cash portfolio		5,638	6,937
Dedicated assets – equities and debt instruments	Available-for-sale financial assets	***12,624***	***14,265***
Currency/equity hedging derivatives	Fair value of hedging derivatives	(2)	13
Other		-	2
Total diversified investments (bonds and equities)		**12,622**	**14,280**
RTE (50% of the Group's investment) (1)	Investments in associates	**2,473**	**2,409**
CSPE receivable (2)	Loans and financial receivables	4,916	-
Cash portfolio	Available-for-sale financial assets	650	953
Hedging derivatives	Fair value of hedging derivatives	5	-
Risk-free assets		**5,571**	**953**
Total dedicated assets		**20,666**	**17,642**

(1) The value of RTE shares allocated to dedicated assets at 31 December 2012 has been adjusted for the €16 million impact of retrospective application of IAS 19 revised.
(2) In application of the decree of 23 February 2007, on 8 February 2013 the French government authorised allocation of the CSPE receivable held by EDF to the dedicated assets for secure financing of long-term nuclear expenses (see note 3.2).

With the allocation of the CSPE receivable to dedicated assets during first-half 2013, the objective of 100% coverage of long-term nuclear provisions was achieved ahead of the legal June 2016 deadline (set by the "NOME" law).

A total of €264 million in net gains on disposals was recorded in the financial result in first-half 2013 (€72 million in first-half 2012).

The difference between the fair value and acquisition cost of diversified bond and equity instruments included in equity is a positive €1,424 million before taxes at 30 June 2013 (€1,221 million at 31 December 2012).

26 RELATED PARTIES

There have been no significant changes since 31 December 2012 in the types of transaction undertaken with related parties. In particular, the Group has significant ongoing relationships with public-sector enterprises, primarily the Areva Group for the supply, transmission and reprocessing of nuclear fuel and maintenance of nuclear plants. The Areva Group is also a supplier to the EPR (European Pressurised Reactor) project, contributing to the formation of commitments on fixed asset orders.

Transactions with RTE are presented in note 14.2.

27 SUBSEQUENT EVENTS

27.1 ANNOUNCEMENT OF A 3-POINT REDUCTION IN THE CORPORATE INCOME TAX RATE IN THE UK

A 3-point reduction in the corporate income tax rate was announced by the British government on 2 July 2013, and received Royal Assent on 17 July 2013. The rate will be reduced from 23% for the 2013/2014 tax year to 21% for the 2014/2015 tax year, then 20% for the 2015/2016 tax year.

This change of tax rate should have a favourable impact of some €250 million on the EDF group's income tax expense for 2013.

STATUTORY AUDITORS' REVIEW REPORT ON THE FIRST HALF-YEAR FINANCIAL INFORMATION FOR 2013

This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information relating to the specific verification of information presented in the Group's interim management report. 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' Review Report on the 2013 interim condensed consolidated financial statements

For the six-month period ended June 30, 2013

To the Shareholders,

Following our appointment as statutory auditors by your 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 review of the accompanying interim condensed consolidated financial statements of Electricité de France S.A. for the six-month period ended June 30, 2013;
- the verification of information contained in the half-yearly management report.

These interim condensed consolidated financial statements are the responsibility of your Board of Directors. 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 review procedures. The scope of such review is substantially less large than an audit conducted in accordance with professional standards applicable in France. Consequently this 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 interim condensed consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – the standard of IFRS as adopted by the European Union applicable to interim financial reporting.

Without qualifying our opinion, we draw your attention to the following matters set out in the notes to the interim condensed consolidated financial statements:

- the change in accounting principle described in notes 1.2 and 2 relating to the application as of January 1st, 2013 of revised IAS 19 standard – "Employee benefits";

- the valuation of long-term provisions relating to nuclear electricity production, which results from management's best estimates and assumptions as described in note 20.2. This valuation is sensitive to the assumptions made concerning technical processes, 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.

II. Specific verification

We have also verified information presented in the half-year management report on the interim condensed consolidated financial statements that were subject to our limited review. We have no matters to report as to its fair presentation and consistency with the interim condensed consolidated financial statements.

Paris la Défense and Neuilly-sur-Seine on July 29, 2013

The statutory auditors

KPMG Audit ***Département de KPMG S.A.***	**Deloitte & Associés**

Bernard Cattenoz   Jacques-François Lethu   Alain Pons   Patrick E. Suissa

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Rapport des Commissaires aux Comptes sur l'information financière semestrielle 2013

Période du 1er janvier au 30 juin 2013

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 au 30 juin 2013, 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. 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 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 :

- le changement de méthode comptable décrit en notes 1.2 et 2, et relatif à l'application au 1er janvier 2013 de la norme IAS 19 révisée « Avantages du personnel » ;
- l'évaluation des provisions de long terme liées à la production nucléaire, qui résulte des meilleures estimations de la Direction et dont les modalités de détermination sont décrites dans la note 20.2. Cette évaluation est sensible aux hypothèses retenues en termes de procédés techniques, de coûts, de taux d'inflation, de taux d'actualisation à long terme et d'échéanciers de décaissements. La modification de certains de ces paramètres pourrait conduire à une révision significative des provisions comptabilisées.

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 2013

Les Commissaires aux comptes

KPMG Audit *Département de KPMG S.A.*		**Deloitte & Associés**	
Bernard Cattenoz	Jacques-François Lethu	Alain Pons	Patrick E. Suissa

RECENT EVENTS

The section entitled "Recent Events" on page 167 of the Base Prospectus is supplemented as follows:

1. 1 October 2013 - Exclusive negotiations for Citelum acquisition, a key player in the public lighting market

The EDF Group, through its 100% holding EDEV (EDF Développement Environnement), has entered into exclusive negotiations with Dalkia France with a view to acquiring 100% of the capital in the company Citelum, one of the major players in the international public lighting and urban electrical equipment industry.

This transaction would help the Group to enhance the services it offers to local authorities and to work together more effectively to safeguard their energy future, a vital key to development. EDF could offer new responses to its local authority clients when it comes to public lighting for the design of eco-neighbourhoods.

For Citelum, joining the EDF Group would represent a decisive advantage in its commitment to its developmentstrategy. Indeed, EDF can contribute to a real long-term industrial project for the public lighting company. The Citelum group would thus be at the forefront of the services offered by the Group when it comes to public lighting, both in France as well as internationally.

Dalkia France will now start consultations with the relevant employees representative bodies to introduce EDEV's offer. These consultations will be completed before the finalization of any definitive agreement.

Founded in 1993 by EDF to develop a range of services for local authorities, Citelum was one of the assets handed over to the Dalkia Group by EDF in 2000 when agreeing the partnership with Veolia Environnement. Today, Citelum has a presence in France (26% of 2012 turnover) and internationally (74% of 2012 turnover) and manages more than 2.3 million lighting points. On 31 December 2012, the Citelum group had approximately 3,500 employees, with more than 500 based in France.

2. 30 July 2013 – Half-year results 2013

Half-year 2013 results up
Good operating performance
New renegotiations of gas contracts concluded by Edison in July
2013 Group EBITDA targets raised

- **EBITDA:** €9.7 billion, +6.9% of which 6% organic growth
- **Net income excluding non-recurring items:** €3.1 billion, +3.8%
- **Net income – Group share:** €2.9 billion, +3.5%
- **Edison:** new renegotiations on Algerian and Qatari gas contracts in July 2013
- **Spark:** €360 million in cost savings, in line with 2013 projections
- **Net financial debt/EBITDA:** 2x vs. 2.4x[1] at 31 December 2012

[1] Pro forma after allocation of the CSPE deficit to dedicated assets on 13 February 2013 and subtraction of €2.4bn from

2013 operating performance targets raised

- **Group EBITDA:** at least 3% in organic growth excluding Edison
- **Edison EBITDA:** around €1 billion

Financial targets reiterated

- **Net financial debt/EBITDA:** between 2x and 2.5x
- **Payout ratio:** 55% - 65% of net income excluding non-recurring items

EDF's Board of Directors met on 29 July 2013 under the chairmanship of Henri Proglio and approved the condensed consolidated financial statements for the half-year ending on 30 June 2013.

Henri Proglio, Chairman and CEO of EDF said: *"The first half-year 2013 was marked by good operating performance, which resulted from investments made in the past several years, particularly in the nuclear fleet and networks in France. This performance is reflected in the increase in financial results, which have also been boosted by successful renegotiations of Edison's long-term gas contracts in Italy. Our major industrial projects also reached milestones during the period, with the reactor dome being installed on the Flamanville EPR plant and the inauguration of the Rizzanese dam in Corsica. In addition to these major investments contributing to French industry and employment, the Group is making its contribution to the collective effort with its cost savings plan totaling €1 billion in 2013."*

dedicated assets portfolio, enabling 100% coverage of the EDF nuclear liabilities that are eligible for dedicated assets

Change in EDF Group's half-year results

In millions of euros	H1 2012 restated*	H1 2013	Change vs. 2012 restated (%)	Organic growth (%)
Sales	35,903	39,747	+10.7	+4.3
EBITDA	9,071	9,698	+6.9	+6.0
EBIT	5,598	5,788	+3.4	
Net income – Group share	2,779	2,877	+3.5	
Net income excluding non-recurring items	2,956	3,068	+3.8	

***Restated data:** in the consolidated financial statements for the half-year ending on 30 June 2013, data for the first half of 2012 were restated for the impact of IAS 19 revised and the change in the presentation of EDF Énergies Nouvelles' DSSA[2] activities *(see appendices for more information on this restatement).*

The Group has once again delivered a solid performance in the first half-year with operating results up markedly and a strengthened financial structure.
EBITDA reached €9,698 million, i.e. organic growth of 6% compared with the first half of 2012. Growth was driven by France (organic growth of 6.6%) due to good operating conditions characterised by cold weather and favourable market prices as well as a sharp increase in hydropower output. These results were also driven by Italy with good performance of the electricity business and the favourable outcome of arbitration of gas contracts in Algeria, which was announced in April 2013, as well as the new renegotiation of the Qatari contract in July 2013.
In the United Kingdom, excluding the effect of the fair-value adjustment related to the acquisition of British Energy, EBITDA came out to +2.8% in organic terms.
The Other International segment, with a 6.9% drop in EBITDA in organic terms, continues to be penalised by unfavourable economic and regulatory conditions in Belgium and Poland.
The EBITDA of the Other Activities segment was €1,015 million and includes the good performance of EDF Trading and EDF Énergies Nouvelles' generation activities, but was hit by a weaker contribution by other businesses in the segment, which were lifted by positive effects in the first half of 2012 that have not reoccurred in 2013.

Net income – Group share reached €2,877 million, up 3.5% versus the first six months of 2012. It includes non-recurring items totalling -€191 million versus -€177 million in first half 2012. Restated for these non-recurring items, net income excluding non-recurring items was up 3.8% to €3,068 million.

The Spark programme is rolling out with c. €360 million of savings generated at end-June 2013, which is 35% of the target, in line with projections. These savings had a positive impact on EBITDA thanks to the control over operating expenses. They also reflect efforts to optimise the Group's investments since the beginning of the year. Savings have come from across the Group with 57% in France and 43% internationally, including 19% in the United Kingdom.
The Group is reiterating its target of €1 billion in savings for 2013.

[2] Development and Sale of Structured Assets

In the first six months of 2013, the Group made substantial investments in France, which were up 15.3% year-on-year, concentrated in nuclear maintenance as well as networks.
The Group's net investments came out to €6,243 million, down slightly by 1.5% compared with first half 2012 on account of the sale of Sutton Bridge in the United Kingdom and the buyback of minority shareholdings in Poland in 2012, which did not reoccur in 2013.
In total, 71% of net Group investments were allocated to unregulated activities and 29% to regulated activities.
For 2013, EDF is targeting net investments of between €12 billion and €12.5 billion, depending on when certain disposals are carried out.

Financial structure strengthened

	31/12/2012 (pro forma[3])	30/06/2013
Net financial debt *(in billions of euros)*	39.2	33.7
Net financial debt/EBITDA	2.4x	2x

Net financial debt stood at €33.7 billion, down €5.5 billion since 31 December 2012. The Group generated €7.9 billion in operating cash flow, which covered net maintenance costs as well as working capital. The proceeds of the hybrid issue[4] carried out in January 2013, for nearly €6.1 billion are being allocated to net development investments, which for the first half of 2013, reached €1.8 billion. This financial instrument is particularly well adapted to the long-term investment cycle of the Group's industrial projects.
The net financial debt/EBITDA ratio came out to 2x at 30 June 2013, down sharply compared with 31 December 2012. This is on the lower end of the Group's target range of 2x-2.5x.

Setting up of EDF Invest

EDF announces the launch of EDF Invest, which will manage the portfolio of unlisted investments within EDF's dedicated assets[5]. These unlisted investments will include three asset classes: infrastructure (primarily) as well as real estate and private equity.
EDF Group's 20% stake in TIGF, a gas transport and storage company in southwest France, the acquisition of which is expected to be finalised today, is the first investment made by EDF Invest in infrastructure alongside the 50% interest in RTE that is already in the dedicated assets portfolio. TIGF and RTE shares would account for 13% of dedicated assets.
EDF Invest's target is to manage c. €5 billion in unlisted investments within two years and to account for 25% of all dedicated assets.

[3] Pro forma after allocation of the CSPE deficit to dedicated assets on 13 February 2013 and subtraction of €2.4bn from dedicated assets portfolio, enabling 100% coverage of the EDF nuclear liabilities that are eligible for dedicated assets

[4] According to IAS 32 " Financial instruments - presentation" the perpetual bond issued in January 2013 is accounted for as equity

[5] Reserve fund set up by the Group to cover its long-term nuclear commitments in France, in accordance with the conditions set by law

Agreement with Exelon on CENG

On 29 July 2013, EDF and Exelon signed an agreement regarding CENG, an entity in which 49.99% of the share capital is held by EDF and 50.01% by Exelon, which operates five nuclear plants in the United States with a total output capacity of 3.9 GW. According to the terms of the agreement, EDF will delegate the operational management of these reactors to Exelon. The agreement also stipulates that EDF will receive an exceptional dividend from CENG for $400 million (approx. €300 million) and will benefit from a put option on Exelon at the fair value of EDF’s stake in CENG, which can be exercised between January 2016 and June 2022.

This deal follows an agreement signed in January 2012 between EDF and Exelon ending EDF’s opposition to the merger between Constellation and Exelon.

It will enable EDF to reduce its net financial debt by $400 million (approx. €300 million) and will have a slightly accretive effect starting in 2015 through operating improvements and expected synergies in the operational management of the five CENG nuclear reactors by Exelon, the leading nuclear operator in the United States. The agreement is subject to the approval of the Nuclear Regulatory Commission (NRC) and the competent regulatory authorities. The deal is expected to be finalised in 2014.

2013 financial objectives:

Operating performance targets raised

Given the Group’s good operating performance since the start of the year, as well as the success of new renegotiations on Edison gas contracts, the Group is raising its operating performance targets for the full year:

- Group EBITDA organic growth of at least 3% excluding Edison
- Edison: EBITDA outlook revised to approximately €1 billion

The Group is reiterating its financial targets:

- Net financial debt/EBITDA of between 2x and 2.5x
- Payout ratio: 55% - 65% of net income excluding non-recurring items

These targets include the full-year effect of the Spark savings programme.

The Group's main results by segment

France: good operating performance

In millions of euros	H1 2012 restated*	H1 2013	Organic growth (%)
Sales	**20,706**	**21,294**	**+2.8**
EBITDA	**6,071**	**6,473**	**+6.6**
o/w unregulated EBITDA	*3,973*	*4,284*	*+7.8*
o/w regulated EBITDA	*2,098*	*2,189*	*+4.3*

**Data restated for the impact of IAS 19 revised.*

In France, sales reached €21,294 million, up 2.8% in organic growth compared with the first half of 2012. EBITDA recorded organic growth of 6.6% to €6,473 million.

In unregulated activities, EBITDA reached €4,284 million, with organic growth of 7.8% due to good operating conditions. Nuclear output was flat year-on-year (-0.5 TWh, i.e. -0.2%). The significant drop in the volume of unplanned outages offset the fact there were more planned outages in the first half of 2013 than in the same period the previous year, which reflected the effectiveness of the large component replacement programme.
For 2013, the Group is reiterating its nuclear output target of 410-415 TWh.
At the same time, hydropower output increased significantly, up 25.4% (+5.1 TWh compared with the first half of 2012) as hydropower conditions were better than seasonal norms along with favourable prospects of high water levels in reservoirs.
The good operating performance came as a result of the combination of a positive weather effect from consistently cold weather combined with more favourable market prices than in first half 2012, and, to a lesser extent, by the increase in regulated sales tariffs and over costs control.

In regulated activities[6], EBITDA reached €2,189 million, reflecting organic growth of 4.3% due to a positive volume effect on account of cold weather in the first half-year 2013 as well as the increase in transmission tariffs (TURPE).

[6] ERDF and French islands activities

Outside France

United Kingdom: favourable wholesale prices and good control of operating costs

In millions of euros	H1 2012 restated*	H1 2013	Organic growth (%)
Sales	**4,821**	**4,990**	**+7.3**
EBITDA before fair-value adjustment**	1,069	1,060	+2.8
EBITDA	**1,071**	**1,031**	**(0.1)**

** Data restated for the impact of IAS 19 revised.*

*** From acquisition of British Energy.*

In the United Kingdom, sales rose to €4,990 million, an organic increase of 7.3% compared with the first half of 2012.

EBITDA totalled €1,031 million and was lower (-0.1%) on account of the negative impact of the fair value revaluation related to the acquisition of British Energy (impact of -€29 million compared with +€2 million in first half 2012). Restated for this item, EBITDA was up 2.8% in organic terms, due to good control of operating expenses and favourable wholesale prices.
This price effect offsets the lower (-1 TWh) nuclear output over the course of the first six-month period. The decrease, which was anticipated by the Group, is attributable to more planned outages in the first half of 2013 than over the same period in 2012. For 2013, EDF Energy's ambition is to replicate the strong operational performance of 2012.
EBITDA was also underpinned by higher gas sales to retail customers due to the cold weather in the first half.

Italy: good performance of the electricity business and favourable outcome of gas contract arbitration and new gas renegotiations

In millions of euros	H1 2012 restated*	H1 2013	Organic growth (%)
Sales	**3,607**	**6,481**	**+10.5**
EBITDA	**211**	**669**	**+155.0**

The Italy segment primarily includes EDF Fenice and Edison, in which EDF now holds 97.4% of the capital[7], which has been fully-consolidated since EDF took control on 24 May 2012.

**Data restated for the impact of IAS 19 revised.*

In **Italy**, Group sales were up 10.5% in organic terms to €6,481 million while EBITDA recorded a three-fold increase to €669 million, mainly due to Edison, including a scope effect for €130 million.

In the Electricity business, Edison's EBITDA increased on higher sales on the wholesale market due to good hydropower conditions as well as optimisation of the generation fleet.
The Hydrocarbon activity was boosted by the favourable outcome in April 2013 of arbitration on the Algerian contract, which began in 2011 with Sonatrach (first round of negotiations related to the period 2010-2012[8]) and new renegotiation of the Qatari contract with RasGas (second round of negotiations on the period 2012-2015) in July 2013.
In July, the Group also successfully finalised the second round of negotiations with Sonatrach.

These successes on gas contracts, as well as the performance of the electricity business, have led the Group to raise its EBITDA target for Edison to approximately €1 billion in 2013.

Edison has also initiated other arbitration proceedings with two other suppliers (Gazprom and ENI) in order to obtain conditions that are line with gas market prices.

[7] And 99.5% of voting rights

[8] Edison has launched two rounds of negotiations for its long-term gas contracts with its 4 partners: Gazprom in Russia, ENI in Libya, RasGas in Qatar and Sonatrach in Algeria
The second renegotiation cycle, related to the period 2012-2015, began in second half 2012

Other International: unfavourable economic and regulatory conditions

In millions of euros	H1 2012 restated*	H1 2013	Organic growth (%)
Sales	**4,009**	**4,106**	**+3.0**
EBITDA	**553**	**510**	**(6.9)**

**Data restated for the impact of IAS 19 revised.*

Sales of the **Other International** segment climbed 3% in organic terms to €4,106 million.
EBITDA amounted to €510 million, down 6.9% in organic terms.
EBITDA for Belgium was hit by outages at Doel 3 and Tihange 2 between July 2012 and June 2013 and by the drop in tariffs on the B2C segment.
In Poland, lower EBITDA was due to deterioration in the regulatory environment regarding the support to biomass and cogeneration, the effects of which were only partially offset by good electricity and heating generation.
In the other countries (Asia, United States, Brazil, etc.), EBITDA rose, in particular, on the back of electricity output in the United States while, in the first half-year 2012, it was affected by planned outages.

Other Activities: good performance of EDF Trading and EDF Énergies Nouvelles

In millions of euros	H1 2012 restated*	H1 2013	Organic growth (%)
Sales	**2,760**	**2,876**	**+3.1**
EBITDA	**1,165**	**1,015**	**(12.4)**

**Data restated for the impact of IAS 19 revised and the change in the presentation of EDF Énergies Nouvelles' DSSA activities.*

Sales generated by the **Other Activities** segment recorded a 3.1% organic increase to €2,876 million.
EBITDA came out to €1,015 million, down 12.4% in organic terms.
EDF Énergies Nouvelles' EBITDA was lifted by good output from substantial commissioning in 2012. The positive impact of commissioning (1,550 MW in new capacity in 2012) offset the drop in the activity of Development and Sale of Structured Assets (DSSA), whose first half 2012 performance was record-breaking.
EDF Trading's EBITDA recorded organic growth of 3.8% with good results in coal and gas activities.
However, this was not enough to offset the drop in EBITDA of other businesses within this segment, which had benefited in 2012 from revenue linked to property transactions and insurance contracts that were not repeated this year.

Highlights subsequent to the first quarter 2013 release

Setting up of EDF Invest

On 30 July 2013, EDF announced the launch of EDF Invest, which will manage the portfolio of unlisted investments within EDF's dedicated assets[9]. These unlisted investments will include three asset classes: infrastructure (primarily) as well as real estate and private equity.

EDF Group's 20% stake in TIGF, the acquisition of which is expected to be finalised today, is the first investment made by EDF Invest in infrastructure alongside the 50% interest in RTE that is already in the dedicated assets portfolio.

EDF Invest's target is to manage c. €5 billion in unlisted investments within two years and to account for 25% of all dedicated assets.

Green light from the Nuclear Safety Authority (ASN) for extending operational lifespan of Bugey 4

Following the third 10-year inspection, the French Nuclear Safety Authority (ASN) issued a favourable recommendation on 29 July 2013 for extending the operation of the Bugey 4 nuclear facility, as it had for reactor 2. The authorisation is subject to the completion of related works that EDF will carry out within the required deadlines. Because the design of reactor 2 is identical to that of reactor 4, the recommendations for bolstering the safety levels of reactor 4 are therefore similar.

Agreement with Exelon on CENG

On 29 July 2013, EDF and Exelon signed an agreement regarding CENG, an entity in which 49.99% of the share capital is held by EDF and 50.01% by Exelon, which operates five nuclear plants in the United States with a total output capacity of 3.9 GW. According to the terms of the agreement, EDF will delegate the operational management of these reactors to Exelon. The agreement also stipulates that EDF will receive an exceptional dividend from CENG for $400 million (approx. €300 million) and will benefit from a put option on Exelon at the fair value of EDF's stake in CENG, which can be exercised between January 2016 and June 2022. It will enable EDF to reduce its net financial debt by $400 million (approx. €300 million) and will have a slightly accretive effect starting in 2015 through operating improvements and expected synergies in the operational management of the five CENG nuclear reactors by Exelon, the leading nuclear operator in the United States. The agreement is subject to the approval of the Nuclear Regulatory Commission (NRC) and the competent regulatory authorities. The deal is expected to be finalised in 2014.

Edison: success of new gas contract renegotiations in Qatar and in Algeria

On 23 April 2013, the International Court of **Arbitration** of the International **Chamber of Commerce** ruled in favour of Edison as part of arbitration proceeds to revise the price of long-term gas supplies with Sonatrach (Algeria).

In addition, a deal was reached between Edison and Rasgas (Qatar) in July 2013 revising certain conditions of the long-term gas contract (the price conditions, in particular) between the two parties.

In July 2013, Edison also finalised the second round of negotiations with Sonatrach.

Installation of the dome on the Flamanville EPR reactor

On 16 July 2013, EDF successfully installed the dome of the reactor building of the Flamanville EPR nuclear facility, marking an important **milestone of its construction**. **The Flamanville EPR construction site is entering its final phase, with 95% of civil engineering work completed, along with 46% of electrical and mechanical installation work.** In December 2012, EDF revealed that it was raising the estimated cost of the project to $€_{2012}$8.5 billion. The EPR is still scheduled to start producing electricity in 2016.

AREVA and EDF sign an agreement to develop nuclear skills in Saudi Arabia

On 11 July 2013, AREVA and EDF signed a cooperation agreement with the National Institute of

[9] Reserve fund set up by the Group to cover its long-term nuclear commitments in France, in accordance with the conditions set by law

Technology (NIT) in Bahrah with the aim of contributing to the development of nuclear skills in Saudi Arabia.
This cooperation with a leading technical institute demonstrates the willingness of the French nuclear industry to contribute to the training of Saudi technicians in the various nuclear specialties (welding, electrical installation, mechanics and electro-mechanics). Localising skills lies at the heart of the international development strategy implemented by AREVA and EDF, who intend to rely on local partners for the shared industrial projects they export.

Consultation organised by CRE on TURPE 4 distribution

On 9 July 2013, the CRE began its consultation on distribution tariffs that will take effect on 1 January 2014 for a period of 4 years (TURPE 4). The consultation is scheduled to end on 16 August 2013.

CRE report on changes in regulated sales tariffs

On 5 June 2013, the CRE published its analysis of EDF's generation and sales costs under the regulated tariffs of electricity sales. The CRE's study covered the costs over the periods 2007-2012 and estimated costs from 2013 to 2015. It concluded that the changes in the tariffs for the summer of 2013 to cover costs ranged between 9.6% and 6.8% for blue tariffs, between 5.8% and 2.7% for yellow tariffs and between 3.8% and 0% for green tariffs (respectively with and without a hypothetical 10-year accounting extension of depreciation life of nuclear plants in 2013).

Proposed 5% increase in household rates starting 1 August 2013 and 2014

In accordance with the announcement made by Philippe Martin, Minister of Ecology, Sustainable Development and Energy, on 9 July 2013 the government notified the *Conseil supérieur de l'énergie* regarding a draft ministerial order that would increase electricity rates for households by 5% on 1 August 2013 and 1 August 2014. The draft order was submitted to the French Energy Regulation Commission (*Commission de Régulation de l'Energie* or "CRE").

Smart electricity grids

On 9 July 2013, France's Prime Minister announced the start of the rollout of new "Linky" smart meters by ERDF. Some 3 million of these meters should be deployed by 2016.
On 25 July, Henri Proglio charged Philippe Monloubou with the task of spearheading a six-month strategic study on developing and financing smart electricity grids, both in and outside France. In January 2014, Philippe Monloubou will be put forward for the position of Chairman of ERDF's Management Board.

EDF Energies Nouvelles and wpd offshore team up to jointly respond to the French government's second call for tenders, in partnership with Alstom

On 30 May 2013, EDF Energies Nouvelles and wpd offshore, two key players in European offshore wind energy, announced the signing of a partnership agreement. The agreement makes official both groups' decision to, once again, combine their expertise in the French government's second call for tenders, with a view to continuing the development of offshore wind energy in France and pursuing the ambitious industrial project begun with Alstom, the exclusive partner for the supply of wind turbines.

Acquisition of Iberdrola's wind farms in France by EDF Energies Nouvelles finalised

On 27 May 2013, an international consortium comprising EDF Energies Nouvelles, MEAG, acting as the asset manager of Munich Re, and GE Energy Financial Services, a unit of General Electric, has implemented a previously announced agreement with Iberdrola to acquire 30 wind farms in service in France with 305 MW in total gross capacity. Under the agreement announced in January and now finalised, EDF Energies Nouvelles owns an interest of 20%, GE Energy Financial Services an interest of 40% and MEAG an interest of 40% in the assets. EDF Energies Nouvelles will provide asset management, along with operations and maintenance services.

EDF and EPH sign definitive agreement for the sale of 49% of Stredoslovenská Energetika A.S. (SSE)

On 24 May 2013, EDF and Energetický a průmyslový holding, a.s. (EPH) signed a definitive agreement for the disposal of EDF's minority stake of 49% in Stredoslovenská Energetika a.s. (SSE) to EPH. The transaction values the 49% stake of EDF in SSE at approximately €400 million. EDF announced on 21 May that it had signed an exclusivity agreement with EPH. The transaction will be submitted for authorisation at the Shareholders' Meeting of SSE. Closing is expected during second half 2013 after antitrust clearance is obtained.

APPENDICES

1. Change in recognition and measurement methods of the gains related to employee benefits

The IAS 19 standard was revised in June 2011. The new version, which became mandatory on 1 January 2013, introduces the following changes for valuation and recognition of the EDF group's provisions for employee benefits:

- Immediate recognition of the unvested past service cost,
- Inclusion of the administrative and financial costs of employee benefit plans in the current service cost, with a corresponding reversal from the provisions previously established for those costs,
- Inclusion in the financial result of a "net interest expense", equivalent to the interest expense on obligations net of income from fund assets, which is now valued using the same discount rate as the rate applied to measure obligations. The differential between the discount rate for obligations and the actual rate of return on fund assets is recorded directly in equity.

The Group decided in 2012 to stop using the "corridor" method and now recognises all actuarial gains and losses in full under the "SoRIE" method.

In compliance with IAS 8, this change of method is applied retrospectively.

2. Change in EDF Energies Nouvelles' DSSA[10] activities presentation

From 2013 and for the comparative periods presented, disposals of generation assets by EDF Energies Nouvelles are now recorded at net value (sale price less the associated cost of construction) in "Other operating income and expenses". Previously, the proceeds of these sales were included in "Sales revenues" (for sales proceeds) and the construction costs were included in "Other external expenses" (for construction costs).

This change of presentation has no impact on EBITDA, nor on Group net income and standardises the presentation used in the Group's income statement for asset disposal operations by EDF Energies Nouvelles (facilities under construction and facilities in operation).

[10] Development and Sale of Structured Assets

Consolidated income statements

(in millions of Euros)	H1 2013	H1 2012 (1)
Sales	39,747	35,903
Fuel and energy purchases	(20,821)	(17,950)
Other external expenses	(4,134)	(4,340)
Personnel expenses	(6,020)	(5,787)
Taxes other than income taxes	(1,793)	(1,597)
Other operating income and expenses	2,719	2,842
Operating profit before depreciation and amortisation	**9,698**	**9,071**
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities	(1)	98
Net depreciation and amortisation	(3,583)	(3,283)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(126)	(94)
(Impairment) / reversals	(178)	(294)
Other income and expenses	(22)	100
Operating profit	**5,788**	**5,598**
Cost of gross financial indebtedness	(1,203)	(1,240)
Discount effect	(1,482)	(1,550)
Other financial income and expenses	1,018	993
Financial result	**(1,667)**	**(1,797)**
Income before taxes of consolidated companies	**4,121**	**3,801**
Income taxes	(1,531)	(1,235)
Share in income of associates	379	343
Group net income	**2,969**	**2,909**
EDF net income	**2,877**	**2,779**
Net income attributable to non-controlling interests	**92**	**130**
Earnings per share (EDF share) in Euros:		
Earnings per share	**1.56**	**1.50**
Diluted earnings per share	**1.56**	**1.50**

(1) The figures published for first-half 2012 have been restated for the impact of retrospective application of IAS 19 revised and the change in presentation of disposals of generation assets by EDF Energies Nouvelles as part of its Development and Sale of Structured Assets (DSSA) business.

Consolidated balance sheets

ASSETS *(in millions of Euros)*	30/6/2013	31/12/2012 [1]
Goodwill	9,895	10,412
Other intangible assets	7,633	7,625
Property, plant and equipment operated under French public electricity distribution concessions	47,926	47,222
Property, plant and equipment operated under concessions for other activities	7,232	7,182
Property, plant and equipment used in generation and other tangible assets owned by the Group	68,387	67,838
Investments in associates	7,678	7,587
Non-current financial assets	28,280	30,471
Deferred tax assets	3,441	3,421
Non-current assets	**180,472**	**181,758**
Inventories	13,854	14,213
Trade receivables	23,096	22,497
Current financial assets	19,178	16,433
Current tax assets	466	582
Other receivables	9,184	8,486
Cash and cash equivalents	6,065	5,874
Current assets	**71,843**	**68,085**
Assets classified as held for sale	**430**	**241**
Total assets	**252,745**	**250,084**

(1) The figures published for 2012 have been restated for the impact of retrospective application of IAS 19 revised

Consolidated balance sheets

EQUITY AND LIABILITIES *(in millions of Euros)*	30/6/2013	31/12/2012 (1)
Capital	924	924
EDF net income and consolidated reserves	32,511	25,333
Equity (EDF share)	**33,435**	**26,257**
Equity (non-controlling interests)	4,388	4,854
Total equity	**37,823**	**31,111**
Provisions related to nuclear generation – Back-end nuclear cycle, plant decommissioning and last cores	39,216	39,185
Provisions for decommissioning of non-nuclear facilities	1,143	1,090
Provisions for employee benefits	19,836	19,119
Other provisions	1,711	1,873
Non-current provisions	***61,906***	***61,267***
Special French public electricity distribution concession liabilities	43,014	42,551
Non-current financial liabilities	44,330	46,980
Other non-current liabilities	3,888	4,218
Deferred tax liabilities	5,630	5,601
Non-current liabilities	**158,768**	**160,617**
Current provisions	4,297	3,882
Trade payables	13,026	14,643
Current financial liabilities	15,108	17,521
Current tax liabilities	1,251	1,224
Other current liabilities	22,338	21,037
Current liabilities	**56,020**	**58,307**
Liabilities related to assets classified as held for sale	**134**	**49**
Total equity and liabilities	**252,745**	**250,084**

(1) The figures published for 2012 have been restated for the impact of retrospective application of IAS 19 revised

Consolidated cash-flow statements

(in millions of Euros)	H1 2013	H1 2012[1]
Operating activities:		
Income before taxes of consolidated companies	**4,121**	**3,801**
Impairment (reversals)	178	294
Accumulated depreciation and amortisation, provisions and change in fair value	4,717	3,764
Financial income and expenses	827	686
Dividends received from associates	235	22
Capital gains/losses	(178)	(275)
Change in working capital	(2,800)	(2,458)
Net cash flow from operations	***7,100***	**5,834**
Net financial expenses disbursed	(1,011)	(814)
Income taxes paid	(977)	(892)
Net cash flow from operating activities	**5,112**	**4,128**
Investing activities:		
Acquisitions / disposals of equity investments, net of cash (acquired/transferred)	174	(172)
Investments in intangible assets and property, plant and equipment	(6,619)	(6,233)
Net proceeds from sale of intangible assets and property, plant and equipment	72	349
Changes in financial assets	341	(4,368)
Net cash flow used in investing activities	**(6,032)**	**(10,424)**
Financing activities:		
Transactions with non-controlling interests	(46)	(237)
Dividends paid by parent company	-	(1,072)
Dividends paid to non-controlling interests	(187)	(115)
Purchases / sales of treasury shares	8	(1)
Cash flows with shareholders	***(225)***	***(1,425)***
Issuance of borrowings	2,163	8,489
Repayment of borrowings	(7,066)	(1,786)
Issuance of perpetual subordinated bonds	6,125	-
Funding contributions received for assets operated under concessions	74	85
Investment subsidies	43	72
Other cash flows from financing activities	***1,339***	***6,860***
Net cash flow from financing activities	**1,114**	**5,435**
Net increase/(decrease) in cash and cash equivalents	**194**	**(861)**
Cash and cash equivalents - opening balance	**5,874**	**5,743**
Net increase/(decrease) in cash and cash equivalents	194	(861)
Effect of currency fluctuations	6	50
Financial income on cash and cash equivalents	18	25
Effect of reclassifications	(27)	(37)
Cash and cash equivalents - closing balance	**6,065**	**4,920**

(1) The figures published for first-half 2012 have been restated for the impact of retrospective application of IAS 19 revised

3. 30 July 2013 – TIGF: Snam, GIC and EDF have completed the acquisition

The Consortium constituted by Snam, the Italian gas transport and storage operator (45%), GIC, the Singaporean sovereign fund (35%) and EDF (20%, through its dedicated assets for the dismantling of nuclear plants) has today completed the acquisition of TIGF (Transport et Infrastructures Gaz France), Total's gas transport and storage business, for an enterprise value of Euro 2.4 billion. This announcement follows the receipt of all required regulatory approvals, in particular the antitrust approval from the European Commission.

TIGF will leverage the well-balanced mix between industrial expertise and financial capabilities of its new shareholders to pursue its long term development as a strategic platform for the interconnection of the French and Iberian markets with those of North Central Europe, in the context of greater European infrastructure integration. The complementary structure as both a gas transmission and storage business will remain a key component in the strategy of the company.

TIGF (Transport et Infrastructures Gaz France) provides gas transmission and storage services in 15 departments in southwestern France. It manages a network of about 5,000 kilometers of pipeline that carries 13% of the total volume of gas transported in France and operates 22% of the country's gas storage capacity with two important gas storage sites in Lussagnet and Izaute. With almost 500 employees, TIGF generated revenues of over €350 million in 2012 (www.tigf.fr).

4. 29 July 2013 – Change in share capital of EDF

Following a decision of the Board of Directors of EDF dated 29 July 2013, the share capital is fixed at the sum of 930,004,234 Euros divided into 1,860,008,468 (one billion eight hundred and sixty million eight hundred and eight thousand four hundred and sixty-eight) shares of a par value of fifty centimes (0.5) Euros each, fully paid up.

PERSON 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 2013, prepared in accordance with IAS 34 *Interim Financial Reporting*, the standard of International Financial Reporting Standards as adopted by the European Union ("**IFRS**") applicable to interim financial information and included in chapter 4 of the Supplement, were subject to a report by the statutory auditors set forth in chapter 5 of the Supplement and which included two comments, one of which relates to the valuation of long-term provisions relating to nuclear electricity production (which is set out on page 136 of the Supplement).

The consolidated financial statements for the financial year ended 31 December 2012, prepared in accordance with IAS-IFRS standards, as adopted by the European Union, and included in the 2012 *Document de Référence* filed with the the *Autorité des marchés financiers* (hereafter the "**AMF**") on 5 April 2013 under number D.13-0304, were subject to a report by the statutory auditors set forth in section 20.2 of such 2012 *Document de Référence* and which includes two comments, one of which relates to the valuation of long-term provisions relating to nuclear electricity production (which is set out on page 366 of such 2012 *Document de Référence*).

The consolidated financial statements for the financial year ended 31 December 2011, prepared in accordance with IAS-IFRS standards, as adopted by the European Union, and included in the 2011 *Document de Référence* filed with the AMF on 10 April 2012 under number D.12-0321, were subject to a report by the statutory auditors set forth in section 20.2 of such 2011 *Document de Référence* and which includes a comment in relation to the valuation of long-term provisions relating to nuclear electricity production (which is set out on page 386 of such 2011 *Document de Référence*).

Issued in Paris, on 7 October 2013

Henri Proglio
Chief Executive Officer
Electricité de France

VISA OF THE *AUTORITÉ DES MARCHÉS FINANCIERS*

AUTORITÉ DES MARCHÉS FINANCIERS

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Réglement général*) of the *Autorité des marchés financiers* (the "**AMF**"), in particular Articles 212-31 to 212-33, the AMF has granted to this Supplement the *visa* No. 13-530 on 7 October 2013. It was prepared by the Issuer and its signatory assumes 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 relatifs à la période du 1er janvier au 30 juin 2013, préparés conformément à IAS 34 Information Financière Intermédiaire, norme du référentiel IFRS tel qu'adopté par l'Union européenne ("**IFRS**") applicable à l'information financière intermédiaire et inclus au sein du chapitre 4 du Supplément, ont fait l'objet d'un rapport des contrôleurs légaux figurant au chapitre 5 du Supplément, qui contient deux observations dont une relative à l'évaluation des provisions de long terme liées à la production nucléaire (qui est mentionnée à la page 136 du Supplément).

Les comptes consolidés de l'exercice clos le 31 décembre 2012, préparés conformément au référentiel IAS-IFRS, tel qu'adopté par l'Union Européenne, et inclus dans le Document de Référence 2012 déposé auprès de l'Autorité des marchés financiers (ci-après l'"**AMF**") en date du 5 avril 2013 sous le numéro D.13-0304, ont fait l'objet d'un rapport des contrôleurs légaux figurant à la section 20.2 dudit Document de Référence 2012, qui contient deux observations dont une relative à l'évaluation des provisions de long terme liées à la production nucléaire (qui est mentionnée à la page 366 du Document de Référence 2012).

Les comptes consolidés de l'exercice clos le 31 décembre 2011, préparés conformément au référentiel IAS-IFRS, tel qu'adopté par l'Union Européenne, et inclus dans le Document de Référence 2011 déposé auprès de l'AMF en date du 10 avril 2012 sous le numéro D.12-0321, ont fait l'objet d'un rapport des contrôleurs légaux figurant à la section 20.2 dudit Document de Référence 2011, qui contient une observation relative à l'évaluation des provisions de long terme liées à la production nucléaire (qui est mentionnée à la page 386 du Document de Référence 2011).

A Paris, le 7 octobre 2013

Henri Proglio
Président-Directeur Général
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° 13-530 en date du 7 octobre 2013 sur le présent Supplément. Ce Supplément a été établi par l'Emetteur et engage la responsabilité de son signataire.

Le visa, conformément aux dispositions de l'Article L. 621-8-1-I du Code monétaire et financier, a été attribué après que l'AMF a vérifié "*si le document est complet et compréhensible, et si les informations qu'il contient sont cohérentes*". Il n'implique 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.