

## **BASE PROSPECTUS**



**Electricité de France**

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

Application has been made to the Autorité des marchés financiers in its capacity as competent authority under French law for debt instruments (the "**Instruments**") issued under the programme (the "**Programme**") described in this Base Prospectus to be listed on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.) during a period of twelve months after the date hereof. This Base Prospectus received the visa no. 07-173 on 7 June 2007 from the Autorité des marchés financiers. The maximum aggregate amount of Instruments outstanding at any one time under the Programme will not exceed € 11,000,000,000.

Unlisted Instruments and Instruments listed on another stock exchange(s) may also be issued under the Programme. The relevant Final Terms (as defined below) in respect of the issue of any Instruments will specify whether or not such Instruments will be listed on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.) or any other stock exchange.

References in this Base Prospectus to Instruments being "listed" on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.) (and all related references) or on any other regulated market for the purpose of the Markets in Financial Instruments Directive 2004/39/EC shall mean that such Instruments have been listed and admitted to trading on the Eurolist of Euronext Paris S.A. or on such other regulated market. The Eurolist of Euronext Paris S.A. is a regulated market for the purposes of Directive 2004/39/EC.

The Issuer's Programme is currently rated "Aa1" with a stable outlook by Moody's Investors Service Ltd ("**Moody's**") and "AA-" with a stable outlook by Standard and Poor's Ratings Services ("**Standard and Poor's**"). Instruments issued pursuant to the Programme may be unrated or rated differently from the current ratings of the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Notice of the aggregate nominal amount of Instruments, interest (if any) payable in respect of Instruments, the issue price of Instruments and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Instruments") of Instruments will be set out in the final terms (the "**Final Terms**").

This Base Prospectus supersedes the Base Prospectus dated 8 June 2006, which received the visa no. 06-177 from the Autorité des Marchés Financiers on 2 June 2006.

Arranger for the Programme  
**MORGAN STANLEY**

Dealers

**BNP PARIBAS**  
**GOLDMAN SACHS INTERNATIONAL**  
**MERRILL LYNCH INTERNATIONAL**  
**UBS INVESTMENT BANK**

**DRESDNER KLEINWORT**  
**JPMORGAN**  
**MORGAN STANLEY**

The date of this Base Prospectus is 8 June 2007.

**This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive") in respect of, and for the purposes of giving information, with regard to Electricité de France and Electricité de France and its fully consolidated subsidiaries (the "EDF Group") which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of Electricité de France.**

**This Base Prospectus should be read and construed in conjunction with any amendment or supplement thereto and with any other documents incorporated by reference (see "Documents Incorporated by Reference"), each of which shall be incorporated in and form part of this Base Prospectus and, in relation to any Series (as defined herein) of Instruments, should be read and construed together with the relevant Final Terms(s), the Base Prospectus and the Final Terms being together, the "Prospectus".**

**References herein to the "Programme Date" are to 8 June 2007.**

**Electricité de France (the "Issuer" or "EDF" or "Electricité de France") confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import and Electricité de France accepts responsibility accordingly.**

**No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any dealer named under "Subscription and Sale" (the "Dealers").**

**No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Instrument shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date thereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer since the date thereof or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Instruments in certain jurisdictions may be restricted by law. No action has been taken by the Issuer or the Dealers which would permit a public offering of any Instruments or distribution of this Base Prospectus in any such**

jurisdiction where action for that purpose is required. Accordingly no Instruments may be offered or sold, directly or indirectly and neither this Base Prospectus nor any Final Terms or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions.

For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Instruments, see "Subscription and Sale". In particular, Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended, and may include Instruments in bearer form which are subject to U.S. tax law requirements. Under United States legislation, subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Instruments. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

All references in this Base Prospectus to "€", "EUR" and "Euro" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, and all references to "U.S.\$", "U.S. dollars", "United States dollars" and "USD" are to the lawful currency of the United States of America.

## TABLE OF CONTENTS

<b>SUMMARY</b>	5
<b>RÉSUMÉ EN FRANCAIS (SUMMARY IN FRENCH)</b>	20
<b>RISK FACTORS</b>	36
<b>DOCUMENTS INCORPORATED BY REFERENCE</b>	69
<b>SUPPLEMENT TO THE BASE PROSPECTUS</b>	72
<b>FORM OF THE BEARER INSTRUMENTS WHILE IN GLOBAL FORM</b>	74
<b>TERMS AND CONDITIONS OF THE INSTRUMENTS</b>	76
<b>USE OF PROCEEDS</b>	116
<b>RECENT EVENTS</b>	117
<b>FORM OF FINAL TERMS</b>	122
<b>TAXATION</b>	143
<b>SUBSCRIPTION AND SALE</b>	144
<b>GENERAL INFORMATION</b>	149
<b>PERSONS RESPONSIBLE FOR THE BASE PROSPECTUS</b>	153
<b>VISA OF THE AUTORITÉ DES MARCHÉS FINANCIERS</b>	154

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF INSTRUMENTS, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT INSTRUMENTS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE INSTRUMENTS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF INSTRUMENTS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF INSTRUMENTS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF INSTRUMENTS. ANY STABILISATION ACTION OR OVERALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

## SUMMARY

*This summary (the "**Summary**") is provided for the purposes of the issue of Instruments of a denomination of less than Euro 50,000 (or its equivalent in other currencies). Investors in Instruments of a denomination equal to or greater than Euro 50,000 should not rely on this Summary in any way and the Issuer accepts no liability to such investors.*

*This summary must be read as an introduction to this Base Prospectus and any decision to invest in any Instruments should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Pursuant to article L.412-1-I of the French Code monétaire et financier, no civil action may be brought against the Issuer solely on the basis of this Summary, including its translation, unless it is misleading, inaccurate or inconsistent when read together with other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.*

### 1. **Information relating to the Issuer**

#### 1.1 **Information regarding EDF**

The legal and commercial name of the Issuer is "Electricité de France". The Issuer may also legally and commercially be known as "EDF".

The Issuer is a limited liability company (a *société anonyme*) established under the laws of the Republic of France for a period of 99 years from 20 November 2004. It is registered at the Trade and Companies Registry of Paris (*Registre du Commerce et des Sociétés de Paris*) under reference number 552 081 317 RCS Paris.

The Issuer's registered address is 22-30 avenue de Wagram, 75008 Paris. The Issuer's contact number is + 33 (0)1 40 42 22 22.

#### 1.2 **Information regarding the EDF Group's activities**

##### *General introduction to the EDF Group*

EDF, created in 1946 as a public industrial and commercial enterprise with financial autonomy ("**EPIC**"), is today an integrated energy supplier operating in a wide range of electricity-related businesses: generation, transmission, distribution, sale and trading of energy. EDF is the main operator in the French electricity market and holds strong positions in the other three principal European markets (Germany, the United Kingdom, Italy), making it one of the leading electricity groups in Europe and a recognized actor in the gas market.

With an installed capacity of 128.2 GW (123.7 GW in Europe), it holds, among the major European energy specialists, the largest production fleet and the one emitting the least CO<sub>2</sub> owing to the share of nuclear technology and hydropower in its generation mix. The EDF Group supplies electricity, gas and associated services to more than 37.8

## Summary

---

million customers throughout the world and in Europe (more than 28 million of whom are in France).

The EDF Group has built a business model balanced between France and the international market, and between deregulated and regulated operations.

From July 1, 2007, the EDF Group will carry out its trading activities in a European energy market fully open to competition.

The table below presents the breakdown of the EDF Group's fleet and electricity generation for France in 2006:

	<b>Installed Capacity: 96,398 MW<sup>(1)</sup></b>	<b>Electricity Generated: 485.2 TWh</b>
Nuclear	65%	88%
Fossil-fired (2)	14%	4%
Hydropower (3) (4)	21%	8%

(1) Expressed in MW of power connected to the network.

(2) Excluding Corsica and the French overseas departments: 1,407 MW of installed capacity and 4.2 TWh generated in 2006.

(3) Excluding Corsica and the French overseas departments: 371 MW of installed capacity and 1.4 TWh generated in 2006.

(4) Gross generation excluding the necessary electricity consumption for the functioning of energy transfer pumping stations (stations de transfert d'énergie par pompage, or STEP) (7.5 TWh in 2006).

The EDF Group's fleet of nuclear facilities is the largest in the world with 17.2 % of the world's nuclear capacity as of December 2006 (EDF source, December 2006).

### *Deregulated and regulated operations in France*

The deregulated activities of EDF in France (activities open to competition), include the generation and supply of electricity. EDF is implementing an integrated model for the joint operational management of its portfolio of assets upstream (generation and procurement of energy and fuels) and downstream (wholesale and retail) to guarantee supply to its customers through the best possible management of operational and market risks and with a view to maximizing gross profit.

In France, EDF's regulated operations consist of the following:

## Summary

---

- transmission, handled by RTE-EDF Transport;
- distribution, handled by the EDF Distribution Network and EDF Gaz de France Distribution (managed jointly with Gaz de France); and
- EDF activities in Island Energy Systems (Corsica, French overseas departments and Saint-Pierre-et-Miquelon), which are managed by the Island Energy Systems Division (*Systèmes Energétiques Insulaires*, or “SEI”).

The tariffs for these regulated operations are established on the basis of the Tariffs for Using the Public Electricity Transmission and Distribution Networks (*Tarif d’Utilisation des Réseaux Publics de transport et de distribution d’électricité*, or “TURP”) and on the basis of compensating the additional generation costs in zones that are not interconnected with the network in metropolitan France (*Compensation des Surcoûts de Production dans les Zones Non Interconnectées au réseau métropolitain continental*, or “CSPE ZNI”).

### *The EDF Group's international activities*

In 2006, the EDF Group had a strategy of consolidating its asset portfolio around the business model of an integrated energy company in Europe. Besides, in accordance with its strategy, it has made partnership agreements in the distribution area in Asia and in the United States.

### *European context*

The energy market environment in Europe is undergoing a transformation. Proven political willingness, especially in the European Commission, to open up markets has already considerably changed the energy landscape with the following principal effects:

- a complete change in the rules of operation, which have yet to stabilize, of these markets;
- the sensitivity and volatility of energy prices, customary in a commodity market, but amplified by the world energy context; and
- a vision based on national markets, which still continues in most countries due to inadequate interconnections.

Renewal of the fleets of generation facilities is a relatively long-term major imperative, depending on the country: between 500 and 600 GW of new capacities are to be built or renewed for 2030 at the European Union level (source: survey of DG Tren – Trends to 2030 – update 2005). In any event, increasing environmental constraints will have an impact on the composition of the fleets of generation facilities and on price levels.

Significant restructurings of integrated energetic groups have been done in 2006. In this context, the EDF Group’s goal is to be a major operator in the development of a

## Summary

---

fluid energy market in Europe by actively participating in the construction of this new market (interconnections, compliance with EU regulations, etc.).

### *The EDF Group's ambitions in Europe*

The EDF Group's ambition is to create a coherent industrial group with its principal positions in Europe. The EDF Group will review any new opportunity of profitable development, especially in the Benelux countries and on the Iberian peninsula and in the PECO. Thus, Europe is the "core market" of the EDF Group with an integrated upstream-downstream business model, balanced between regulated and deregulated activities. Besides, the EDF Group intends to continue building its gas assets, which are necessary to its ambition of becoming an important European gas operator, in order to secure its offer, to provide its customers with a multi-energy service and to have competitive means of electricity generation through gas.

This coherent industrial group, to be built from the EDF Group's industrial base and shareholdings, will enable its main European subsidiaries to fully contribute to its strategy.

The EDF Group is implementing operational synergies among its various entities in France and Europe with the following objectives:

- to improve the operational performances by sharing the best practices observed within the EDF Group;
- to have a number of entities on a single network in order to optimize the fleet, reduce the costs of peak consumption coverage and to be able to offer services to multi-site customers in Europe;
- to use the opportunity of construction projects of production assets in the various subsidiaries in order to make a standard of the conception and to gather the purchase orders to equipment manufacturer; and
- to coordinate the gas supplies and investments in order to further the EDF Group's ambitions in the gas market.

### 1.3 **Key information regarding the EDF Group's financial data**

The tables below show key figures from the EDF group's consolidated financial statements for 2006 and 2005.

Pursuant to European regulation 1606/2002 of July 19, 2002 on the adoption of international accounting standards, the EDF Group's consolidated financial statements are prepared under the international accounting standards published by the IASB and approved by the European Union for application at December 31, 2006 (see note 1 of the notes to the 2006 consolidated financial statements included in the 2006 *Document de Référence*). These international standards are IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and the interpretations issued by the SIC and IFRIC.



## Summary

---

The financial statements for 2006 contain comparative information for the financial year 2005 prepared on the same basis.

The selected financial information, including the restated financial information for 2005, are taken from the EDF Group's consolidated financial statements at December 31, 2006 which have been audited by EDF's statutory auditors. This financial information published on December 31, 2005 was restated so as to take into account the retrospective application of IFRIC's interpretation 4 (see notes 1.2 and 4.2 to the consolidated financial statements at December 31, 2006) and of certain income statement reclassifications (see note 4 to the consolidated financial statements at December 31, 2006).

The selected financial information below must be read in conjunction with (i) the consolidated financial statements included in section 20.1 ("Historical Financial Information") of the 2006 *Document de Référence*, and with (ii) the operating and financial review contained in Chapter 9 of the 2006 *Document de Référence*.

### Extracts from the consolidated income statements :

Year ended December 31 (in millions of euros)	2006	2005 (1)
Sales	58,932	51,047
Operating profit before depreciation and amortization (EBITDA)	13,930	12,906
Operating profit (EBIT)	9,356	7,993
Income before taxes of consolidated companies <sup>(2)</sup>	6,655	4,578
<b>EDF net income</b>	<b>5,605</b>	<b>3,230</b>

(1) *The figures published for 2005 have been adjusted to reflect the effects of the retrospective application of the IFRIC 4 interpretation and of certain income statement reclassifications (see note 4 to the consolidated financial statements at December 31, 2006).*

(2) *The income before taxes of consolidated companies is the Group's net income before income taxes, share in income of companies accounted for under the equity method, net income from discontinued operations and minority interests.*

### Extracts from the consolidated balance sheets:

(in millions of euros)	December 31, 2006	December 31, 2005 (1)
Non-current assets	130,824	123,524
Current assets	48,122	46,884
Assets classified as held for sale	140	728
<b>Total assets</b>	<b>179,086</b>	<b>171,136</b>
Equity (EDF's share)	23,309	19,313
Minority interests	1,490	961
Non-current provisions	43,124	41,974
Special concession liabilities	36,227	34,907
Non-current financial liabilities	19,983	23,511

## Summary

Other non-current liabilities (a)	10,031	10,538
Current financial liabilities	15,110	11,933
Other current liabilities (b)	29,696	27,407
Liabilities related to assets classified as held for sale	116	592
<b>Total equity and liabilities</b>	<b>179,086</b>	<b>171,136</b>

(1) The figures published for 2005 have been adjusted to reflect the effects of the retrospective application of the IFRIC 4 interpretation (see note 4 to the consolidated financial statements at December 31, 2006).

(a) Including "Other liabilities" (non current fraction) and "Deferred tax liabilities".

(b) Including "Provisions" (current liabilities), "Trade payables and other current liabilities payable", "Current tax liabilities" and "Other liabilities" (current fraction).

## Extracts from the consolidated cash flow statements:

(in millions of euros)	2006	2005 (1)
Net cash flow from operating activities	11,795	8,439
Net cash flow used in investing activities	(13,769)	(10,621)
Net cash flow used from financing activities	(1,794)	5,555
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,768)</b>	<b>3,373</b>

(1) The figures published for 2005 have been adjusted to reflect the effects of the retrospective application of the IFRIC 4 interpretation (see note 4 to the consolidated financial statements at December 31, 2006).

## Information concerning net indebtedness

(in millions of euros)	December 31, 2006	December 31, 2005 (1)
Loans and other financial liabilities	28,142	29,718
Derivatives used to hedge liabilities	237	240
Cash and cash equivalents	(3,308)	(7,220)
Liquid assets	(10,154)	(4,580)
Net financial liabilities from companies disclosed in non-current liabilities related to assets classified as held for sale	15	434
<b>Net indebtedness</b>	<b>14,932</b>	<b>18,592</b>

(1) The figures published for 2005 have been adjusted to reflect the effects of the retrospective application of the IFRIC 4 interpretation (see note 4 to the consolidated financial statements at December 31, 2006).

## Summary

---

### 1.4 Members of the Board of Directors and Auditors at April 19, 2007

#### *Representatives of the French State*

André Aurengo  
Bruno Bézard  
Yannick d'Escatha  
Philippe Faure  
François Jacq  
Philippe Josse

#### *Directors appointed by the General Shareholders' Meeting*

Pierre Gadonneix (Chairman and CEO)  
Frank E. Dangeard  
Daniel Foundoulis  
Claude Moreau  
Henri Proglio  
Louis Schweitzer

#### *Employee Representatives*

Laurence Hoeffling  
Marie-Catherine Daguerre  
Jacky Chorin  
Alexandre Grillat  
Philippe Pesteil  
Maxime Villota

#### **Statutory Auditors**

Deloitte & Associés  
KPMG SA

#### **Alternate Auditors**

BEAS  
SCP Jean-Claude André

## 2. Information relating to the Programme

Description:	Euro Medium Term Note Programme.
Arranger:	Morgan Stanley & Co. International plc.
Dealers:	BNP Paribas, Dresdner Bank Aktiengesellschaft, Goldman Sachs International, J.P.Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc and UBS Limited. The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint one or more additional dealers either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Instruments.
Fiscal Agent:	The Bank of New York
Principal Registrar:	CACEIS Bank Luxembourg.

## Summary

---

Paris Paying Agent:	CACEIS Corporate Trust.
Luxembourg Paying Agent:	CACEIS Bank Luxembourg.
Calculation Agent:	The Fiscal Agent unless an alternative Calculation Agent is appointed in relation to a particular issue of Instruments.
Luxembourg Listing Agent:	Société Générale Bank & Trust.
Initial Programme Amount:	Up to €11,000,000,000.
Method of Issue:	<p>The Instruments will be issued on a syndicated or non syndicated basis. Instruments will be issued in series (each, a "<b>Series</b>"). Each Series may comprise one or more tranches ("<b>Tranches</b>" and each, a "<b>Tranche</b>") issued on different issue dates. The Instruments of each Series will all be subject to identical terms, except that (i) the issue date and the amount of the first payment of interest may be different in respect of different Tranches and (ii) a Series may comprise Instruments in bearer form and Instruments in registered form and Instruments in more than one denomination. The Instruments of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Instruments in bearer form and Instruments in registered form and may comprise Instruments of different denominations.</p>
Issue and Paying Agency Agreement:	<p>The Issue and Paying Agency Agreement (as defined in the "<b>Terms and Conditions of the Instruments</b>") entered into in relation to the Instruments principally contains provisions relating to the payments and administrative procedures relating to the Instruments. In addition, it contains the forms of the temporary global Instruments, permanent global Instruments, registered Instruments, definitive Instruments and provisions relating to meetings of holders of Instruments. The key provisions of the Issue and Paying Agency Agreement applicable to holders of Instruments are contained in the Terms and Conditions of the Instruments (see also "<b>General Information</b>") and are described below.</p> <p>Under the Issue and Paying Agency Agreement, the Issuer appoints each of the Paying Agents (as defined in the "<b>Terms and Conditions of the Instruments</b>"), the Principal Registrar and the Calculation Agent at their respective specified offices as its agent in relation to the Instruments for the purposes specified in (i) the Issue and Paying Agency Agreement, such as the preparation of Instruments, the issuing of replacement Instruments, the making of payments to holders of Instruments, the maintaining of records regarding the Instruments, the issuing of voting certificates and</p>

## Summary

---

block voting instructions for meetings of holders of Instruments and the calculating of interest due on Instruments and (ii) the Terms and Conditions. The forms of the Instruments are set out in the Issuer and Paying Agency Agreement.

### Form of Instruments:

Instruments may be issued in bearer form or in registered form. In respect of each Tranche of Instruments issued in bearer form, the Issuer will deliver a temporary global Instrument or (if so specified in the relevant Final Terms in respect of Instruments to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") applies (as so specified in such Final Terms)) a permanent global Instrument.

If the global instruments are stated in the applicable Final Terms to be issued in new global instrument ("**New Global Instrument**" or "**NGI**") form they are intended to be eligible collateral for Eurosystem monetary policy and the global instruments will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream**").

Global instruments which are not issued in NGI form ("**Classic Global Instruments**" or "**CGIs**") will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream and/or any other relevant clearing system.

Each temporary global Instrument will be exchangeable for a permanent global Instrument or, if so specified in the relevant Final Terms, for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Final Terms) registered form in accordance with its terms, in each case, as described under "**Form of the Bearer Instruments while in Global Form**".

Each permanent global Instrument will be exchangeable for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Final Terms) registered form in accordance with its terms, in each case, as described under "**Form of the Bearer Instruments while in Global Form**".

Instruments in definitive bearer form will, if interest-bearing, either have interest coupons ("**Coupons**") attached and, if appropriate, a talon ("**Talon**") for further Coupons or have a grid for recording the payment of interest endorsed thereon and will, if the principal thereof is repayable by instalments, have a grid for recording the payment of principal endorsed thereon or, if so specified in the

## Summary

---

relevant Final Terms, have payment receipts ("**Receipts**") attached. Instruments in registered form may not be exchanged for Instruments in bearer form.

- Currencies: Instruments may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Instruments may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which such Instruments are denominated and based on rates of exchange for such other currency/ies.
- Status: Instruments and, where applicable, any related Coupons and Receipts, will constitute direct, unconditional, unsubordinated and (subject to the Negative Pledge) unsecured obligations of the Issuer and will rank pari passu without any preference among themselves and at least pari passu with all other unsubordinated and unsecured obligations of the Issuer, present and future (save for certain mandatory exceptions provided by French law).
- Issue Price: Instruments may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms.
- Maturities: Any maturity subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
- Redemption: Instruments may be redeemable at par or at such other Redemption Amount (as defined in Condition 6.10) (detailed in a formula or otherwise) as may be specified in the relevant Final Terms.
- Optional Redemption: The Final Terms issued in respect of an issue of Instruments will state whether such Instruments may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders and, if so, the terms applicable to such optional redemption.
- Early Redemption: Except as provided in the Terms and Conditions of the Instruments, Instruments will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "**Terms and Conditions of the Instruments - Redemption and Purchase**".
- Interest: Instruments may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate or be linked to an index or formula, and may vary during the lifetime of the relevant Series.
- Denominations: Instruments will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all

## Summary

---

	applicable legal and/ or regulatory and/or central bank requirements.
Consolidation:	Instruments of one Series may be consolidated with Instruments of another Series as more fully provided in " <b>Terms and Conditions of the Instruments - Consolidation</b> ".
Further Issues:	Further Instruments may be issued so as to form a single Series with the Instruments of any particular Series, all as more fully provided in " <b>Terms and Conditions of the Instruments - Further Issues</b> " below.
Taxation in respect of the Instruments:	<p>Subject to the exceptions set out in Condition 8.2, payments in respect of the Instruments will be made without withholding or deduction for, or an account of, taxes imposed by or on behalf of the Republic of France as provided by Article 131 <i>quater</i> of the French General Tax Code, to the extent that the Instruments are issued (or deemed to be issued) outside France and constitute <i>obligations</i> within the meaning of the aforementioned Article 131 <i>quater</i>.</p> <p>As more fully described in "<b>Terms and Conditions of the Instruments - Taxation</b>", the tax regime applicable to Instruments which do not constitute <i>obligations</i> will be set out in the relevant Final Terms.</p>
Governing Law:	English law.
Listing and admission to trading:	As specified in the relevant Final Terms, a Series of Instruments may or may not be listed and admitted to trading on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.) and/or any regulated market as defined by the Markets in Financial Instruments Directive 2004/39/EC (a " <b>Regulated Market</b> ") or other stock exchange.
No public offering / Specific Selling Restrictions:	The Instruments may not, under any circumstances, be offered to the public in France, and may not, under any circumstances, be offered to the public elsewhere in circumstances which would require a prospectus to be published for this purpose, whether under Directive 2003/71/CE or under the laws of any relevant country. They are subject to selling restrictions being described in greater detail in the section entitled " <b>Subscription and Sale</b> " (p.144).
Method of Publication of the Base Prospectus and Final Terms:	The Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Instruments listed and admitted to trading on any Regulated Market will always be published on the websites of (a) the <i>Autorité des marchés financiers</i> ( <a href="http://www.amf-france.org">www.amf-france.org</a> ) and (b) the Issuer ( <a href="http://www.edf.fr">www.edf.fr</a> ) 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. In addition, if the Instruments are listed and admitted to trading on a Regulated Market other than the Paris Stock Exchange (Eurolist of Euronext

## Summary

---

Paris S.A.), the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

Enforcement of Instruments in Global Form:

In the case of Instruments in global form, individual investors' rights vis-à-vis the Issuer will be governed by a Deed of Covenant (as defined in the "**Terms and Conditions of the Instruments**" and in the paragraph below) executed by the Issuer in relation to the Instruments, a copy of which will be available for inspection at the specified office of the Fiscal Agent. The key provisions of the Deed of Covenant applicable to holders of Instruments are contained in the "**Terms and Conditions of the Instruments - Form and Denomination**" and are described below.

Deed of Covenant:

In connection with the establishment of the Programme on 18 April 1996, the Issuer entered into a deed of covenant dated 18 April 1996 as amended and restated on 24 October 2003 (the "**Original Deed of Covenant**"). Given the changes in the names of clearing systems and the option to issue New Global Instruments since the date of the Original Deed of Covenant, the Issuer entered into an amended and restated deed of covenant on 8 June 2007 (as amended, supplemented or replaced, the "**Deed of Covenant**") in respect of Instruments issued after 8 June 2007.

The Deed of Covenant contains provisions relating to the rights of holders of Instruments vis-à-vis the Issuer in respect of bearer Instruments issued in temporary global or permanent global form (a "**Global Instrument**"). In the event that a Global Instrument becomes void in accordance with its terms, subject to and in accordance with the terms of the Deed of Covenant, each holder will acquire against the Issuer all those rights which such holder would have had if, immediately prior to such Global Instrument becoming void, such holder were the holder of Definitive Instruments (as defined in the "**Terms and Conditions of the Instruments - Form of Denomination**") and/or (if the same had been requested by the bearer of the Global Instrument on behalf of such holder in exchange for its interest in such Global Instrument) Registered Instruments (as defined in the "**Terms and Conditions of the Instruments - Form and Denomination**") issued by the Issuer in exchange for its interest in the relevant Global Instrument in an aggregate principal amount equal to the principal amount of rights in respect of Instruments represented by such Global Instrument credited to its securities clearance (or any other) account, including, without limitation, rights to receive principal, interest or any other amount due at any time in respect of such Definitive Instruments and/or, as the case may be, Registered Instruments.

Clearing Systems:

Euroclear and/or Clearstream and/or Euroclear France and/or, in relation to any Instruments, any other clearing system as may be



## Summary

---

specified in the relevant Final Terms.

**Selling Restrictions:** The offer and sale of Instruments will be subject to selling restrictions including in particular those of the United States of America, the European Economic Area, the United Kingdom, the Republic of France, Japan and the Netherlands. For a description of the restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material in the aforementioned countries, see under "**Subscription and Sale**" on page 144.

In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.

Instruments will be issued in compliance with the U.S. Treasury Regulation TEFRA D Rules (as defined in "**Terms and Conditions of the Instruments - Form and Denomination**") unless the relevant Final Terms states that such Instruments are issued in compliance with the TEFRA C Rules (as defined in "**Terms and Conditions of the Instruments - Form and Denomination**").

**Risk factors:**

### **A. Essential risks associated with EDF**

The EDF Group operates in an environment that is experiencing profound change, generating various risks, some of which are outside of its control and which are in addition to the risks inherent in carrying on its businesses. The risks that the EDF Group believes are material for its businesses are described below and more extensively in the section "Risk Factors" of this Base Prospectus. One or several of these risks could possibly have an adverse effect on the EDF Group's activities and/or its results. Moreover, other risks, of which it is currently unaware, or which it believes are not material at present, may have the same adverse effect.

The risks identified below relate to:

- risks related to the opening of European energy markets;
- risks related to the EDF Group's activities;
- risks specifically related to the EDF Group's nuclear activities;
- risks related to the EDF Group's structure and its transformation; and
- risks linked to the structure of EDF share capital and the listing of its shares.

### **B. Essential risks associated with the Instruments to be issued by EDF**

An investment in the Instruments involves certain risks which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the Instruments may lead to a volatility and/or decrease in the market value of the relevant Tranche of Instruments whereby the market value falls short of the expectations (financial or otherwise) of an investor upon making an investment in such Instruments.

However, each prospective investor of Instruments must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Instruments is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Instruments.

These risks include:

- risk relating to potential conflicts of interest between the Issuer, the Dealers, their respective affiliates and the Holders of the Instruments;
- risks related to legality of purchase;
- risk of modification, waivers or substitutions, of the conditions of the Instruments by a General Meeting of Holders of the Instruments binding all Holders of the Instruments including those who did not attend or who voted in a manner contrary to the majority;
- risks related to regulatory restrictions;
- risks related to taxation;
- risks related to the EU Savings Directive;
- risk of a change of law;
- risk relating to the liquidity/trading market for the Instruments;
- risks relating to exchange rates risks and exchange controls;

## Summary

---

- risks relating to credit ratings; and
- risks related to the market value of the Instruments.

There also risks relating to the structure of a particular issue of Instruments (Instruments subject to optional redemption of the Issuer, Fixed Rate Instruments, Floating Rate Instruments, Inverse Floating Rate Instruments, Fixed/Floating Rate Instruments, Instruments issued at a substantial discount or premium, Index-Linked Instruments, Partly Paid Instruments, Variable Rate Instruments, Structured Instruments, etc.).

These risk factors are more detailed in the section "Risk Factors" of this Base Prospectus.

## RÉSUMÉ EN FRANCAIS (SUMMARY IN FRENCH)

*Le présent résumé (le "Résumé") est établi dans le cadre de l'émission d'Instruments d'une dénomination inférieure à 50,000€ (ou son équivalent dans une autre monnaie). Les personnes investissant en Instruments d'une dénomination égale ou supérieure à 50,000€ ne doivent en aucun cas se fonder sur le présent Résumé et Electricité de France (l'"Emetteur") n'est pas responsable vis-à-vis de tels investisseurs.*

*Le Résumé doit être lu comme une introduction au présent prospectus de base (le "Prospectus de Base") et toute décision d'investir dans les titres (les "Titres") doit être fondée sur un examen exhaustif du présent Prospectus de Base ainsi que de tout document incorporé par référence. Conformément à l'article L.412-1-I du Code monétaire et financier, aucune action en responsabilité civile ne peut être intentée sur le fondement du seul résumé ou de sa traduction, sauf si le contenu du résumé du Prospectus de Base ou sa traduction est trompeur, inexact ou contradictoire par rapport aux informations contenues dans les autres parties du Prospectus de Base. Lorsqu'une action concernant l'information contenue dans le Prospectus de Base est intentée devant un tribunal, l'investisseur plaignant peut, selon la législation nationale des Etats membres de la Communauté Européenne ou parties à l'accord sur l'Espace Economique Européen, avoir à supporter les frais de traduction du Prospectus de base avant le début de la procédure judiciaire.*

### 1. Informations concernant l'Emetteur

#### 1.1 Informations concernant EDF

La dénomination sociale et le nom commercial de l'Emetteur est "Electricité de France". L'Emetteur peut aussi être légalement et commercialement dénommé "EDF".

L'Emetteur est une société anonyme constituée conformément au droit français pour une période de 99 ans à compter du 20 novembre 2004. Il est immatriculé au Registre du Commerce et des Sociétés de Paris sous le numéro 552 081 317 RCS Paris.

Le siège social de l'Emetteur est situé au 22-30 avenue de Wagram, 75008 Paris. Le numéro de téléphone de l'Emetteur est le + 33 (0)1 40 42 22 22.

#### 1.2 Informations concernant l'activité du Groupe EDF

##### *Présentation générale du Groupe EDF*

EDF, créé en 1946 sous la forme d'un EPIC, est aujourd'hui un énergéticien intégré, présent sur l'ensemble des métiers de l'électricité : la production, le transport, la distribution, la commercialisation et le négoce d'énergies. Il est l'acteur principal du marché français de l'électricité et détient des positions fortes sur les trois autres principaux marchés européens (Allemagne, Royaume-Uni, Italie), qui en font l'un des électriciens leaders en Europe et un acteur gazier reconnu.

Avec une puissance installée de 128,2 GW (123,7 GW en Europe), il dispose, parmi les grands énergéticiens européens, du parc de production le plus important et le

## Résumé

---

moins émetteur de CO<sub>2</sub> grâce à la part du nucléaire et de l'hydraulique dans son mix de production. Le Groupe EDF fournit de l'électricité, du gaz et des services associés à plus de 37,8 millions de clients dans le monde et en Europe (dont plus de 28 millions en France).

Les activités du Groupe EDF traduisent le choix d'un modèle équilibré entre France et international ainsi qu'entre opérations concurrentielles et régulées.

A partir du 1<sup>er</sup> juillet 2007, le Groupe EDF exercera ses activités de commercialisation dans un marché européen de l'énergie totalement ouvert à la concurrence.

Le tableau ci-dessous présente la répartition du parc et de la production d'électricité du Groupe EDF en France en 2006:

	<b>Puissance Installée: 96 398 MW<sup>(1)</sup></b>	<b>Electricité Produite: 485,2 TWh</b>
Nucléaire	65%	88%
Thermique à flamme (2)	14%	4%
Hydraulique <sup>(3) (4)</sup>	21%	8%

(1) Exprimé en MW de puissance couplée au réseau.

(2) Hors Corse et DOM, soit 1 407 MW de puissance installée et 4,2 TWh d'électricité produite en 2006.

(3) Hors Corse et DOM, soit 371 MW de puissance installée et 1,4 TWh d'électricité produite en 2006.

(4) Production brute ne prenant pas en compte la consommation d'électricité nécessaire au bon fonctionnement des stations de transfert d'énergie par pompage (STEP) (7,5 TWh en 2006).

Le parc nucléaire du Groupe EDF est le premier au monde avec 17,2 % de la capacité nucléaire dans le monde en décembre 2006 (Source EDF, décembre 2006).

### *Opérations régulées et non régulées en France*

Les opérations non régulées d'EDF en France, activités en concurrence, comprennent la production et la commercialisation d'électricité. EDF met en œuvre un modèle intégré pour la gestion opérationnelle conjointe de ses portefeuilles d'actifs amont (production - achats d'énergie et de combustibles) et aval (ventes en gros - commercialisation) pour garantir la fourniture à ses clients avec la meilleure maîtrise possible des risques liés aux aléas physiques et de marché dans une optique de maximisation de la marge brute.

Les opérations régulées d'EDF en France comportent :

- le transport, géré par RTE-EDF Transport ;
- la distribution, gérée par EDF Réseau Distribution et EDF Gaz de France Distribution (direction commune avec Gaz de France) ;
- les activités d'EDF dans les Systèmes Energétiques Insulaires (Corse, DOM et Saint-Pierre-et-Miquelon), gérées par la direction Systèmes Energétiques Insulaires (SEI).

Les tarifs de ces opérations régulées sont fixés au travers des tarifs d'utilisation des réseaux publics de transport et de distribution d'électricité (« TURP ») ainsi qu'au travers de la compensation des surcoûts de production dans les zones non interconnectées au réseau métropolitain continental (CSPE ZNI).

### *Les activités du Groupe EDF à l'international*

En 2006, le Groupe EDF a poursuivi une stratégie de consolidation de son portefeuille d'actifs autour du modèle d'activité d'énergéticien intégré en Europe. Il a par ailleurs concrétisé en Asie et aux Etats-Unis, conformément à sa stratégie, des partenariats dans le domaine de la production.

### *Eléments du contexte européen*

L'environnement du marché de l'énergie en Europe est en pleine mutation. La volonté politique affirmée, particulièrement au niveau de la Commission européenne, d'ouverture des marchés a déjà considérablement modifié le paysage énergétique, avec pour principales conséquences :

- un bouleversement complet des règles de fonctionnement de ces marchés, règles communément jugées comme non encore stabilisées ;
- une sensibilité et une volatilité des prix de l'énergie usuelles dans un marché de commodités mais accentuées par le contexte énergétique mondial ;
- une logique de marchés nationaux qui perdure néanmoins dans laplupart des pays en raison de la faiblesse des interconnexions.

Le renouvellement du parc de production constitue un enjeu majeur : entre 500 et 600 GW de capacités nouvelles sont à construire ou à renouveler à l'horizon 2030 au niveau de l'Union européenne à plus ou moins long terme selon les pays (Source : étude de la DG TREN – Trends to 2030 – update 2005). Dans tous les cas, les contraintes environnementales croissantes impacteront la composition des parcs de production et le niveau des prix.

L'année 2006 a par ailleurs été marquée par des mouvements de restructuration significatifs autour de quelques grands groupes d'énergéticiens intégrés.

Dans ce contexte, la volonté du Groupe EDF est d'être un acteur majeur du développement d'un marché européen fluide de l'énergie en participant activement à

la construction de ce nouveau marché (interconnexions, respect des règles UE, etc,...).

### *Ambition européenne du Groupe EDF*

Le Groupe EDF a pour ambition de constituer un ensemble industriel cohérent avec les positions principales dont il dispose en Europe. Le Groupe EDF étudiera également toute nouvelle opportunité de développement rentable, en particulier au Benelux, en Péninsule Ibérique et dans les PECO. Ainsi, l'Europe est le « marché de référence » du Groupe EDF avec un modèle d'activité intégré amont-aval et équilibré régulé-non régulé. En outre, le Groupe EDF entend continuer la construction de ses positions gazières, nécessaires à son ambition de devenir un acteur gazier européen important en Europe, afin de sécuriser son offre, proposer à ses clients une offre multi-énergies et disposer de moyens compétitifs de production d'électricité à partir de gaz.

L'ensemble industriel cohérent qui sera ainsi construit à partir des positions industrielles et actionnariales du Groupe EDF permettra à ses principales filiales européennes de devenir des acteurs à part entière de sa stratégie.

Le Groupe EDF met en œuvre les synergies opérationnelles entre ses différentes entités, en France et en Europe, au travers des objectifs suivants :

- améliorer les performances opérationnelles par le partage des meilleures pratiques observées au sein du Groupe EDF ;
- posséder plusieurs entités sur une même plaque électrique pour optimiser les parcs, réduire les coûts de couverture des consommations de pointe et être capable de proposer une offre aux clients multi-sites en Europe ;
- utiliser l'opportunité des projets de construction d'actifs de production dans différentes filiales pour standardiser la conception et grouper les commandes effectuées auprès des équipementiers ;
- coordonner les approvisionnements et les investissements gaziers pour servir les ambitions du Groupe EDF sur le marché du gaz.

### 1.3 Informations de base concernant les états financiers du Groupe EDF

Les tableaux ci-dessous présentent des extraits des comptes consolidés du Groupe EDF pour les exercices clos au 31 décembre 2006 et au 31 décembre 2005.

En application du règlement européen 1606/2002 du 19 juillet 2002 sur les normes internationales, ces états financiers consolidés sont préparés conformément aux normes comptables internationales applicables au 31 décembre 2006 telles que publiées par l'IASB et approuvées par l'Union européenne au 31 décembre 2006 (voir note 1 de l'annexe aux comptes consolidés 2006 inclus au sein du *Document de Référence 2006*). Ces normes comptables internationales comprennent les IAS (International Accounting Standards), les IFRS (International Financial Reporting Standards), et les interprétations émises par le SIC et l'IFRIC.

## Résumé

---

Les informations financières sélectionnées présentées ci-dessous, y compris les informations financières 2005 retraitées, sont extraites des comptes consolidés du Groupe EDF pour l'exercice clos le 31 décembre 2006 qui ont été audités par les contrôleurs légaux d'EDF. Les informations financières publiées au 31 décembre 2005 ont été retraitées pour tenir compte de l'application rétrospective de l'interprétation IFRIC 4 (voir notes 1.2 et 4.2 de l'annexe aux comptes consolidés de l'exercice clos au 31 décembre 2006) ainsi que de changements de présentation (voir note 4 de l'annexe aux comptes consolidés de l'exercice clos au 31 décembre 2006).

Les informations financières sélectionnées ci-après doivent être lues conjointement (i) avec les comptes consolidés figurant à la section 20.1 (« Informations financières historiques ») du Document de Référence 2006 et (ii) avec l'examen de la situation financière et du résultat du Groupe EDF figurant au Chapitre 9 du Document de Référence 2006.

### *Extraits des comptes de résultat consolidés*

Exercices clos au 31 décembre <i>(en millions d'euros)</i>	2006	2005 (1)
Chiffre d'affaires	58 932	51 047
Excédent brut d'exploitation (EBE)	13 930	12 906
Résultat d'exploitation	9 356	7 993
Résultat avant impôts des sociétés intégrées (2)	6 655	4 578
<b>Résultat net part du Groupe</b>	<b>5 605</b>	<b>3 230</b>

(1) Les données publiées au titre de l'exercice 2005 ont été retraitées des effets liés à l'application rétrospective de l'interprétation IFRIC 4 ainsi que des changements de présentation (voir note 4 de l'annexe aux comptes consolidés de l'exercice clos au 31 décembre 2006).

(2) Le résultat avant impôts des sociétés intégrées correspond au résultat net d'EDF avant prise en compte de l'impôt sur les résultats, de la quote-part de résultat des sociétés mises en équivalence, du résultat net des activités en cours d'abandon et des intérêts minoritaires.

### *Extraits des bilans consolidés*

<i>(en millions d'euros)</i>	31 décembre 2006	31 décembre 2005 (1)
Actif non courant	130 824	123 524
Actif courant	48 122	46 884
Actifs détenus en vue de la vente	140	728
<b>Total de l'actif</b>	<b>179 086</b>	<b>171 136</b>
Capitaux propres - part du Groupe	23 309	19 313
Intérêts minoritaires	1 490	961
Provisions non courantes	43 124	41 974



## Résumé

Passifs spécifiques des concessions	36 227	34 907
Passifs financiers non courants	19 983	23 511
Autres passifs non courants (2)	10 031	10 538
Passifs financiers courants	15 110	11 933
Autres passifs courants (3)	29 696	27 407
Passifs liés aux actifs détenus en vue de la vente	116	592
<b>Total du passif</b>	<b>179 086</b>	<b>171 136</b>

(1) Les données publiées au titre de l'exercice 2005 ont été retraitées des effets liés à l'application rétrospective de l'interprétation IFRIC 4 (voir note 4 de l'annexe aux comptes consolidés de l'exercice clos au 31 décembre 2006).

(2) Comprend les postes « Autres créditeurs » (part non courante) et les « Impôts différés ».

(3) Comprend les postes « Provisions » (passif courant), « Fournisseurs et comptes rattachés », « Dettes d'impôts courants » et « Autres créditeurs » (part courante).

### Extraits des tableaux de flux de trésorerie consolidés

(en millions d'euros)	31 décembre 2006	31 décembre 2005 (1)
Flux de trésorerie nets générés par les activités opérationnelles	11 795	8 439
Flux de trésorerie nets liés aux activités d'investissement	(13 769)	(10 621)
Flux de trésorerie nets liés aux activités de financement	(1 794)	5 555
<b>Variation nette de la trésorerie et des équivalents de trésorerie</b>	<b>(3 768)</b>	<b>3 373</b>

(1) Les données publiées au titre de l'exercice 2005 ont été retraitées des effets liés à l'application rétrospective de l'interprétation IFRIC 4 (voir note 4 de l'annexe aux comptes consolidés de l'exercice clos au 31 décembre 2006).

### Informations relatives à l'endettement financier net

(en millions d'euros)	31 décembre 2006	31 décembre 2005 (1)
Emprunts et dettes financières	28 142	29 718
Dérivés de couvertures des dettes	237	240
Trésorerie et équivalents de trésorerie	(3 308)	(7 220)
<b>Actifs liquides</b>	<b>(10 154)</b>	<b>(4 580)</b>
Dettes financières nettes des sociétés figurant dans les passifs non courants détenus en vue de la vente	15	434
<b>Endettement financier net</b>	<b>14 932</b>	<b>18 592</b>

(1) Les données publiées au titre de l'exercice 2005 ont été retraitées des effets liés à l'application rétrospective de l'interprétation IFRIC 4 (voir note 4 de l'annexe aux comptes consolidés de l'exercice clos au 31 décembre 2006).

## Résumé

---

### 1.4 Membres du Conseil d'administration et Commissaires aux Comptes au 19 avril 2007.

#### *Administrateurs représentant l'Etat*

André Aurengo  
Bruno Bézard  
Yannick d'Escatha  
Philippe Faure  
François Jacq  
Philippe Josse

#### Administrateurs élus par l'Assemblée Générale des actionnaires

Pierre Gadonneix (Président Directeur  
Général)  
Frank E. Dangeard  
Daniel Foundoulis  
Claude Moreau  
Henri Proglia  
Louis Schweitzer

#### Administrateurs représentant les salariés

Jacky Chorin  
Marie-Catherine Daguerre  
Alexandre Grillat  
Laurence Hoeffling  
Philippe Pestel  
Maxime Villota

### **Contrôleurs Légaux des Comptes**

#### *Commissaires aux Comptes titulaires*

**Deloitte & Associés**  
**KPMG SA**

#### *Commissaires aux comptes suppléants*

**BEAS**  
**SCP Jean-Claude André**

## 2. Informations concernant le Programme:

Description:	Euro Medium Term Note Programme.
Arrangeur:	Morgan Stanley & Co. International plc.
Etablissements Placeurs:	BNP Paribas, Dresdner Bank Aktiengesellschaft, Goldman Sachs International, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc et UBS Limited. L'Emetteur pourra, à tout moment

## Résumé

---

	révoquer tout établissement placeur nommé au titre du Programme ou nommer un ou plusieurs autres établissements placeurs soit de manière générale dans le cadre du Programme, soit dans le cadre d'une Tranche particulière de Titres (telle que définie ci-dessous).
Agent Financier:	The Bank of New York
Principal Etablissement Teneur de Registre:	CACEIS Bank Luxembourg.
Agent Payeur à Paris:	CACEIS Corporate Trust.
Agent Payeur au Luxembourg:	CACEIS Bank Luxembourg.
Agent de Calcul:	L'Agent Financier sauf si un Agent de Calcul alternatif est nommé en rapport avec une émission particulière de Titres.
Banque Présentatrice à Luxembourg:	Société Générale Bank & Trust.
Montant Initial du Programme:	Le Montant Initial du Programme ne pourra pas excéder la somme de €11.000.000.000.
Méthode d'Emission:	L'émission des Titres fera l'objet d'une syndication ou non. Les Titres seront émis par série (chacune une " <b>Série</b> "). Chaque Série peut comprendre une ou plusieurs tranches (les " <b>Tranches</b> " et chacune une " <b>Tranche</b> ") émises à des dates différentes. Les Titres de chaque Série seront soumis à des termes et conditions identiques, à l'exception (i) de la date d'émission et du montant du premier paiement d'intérêt qui pourront être différents suivants les Tranches, et (ii) des Titres compris dans une Série, qui peuvent être des Titres au porteur, des Titres nominatifs et des Titres avec plusieurs dénominations. Les Titres de chaque Tranche seront soumis à tous égards à des termes et conditions identiques étant entendu qu'une Tranche peut comprendre des Titres au porteur, des Titres au nominatif et des dénominations différentes.
Contrat de Service Financier:	Le Contrat de Service Financier (tel que défini dans les " <b>Termes et Conditions des Titres</b> ") relatif aux Titres contient principalement des stipulations concernant le paiement des Titres et certaines procédures administratives applicables aux Titres. Il contient également les modèles des Titres globaux temporaires, des Titres globaux permanents, des Titres nominatifs, des Titres définitifs ainsi que des stipulations relatives aux assemblées des porteurs des Titres. Les stipulations les

plus importantes du Contrat de Service Financier applicables aux porteurs de Titres sont contenues dans les Termes et Conditions des Titres (voir également la section "**Information Générale**") et sont décrites ci-après.

Aux termes du Contrat de Service Financier, l'Emetteur nomme chaque Agent Payeur (tel que défini dans les "**Termes et Conditions des Titres**"), l'Etablissement Tenneur de Registre Principal et l'Agent de Calcul à leur poste respectif en tant que mandataire concernant les Titres et pour les besoins spécifiés (i) dans le Contrat de Service Financier, de la préparation des Titres, la délivrance de Titres de remplacement, le paiement des porteurs de Titres, le maintien des registres relatifs aux Titres, la délivrance de certificats de vote et d'instructions de vote pour les assemblées de porteurs de Titres et le calcul des intérêts dus au titre des Titres et (ii) dans les Termes et Conditions des Titres. Les modèles des Titres sont contenus dans le Contrat de Service Financier.

### Forme des Titres:

Les titres peuvent être émis sous forme de titres au porteur ou sous forme de titres nominatifs. Chaque Tranche de Titres au porteur émise sera représentée par un titre global temporaire ou (si cela est précisé dans les Conditions Définitives) concernées pour les Titres soumis à la Réglementation Fiscale Américaine §1.163-5(c)(2)(i)(c) (les "**Règles TEFRA C**") un titre global permanent.

Si les Conditions définitives applicables précisent que les titres globaux sont émis sous la forme de titre global nouveau "**Titre Global Nouveau**", "**New Global Note**" ou "**NGI**", ils seront reconnus comme sûreté éligible pour la politique monétaire de système européen ("**Eurosystem**") et les titres globaux seront déposés préalablement ou à la date d'émission de la Tranche concernée auprès d'un dépositaire commun ("**Dépositaire Commun**") pour Euroclear Bank S.A./N.V. ("**Euroclear**") et Clearstream Banking, société anonyme ("**Clearstream**").

Les instruments globaux qui ne sont pas émis sous la forme NGI ("**Titre Global Classique**", "**Classic Global Instruments**" ou "**CGIs**") seront déposés à la date d'émission de la Tranche concernée auprès d'un dépositaire commun à Euroclear et Clearstream et/ou tout autre système de compensation concerné.

Chaque Titre global temporaire sera échangeable contre un Titre global permanent, ou si les Conditions Définitives

concernée le précisent, contre des Titres au porteur définitifs et/ou (dans le cas d'une Série comprenant à la fois des Titres au porteur et des Titres nominatifs et si les Conditions Définitives concernées le précisent) des Titres nominatifs, conformément à leurs termes et conditions, dans chaque cas, tel que décrits à la section "**Forme des Instruments des Titres au Porteur en Forme Globale**".

Chaque Titre global permanent sera échangeable contre des Titres physiques définitifs dans les conditions indiquées dans les Conditions Définitives concernées, et/ou, (dans le cas d'une Série comprenant à la fois des Titres au porteur et des Titres nominatifs et si les Conditions Définitives concernées le précisent) des Titres nominatifs, conformément à leurs termes et conditions dans chaque cas, tel que décrits à la section "**Forme des Instruments des Titres au Porteur en Forme Globale**".

Les Titres physiques définitifs, lorsqu'ils portent intérêts, comporteront, soit des coupons d'intérêts (les "**Coupons**") attachés, et le cas échéant, un talon (le "**Talon**") permettant l'obtention de Coupons supplémentaires soit une grille qui leur est adossée pour l'enregistrement du principal par versements échelonnés, une grille qui leur est adossée pour l'enregistrement du paiement du principal ou, si cela est précisé dans les Conditions Définitives concernées, des reçus de paiement (les "**Reçus**") attachés. Les Titres nominatifs ne peuvent pas être échangés contre des Titres au porteur.

Devises:

Les Titres peuvent être libellés dans toute devise sous réserve du respect de la législation et/ou de la réglementation applicable(s) et/ou des exigences des banques centrales. Les paiements relatifs aux Titres pourront, sous réserve du respect de la législation et/ou de la réglementation applicable(s), être effectués et/ou liés à toute devise ou toutes les devises autres que la devise dans laquelle ces Titres sont libellés.

Rang:

Les Titres et, le cas échéant, tout Coupon soit Reçu constitueront des engagements directs, inconditionnels, non-subordonnés de l'Emetteur et (sous réserve des stipulations de la clause de maintien de l'emprunt à son rang) non assortis de sûretés et viendront au minimum au même rang sans préférence entre eux et au même rang que tous autres engagements non subordonnés et non assortis de sûretés de l'Emetteur, présents et futurs (sous réserve de certaines exceptions légales prévues par le droit

## Résumé

---

	français).
Prix d'Emission:	Les Titres pourront être émis à un quelconque prix et pourront être libérés totalement ou partiellement, conformément aux Conditions Définitives concernées.
Échéances:	Toute échéance sous réserve, pour les devises spécifiques, du respect de la législation et/ou de la réglementation applicable(s) et/ou des exigences des banques centrales.
Remboursement:	Les Titres sont remboursables au pair ou à un tout autre Montant de Remboursement (tel que défini dans l'Article 6.10) (précisé dans une formule ou autrement) tel qu'indiqué dans les Conditions Définitives concernées.
Remboursement Anticipé Optionnel:	Les Conditions Définitives concernées pourront prévoir le remboursement anticipé des Titres au gré de l'Emetteur (en totalité ou en partie) et/ou des porteurs et, dans ce cas, les termes applicables à tel remboursement anticipé optionnel.
Remboursement Anticipé:	Sauf dans les cas indiqués au paragraphe " <b>Termes et Conditions des Titres - Remboursement et Achat</b> ", le remboursement anticipé du Titres au gré de l'Emetteur sera possible pour des raisons fiscales uniquement.
Intérêts:	Les Titres émis pourront porter intérêt. Dans ce cas, les intérêts (s'il y en a) seront calculés à un taux fixe ou variable, ou liés à un indice ou une formule, et pourront varier au cours de la durée de vie de la Série concernée.
Dénominations:	Les Titres auront les dénominations indiquées dans les Conditions Définitives concernées, sous réserve de la législation et/ou de la réglementation applicable(s) et/ou des exigences des banques centrales.
Consolidation:	Les Titres d'une Série pourront être consolidés avec des Titres d'une autre Série selon les modalités décrites plus amplement au paragraphe " <b>Termes et Conditions des Titres - Consolidation</b> ".
Emissions Assimilables:	De nouveaux Titres pourront être émis de manière à ce qu'ils forment qu'une seule Série avec les Titres de toute autre Série selon les modalités décrites plus amplement au paragraphe " <b>Termes et Conditions des Titres - Emissions Assimilables</b> ".
Fiscalité des Titres:	Sous réserve des dispositions de l'Article 8.2, les paiements afférents aux Titres seront effectués libres de

## Résumé

---

toute retenue, prélèvement, ou d'un quelconque impôt requis par, ou effectué au nom de la France, tel que prévu à l'article 131 *quater* du Code Général des Impôts, à la condition que les Titres soient émis (ou réputés émis) hors la France et constituent des obligations au sens de cet article.

Tel que décrit plus amplement au paragraphe "**Termes et Conditions des Titres - Fiscalité**", le régime d'imposition des Titres qui ne constituent pas des obligations sera décrit dans les Conditions Définitives concernées.

Droit Applicable:

Droit anglais.

Cotation et admission aux négociations:

Les Conditions Définitives préparées à l'occasion de chaque émission de Titres indiqueront si ceux-ci ont vocation à être cotés et admis aux négociations sur la Bourse de Paris (Eurolist de Euronext Paris S.A.) et/ou sur tout autre marché réglementé au sens de la Directive 2004/39/EC concernant les marchés d'instruments financiers (un "**Marché Réglementé**") ou bourse de valeurs.

Absence d'offre au public / Restrictions Spécifiques de Vente:

Les Titres ne pourront, en aucune circonstance, être offerts au public en France, et ne pourront, en aucune circonstance, être offerts au public à l'étranger dans des circonstances qui nécessiteraient à cette fin la publication d'un prospectus au sens de la Directive (CE) 2003/71 ou au sens de la législation applicable dans tout pays concerné. Ils sont soumis aux restrictions spécifiques de vente détaillées plus avant dans la partie intitulée « **Souscription et Vente** » (page 144).

Mode de publication du Prospectus de Base et des Conditions Définitives:

Le Prospectus de Base, tout supplément au Prospectus de Base et les Conditions Définitives préparées à l'occasion de chaque émission de Titres cotés et admis à la négociation sur un Marché Réglementé seront disponibles sur les sites internet (a) de l'Autorité des marchés financiers ([www.amf-france.org](http://www.amf-france.org)) et (b) de l'Emetteur ([www.edf.fr](http://www.edf.fr)) et peuvent être obtenus gratuitement pendant les heures d'ouverture au public d'Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France et dans les bureaux mentionnés de chaque Agent Payeur. Par ailleurs, si les Titres sont cotés et admis aux négociations sur un Marché Réglementé autre que la Bourse de Paris (Eurolist de Euronext Paris S.A.), les Conditions Définitives préparées à l'occasion de l'émission indiqueront si d'autres modes de publications sont requis.

## Résumé

---

Caractère exécutoire des Titres sous forme de Titre Global:	En ce qui concerne les Titres sous forme de titre global, les droits des investisseurs individuels vis-à-vis de l'Emetteur seront régis par un Acte d'Engagement de l'Emetteur (tel que défini dans les <b>Termes et Conditions des Titres</b> et dans le paragraphe ci-après) dont un exemplaire sera tenu à disposition pour consultation à l'agence désignée de l'Agent Financier. Les stipulations les plus importantes de l'Acte d'Engagement applicables aux Porteurs de Titres sont contenues dans les " <b>Termes et Conditions des Titres - Forme et Dénomination</b> " et sont décrites ci-dessous.
Acte d'Engagement:	<p>Dans le cadre de l'établissement du Programme le 18 avril 1996, l'Emetteur a conclu un acte d'engagement (<i>Deed of Covenant</i>) le 18 avril 1996, tel que modifié et réitéré en date du 24 octobre 2003 ("<b>Acte d'Engagement Initial</b>"). Compte tenu des changements de noms des systèmes de compensation et l'option d'émettre des Titres Globaux Nouveaux depuis la date de l'Acte d'Engagement Initial, l'Emetteur a conclu un nouvel acte d'engagement le 8 Juin 2007 ("<b>Acte d'Engagement</b>") concernant les Titres émis après le 8 Juin 2007.</p> <p>L'Acte d'Engagement contient des stipulations relatives aux droits des porteurs de Titres à l'encontre de l'Emetteur lorsque ces Titres sont des Titres nominatifs émis sous forme de Titre global temporaire ou permanent ("<b>Titre Global</b>"). Dans le cas où un Titre Global deviendrait nul en application des termes et conditions le régissant, chaque porteur acquerra, en application des termes de L'Acte d'Engagement, contre l'Emetteur tous les droits qu'un porteur aurait eu si immédiatement avant que le Titre Global ne devienne nul, ce porteur avait eu un titre Définitif (tel que défini dans les "<b>Termes et Conditions des Titres - Forme et Dénomination</b>") et/ou (si la même chose avait été demandée par le porteur d'un Titre Global au nom d'un tel porteur en échange de ses droits dans un Titre Global) des Titres Nominatifs (tels que définis dans les "<b>Termes et Conditions des Titres - Forme et Dénomination</b>") émis par l'Emetteur en échange de ses droits dans le Titre Global pertinent d'un montant principal total égal au montant principal de Titres représentés par ce Titre Global crédité sur un compte titres, incluant, sans limitation, les droits à percevoir le montant en principal, les intérêts ou toute autre somme due à tout moment au titre de ces Titre Définitif et/ou, le cas échéant de ces Titres Nominatifs.</p>
Systèmes de Compensation:	Euroclear et/ou Clearstream et/ou Euroclear France et/ou dans le cadre de tout Titre, tout autre système de



compensation prévu dans les Conditions Définitives concernées.

### Restriction de Vente:

L'offre, la vente et la remise des Titres seront soumises à des restrictions en particulier aux Etats-Unis, dans l'Espace Economique Européen, au Royaume-Uni, au Japon, en France et aux Pays Bas. Pour la description de certaines restrictions applicables aux offres, ventes et remises des Titres ainsi qu'à la diffusion des documents d'offre dans les pays précités se reporter au chapitre "**Souscription et Vente**" (page 144).

Dans le cadre d'une offre ou d'une vente d'une Tranche particulière, des restrictions de ventes additionnelles pourront être imposées qui seront exposées dans les Conditions Définitives concernées.

Les Titres seront soumis aux Règles TEFRA D (telles que définies au paragraphe "**Termes et Conditions des Titres - Forme et Dénomination**") à moins que les Conditions Définitives concernées ne prévoient que les Titres seront soumis aux Règles TEFRA C (telles que définies au paragraphe "**Termes et Conditions des Titres - Forme et Dénomination**").

### Facteurs de Risque:

#### **A. Principaux facteurs de risques relatifs à EDF**

Le Groupe EDF exerce son activité dans un environnement en forte évolution induisant de nombreux risques, dont certains échappent à son contrôle, et qui s'ajoutent aux risques inhérents à l'exercice de ses métiers. Le Groupe EDF a présenté ci-dessous les risques significatifs auxquels il estime être exposé et les a détaillé plus largement au sein de la section « Risk Factors » du Prospectus de Base. Ces risques ou l'un de ces risques pourraient avoir une incidence négative sur son activité et/ou ses résultats. En outre, d'autres risques, dont il n'a pas actuellement connaissance ou qu'il considère comme non significatifs à ce jour, pourraient avoir le même effet négatif.

Les risques présentés ci-dessous concernent :

- les risques liés à l'ouverture des marchés européens de l'énergie ;
- les risques liés aux activités du Groupe EDF ;
- les risques spécifiquement liés aux activités nucléaires du Groupe EDF ;
- les risques liés à la structure et à la transformation

du Groupe EDF ; et

- les risques liés à la structure du capital d'EDF et à la cotation de ses actions.

### **B. Principaux facteurs de risques relatifs aux Titres à émettre par EDF**

Investir dans les Titres implique certains risques importants qui doivent être pris en compte dans l'évaluation des risques de marché associés aux Titres émis dans le cadre du Programme. Bien que ces risques ne soient qu'éventuels, les investisseurs sont avertis que lesdits risques peuvent entraîner une certaine volatilité et/ou une baisse de la valeur de marché des Titres en deçà des attentes (financières ou autres) des investisseurs de ces Titres.

Chaque investisseur potentiel doit déterminer, selon son appréciation personnelle et sur les conseils des professionnels qu'il considérera appropriés selon les circonstances, si l'acquisition des Titres est conforme à sa situation personnelle, ses besoins financiers et ses objectifs. Il doit aussi déterminer si l'acquisition des Titres est conforme aux politiques d'investissement, aux règles et aux restrictions qui lui sont applicables, et s'il s'agit d'un investissement satisfaisant et conforme à son attente, malgré les risques réels et substantiels liés à tout investissement ou détention des Titres.

Ces facteurs de risques relatifs aux Titres incluent notamment:

- les risques liés aux conflits d'intérêts potentiels entre l'Emetteur, les banques, leurs affiliés respectifs et les porteurs des Titres,
- les risques liés à l'acquisition légale des Titres;
- le risque de modification des modalités des Titres par une décision de l'assemblée générale des porteurs des Titres, les porteurs non présents ou en désaccord pouvant se retrouver liés par le vote de la majorité;
- les risques liés à des restrictions réglementaires;
- les risques liés à la fiscalité;
- les risques liés à la directive européenne sur la fiscalité de l'épargne;
- les risques relatifs à un changement législatif;

## Résumé

---

- les risques liés au marché secondaire des Titres;
- les risques relatifs aux taux de change;
- les risques liés à la notation des Titres; et
- les risques à la valeur des Titres sur le marché.

Il existe aussi des facteurs de risques liés à la structure de certains Titres en particulier (Titres pouvant être remboursés de façon anticipée à l'initiative de l'Emetteur, Titres portant intérêt à taux flottant, Titres portant intérêt à taux fixe, Titres dont le taux d'intérêt est lié à un sous-jacent ou index, Titres subordonnés, etc.)

Pour une description détaillée des facteurs de risques, se reporter à la section "Risk Factors" du Prospectus de Base.

## **RISK FACTORS**

### **A. RISK FACTORS RELATING TO THE INSTRUMENTS**

*The following paragraphs describe some risk factors that are material to the Instruments to be offered and/or admitted to trading in order to assess the market risk associated with these Instruments. They do not describe all the risks of an investment in the Instruments. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular Series of Instruments and the suitability of investing in the Instruments in light of their particular circumstances. These risk factors may be completed in the Final Terms of the relevant Instruments for a particular issue of Instruments.*

*Terms defined herein shall have the same meaning as in the Terms and Conditions of the Instruments.*

#### **1. General Risks Relating to the Instruments**

##### ***Independent Review and Advice***

Each prospective investor of Instruments must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Instruments is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Instruments.

A prospective investor may not rely on the Issuer or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Instruments or as to the other matters referred to above.

##### ***Potential Conflicts of Interest***

Each of the Issuer, the Dealer(s) or their respective affiliates may deal with and engage generally in any kind of commercial or investment banking or other business with any issuer of the securities taken up in an index, their respective affiliates or any guarantor or any other person or entities having obligations relating to any issuer of the securities taken up in an index or their respective affiliates or any guarantor in the same manner as if any index-linked Instruments issued under the Programme did not exist, regardless of whether any such action might have an adverse effect on an issuer of the securities taken up in the index, any of their respective affiliates or any guarantor.

The Issuer may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Instruments and which could be deemed to be adverse to the interests of the Holders of the Instruments.

In respect of Instruments which are not offered to the public in France or listed in France (the AMF not permitting such discretion in respect of such Instruments), potential conflicts of interest may arise between the Calculation Agent, if any, for a Tranche of Instruments and the Holders of the Instruments, including with respect to certain discretionary determinations and judgments that such Calculation Agent may make pursuant to the Terms and Conditions

## **Risk Factors**

---

of the Instruments that may influence the amount receivable upon redemption of the Instruments.

### ***Legality of Purchase***

Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Instruments by a prospective investor of the Instruments, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

### ***Modification, waivers and substitution***

The Terms and Conditions of the Instruments contain provisions for calling meetings of Holders of the Instruments to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders of the Instruments including Holders of the Instruments who did not attend and vote at the relevant meeting and Holders of the Instruments who voted in a manner contrary to the majority.

### ***Regulatory Restrictions***

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities. Investors should review and consider such restrictions prior to investing in the Instruments.

### ***Taxation***

Potential purchasers and sellers of the Instruments should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Instruments are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Instruments. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Instruments. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

### ***EU Savings Directive***

On 3 June 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income. Since 1 July 2005, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during the period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with

## **Risk Factors**

---

certain other countries). A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures (a withholding system in the case of Switzerland).

If, pursuant to the Terms and Conditions of the Instruments, a payment is made or collected through a Member State which has opted for a withholding system under the Directive and an amount of, or in respect of, tax is withheld from that payment, neither the Issuer nor any Paying Agent nor any other person will be obliged to pay additional amounts with respect to any Instrument as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

### ***Change of Law***

The Terms and Conditions of the Instruments are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in English law or administrative practice after the date of this Base Prospectus.

### ***Liquidity Risks/Trading Market for the Instruments***

The Instruments may not have an established trading market when issued. There can be no assurance of a secondary market for the Instruments or the continued liquidity of such market if one develops.

The development or continued liquidity of any secondary market for the Instruments will be affected by a number of factors such as the creditworthiness of the Issuer and the value of any applicable reference rate, as well as other factors such as the complexity and volatility of the reference rate, the method of calculating the return to be paid in respect of such Instruments, the time remaining to the maturity of the Instruments, the outstanding amount of the Instruments, any redemption features of the Instruments, the performance of other instruments (e.g., commodities or securities) linked to the reference rates and the level, direction and volatility of interest rates generally. Such factors also will affect the market value of the Instruments. In addition, certain Instruments may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities.

Investors may not be able to sell Instruments readily or at prices that will enable investors to realize their anticipated yield. No investor should purchase Instruments unless the investor understands and is able to bear the risk that certain Instruments will not be readily sellable, that the value of Instruments will fluctuate over time and that such fluctuations will be significant.

### ***Exchange Rate Risks and Exchange Controls***

The principal of, or any return on, Instruments may be payable in, or determined by reference or indexed to, one or more specified currencies (including exchange rates and swap indices between currencies or currency units). For investors whose financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency in which the related Instruments are denominated, or where principal or return in respect of Instruments is payable by reference to the value of one or

## **Risk Factors**

---

more specified currencies other than by reference solely to the Investor's Currency, an investment in such Instruments entails significant risks that are not associated with a similar investment in a debt security denominated and payable in such Investor's Currency. Such risks include, without limitation, the possibility of significant fluctuations in the rate of exchange between the applicable specified currency and the Investor's Currency and the possibility of the imposition or modification of exchange controls by authorities with jurisdiction over such specified currency or the Investor's Currency. Such risks generally depend on a number of factors, including financial, economic and political events over which the Issuer has no control.

Appreciation in the value of the Investor's Currency relative to the value of the applicable specified currency would result in a decrease in the Investor's Currency-equivalent yield on an Instrument denominated, or the principal of or return on which is payable, in such specified currency, in the Investor's Currency-equivalent value of the principal of such Instrument payable at maturity (if any) and generally in the Investor's Currency-equivalent market value of such Instrument. In addition, depending on the specific terms of an Instrument denominated in, or the payment of which is determined by reference to the value of, one or more specified currencies (other than solely the Investor's Currency), indices (including exchange rates and swap indices between currencies or currency units) or formulas, fluctuations in exchange rates relating to any of the currencies or currency units involved could result in a decrease in the effective yield on such Instrument and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of such Instrument to the investor.

Government and monetary authorities have imposed from time to time, and may in the future impose, exchange controls that could affect exchange rates, as well as the availability, of the specified currency in which an Instrument is payable at the time of payment of the principal or return in respect of such Instrument.

### ***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Instruments. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### ***Market Value of the Instruments***

The market value of the Instruments will be affected by the creditworthiness of the Issuer and a number of additional factors, including the value of the reference assets or an index, including, but not limited to, the volatility of the reference assets or an index, or the dividend on the securities taken up in the index, market interest and yield rates and the time remaining to the maturity date.

The value of the Instruments, the reference assets or the index depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Instruments, the reference assets, the securities taken up in the index, or the index are

## Risk Factors

---

traded. The price at which a Holder of the Instruments will be able to sell the Instruments prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the reference assets or an index should not be taken as an indication of the reference assets' or an index's future performance during the term of any Instrument.

### 2. Risks related to the structure of a particular issue of Instruments

The Programme allows for different types of Instruments to be issued. Accordingly, each Tranche of Instruments may carry varying risks for potential investors depending on the specific features of such Instruments such as, *inter alia*, the provisions for computation of periodic interest payments, if any, redemption and issue price.

#### ***Optional Redemption***

Any optional redemption feature where the Issuer is given the right to redeem the Instruments early might negatively affect the market value of such Instruments. During any period when the Issuer may elect to redeem Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Furthermore, since the Issuer may be expected to redeem the Instruments when prevailing interest rates are relatively low, an investor might not be able to reinvest the redemption proceeds at an effective interest rate as high as the return that would have been received on such Instruments had they not been redeemed.

#### ***Fixed Rate Instruments***

Investment in Instruments which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Instruments.

#### ***Floating Rate Instruments***

Investment in Instruments which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Instruments but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Instruments may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Instruments upon the next periodic adjustment of the relevant reference rate.

#### ***Inverse Floating Rate Instruments***

Inverse floating rate Instruments have an interest rate equal to a fixed base rate minus a rate based upon a reference rate. The market value of such Instruments typically is more volatile than the market value of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Instruments are more volatile because an increase in the reference rate not only decreases the interest rate



## **Risk Factors**

---

of the Instruments, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Instruments.

### ***Fixed/Floating Rate Instruments***

Fixed/Floating Rate Instruments may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/ Floating Rate Instruments may be less favourable than then prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Instruments.

### ***Instruments issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### ***Index-linked Instruments***

Index-linked Instruments are debt securities which do not provide for predetermined redemption amounts and/or interest payments but amounts due in respect of principal and/or interest will be dependent upon the performance of an index, which itself may contain substantial credit, interest rate or other risks. The amount of principal and/or interest, if any, payable by the Issuer might be substantially less than the issue price or, as the case may be, the purchase price invested by the Holder of the Instruments and may even be zero in which case the Holder of the Instruments may lose its entire investment.

Index-linked Instruments are not in any way sponsored, endorsed, sold or promoted by the index sponsor or the respective licensor of the index and such index sponsor or licensor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to the relevant Issuer or the Instruments. None of the index sponsors or licensors is responsible for or has participated in the determination of the timing of, prices of, or quantities of the Instruments to be issued or in the determination or calculation of the equation by which the Instruments settle into cash. None of the index sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the Instruments. The index sponsor or licensor of an index has no responsibility for any calculation agency adjustment made for the index.

## **Risk Factors**

---

### ***Partly Paid Instruments***

The Issuer may issue Instruments where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

### ***Variable rate Instruments with a multiplier or other leverage factor***

Instruments with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

### ***Structured Instruments***

An investment in Instruments, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Instruments.

The prices at which Zero Coupon Instruments, as well as other Instruments issued at a substantial discount from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do the prices for conventional interest-bearing securities of comparable maturities.

## **B. RISK FACTORS RELATING TO THE ISSUER AND ITS OPERATIONS**

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Instruments issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer or any of its subsidiaries.

In addition, factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Instruments may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Instruments are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

## Risk Factors

---

In particular, investors should make their own assessment as to the risks associated with the Instruments prior to investing in Instruments issued under the Programme.

### **Risks associated with the opening up of the European energy markets**

***The EDF Group must face increased competition on the European energy markets, in particular, on the French electricity supply market, which is its principal market.***

#### *In France*

As a result of the opening up of the French electricity market, EDF must compete with other suppliers. All of EDF's customers, other than residential customers, have the option of choosing their electricity supplier and can therefore approach any of its competitors. In July 2007, the electricity market will be completely opened up to competition. To sell electricity to eligible customers, EDF is now and will be in the future faced with increased competition. Although EDF is preparing to deal with this competition, it has already lost market share with respect to eligible customers and expects to further lose market share as a result of increasing competition and the extension of eligibility to residential customers in July 2007. The decrease in EDF's market share will have, at constant consumption and price levels, a negative impact on the EDF Group's sales. Finally, to achieve its objectives, EDF could be forced to increase its marketing expenditures or reduce its margins (especially in the event of price competition), which would have a negative effect on its profitability.

#### *Outside France*

Through its various subsidiaries in Europe, the EDF Group faces different competitive situations :

- in the United Kingdom, the market has been totally open since the 1990s and is very competitive;
- in Germany, the market is also totally open, even if until now the disparity and high level of distribution and transmission tariffs were slowing the growth of genuine competition;
- in Italy, the degree to which the market has opened up is comparable to that in France, and Edison is in a position to challenge the historical operator (Enel); and
- in the rest of Europe, and in particular in central and eastern Europe, the rate at which the markets open up will accelerate for the new members of the European Union.

In some countries, or in some regions within a country, the EDF Group must pursue a defensive strategy with respect to its market share, as in France. In other countries, in contrast, it must pursue an offensive strategy to conquer market share. The type of competition, the development of this competition, and its effect on the EDF Group's activities and its results vary from one country to another. They depend on the degree of deregulation in the country in question and on various other factors over which the EDF Group similarly has no control.

## Risk Factors

---

Within this context, the EDF Group may not be able to defend its market share or win expected market shares. It may also see its margins decrease, which would have a negative effect on its activities, its strategy and its financial results.

***The legal and regulatory framework governing the liberalization of the energy sector is recent. This framework may change in the future and become more restrictive.***

The EDF Group's activities in France and abroad are subject to numerous regulations. Moreover, and even in the European Union, where directives only define a general framework, laws and regulations may vary from one country to another.

This legal and regulatory framework, which organizes the opening up of the energy sector, is relatively recent and does not necessarily provide all of the solutions to the difficulties raised by the opening up of those markets. It is therefore likely to change, which could be unfavorable to the EDF Group. Future changes to the legal and regulatory framework may lead to additional costs, be inconsistent with the EDF Group's development model, or change the competitive context in which the EDF Group operates.

***Risks associated with the fact that the EDF Group will remain, in all likelihood for the next coming years, the largest operator in the French electricity market.***

Although it has observed a decrease in its market share in France, EDF will in all likelihood remain the largest operator in the French electricity market over the next few years, particularly in generation and supply. The transmission and distribution activities (operated by RTE-EDF Transport or by EDF) are required to be operated in a framework guaranteeing their independence from generation and supply activities in order to ensure non-discriminatory access to all users.

EDF intends to strictly comply with current regulations on competition and non-discrimination.

However, competitors may initiate lawsuits for non-compliance with these regulations, which may be decided against the EDF Group's interests.

Furthermore, regardless of any legal action initiated by competitors, the authorities may make decisions that are contrary to the EDF Group's economic or financial interests or to its model as an integrated and balanced operator.

Finally, European countries may claim that the opening up of the French market is insufficient and implement measures intended to slow the EDF Group's growth in their own countries.

This may have material, negative consequences for the EDF Group's model, activities and financial results.

## Risk Factors

---

### ***Laws and regulations that require the transmission and distribution activities to be managed independently limit control over these activities.***

In accordance with current laws and regulations, EDF has instituted a management of its distribution network that is independent from its generation and sales activities and has transferred its transmission network activities to a wholly-owned subsidiary, RTE-EDF Transport in 2005. EDF may be affected by the loss of control over certain operational decisions, which may have an impact on its operating costs, which is a significant element in the profitability of its transmission and distribution activities in France. At the same time, EDF will continue to bear the risks associated with transmission and distribution activities, liabilities to third parties and factors that may affect transmission and distribution assets.

Such risks may also be present in countries where the EDF Group owns or operates transmission or distribution networks where it is subject to similar regulatory restrictions.

### **Risks associated with EDF Group's activities**

#### ***The EDF Group operated facilities that may cause significant harm to the natural or human environment or for which accidents or external attacks may have serious consequences.***

The risks specific to nuclear facilities are described separately in a paragraph hereunder entitled "*Specific risks relating to the EDF Group's nuclear activity*".

With respect to hydropower facilities, even if it is not the owner but a licensee, the EDF Group is responsible as the operator for the safety of the facilities. The main risks associated with hydropower facilities and their operations are the risk of dams or associated hydropower facilities bursting, risks associated with operating the facilities during floods, and the risk associated with flow or level variations due to the operation of these facilities. To these risks are added those associated with attacks or ill-intentioned acts of any kind.

The EDF Group takes, during the construction and operation of hydroelectric facilities, and mainly with the collaboration of public authorities, measures for accident prevention and safety. Nonetheless, the EDF Group cannot guarantee that such events will never occur or that the measures taken will be fully effective in all cases, in particular, to deal with external events (in particular floods, negligence of third parties).

Regarding electricity transmission and distribution facilities, persons working in or near this type of facility may be exposed, in the event of an accident, error or negligence, to the risk of electrocution. In this field, the EDF Group also implements accident prevention and safety measures. However, the EDF Group cannot guarantee that these measures will prove sufficient in all cases.

Questions with respect to the risks to human health as a result of exposure to electromagnetic fields ("*Champs Electromagnétiques*", or CEM), in particular, from power lines operated by the EDF Group, are being raised both in France and abroad. Based on numerous studies completed over the past 20 years, numerous international health organizations (the World Health Organization, including its International Agency for Research

## Risk Factors

---

on Cancer, the American Academy of Sciences, the National Institute of Environmental Health Sciences, the English National Radiation Protection Board) consider, given currently available scientific information, that the existence of health risks as a result of exposure to CEM has not been proven. As a precautionary measure, the European Commission has established guidelines relating to exposure of the public and of workers to electromagnetic fields, with which the EDF Group complies. The possible risks as perceived by the public or any element that demonstrates the existence of health risks could lead to the implementation of regulations imposing more stringent security measures for the operation or construction of public transmission or distribution networks.

Finally, and more generally, the EDF Group operates or has operated facilities which, as currently operated, could be or have been the source of industrial accidents or environmental and public health impacts (such as inadequately controlled emissions, leakages in electricity supply lines insulated with oil under pressure, a failure of decontamination facilities, pathogenic microorganism, asbestos polychlorobiphenyls ("PCB"), etc.). In particular, large quantities of hazardous materials (mainly explosive or inflammable, such as gas and fuel oil) are stored in certain facilities. These facilities may be located in industrial areas where other activities experiencing similar risks are operated.

The EDF Group implements in the framework of standards ISO 14001 measures both for accident prevention and repairs with respect to industrial accidents or harm to the environment caused by the facilities that it operates. These measures are intended, in particular, to protect the EDF Group both against the risk of an accident (such as explosion, fire, etc.) occurring in its own facilities and against the risk of such an accident occurring in an adjoining facility.

However, the EDF Group cannot guarantee that these measures will prove fully effective upon the occurrence of one of the events referred to above.

An accident of the type described in the preceding paragraphs would have serious consequences for persons and property and the EDF Group could be found liable. The civil liability and damage insurance coverage taken out by the EDF Group may prove to be significantly inadequate. Further, the EDF Group cannot guarantee that it will always maintain a level of coverage at least equal to that currently in place and at a cost that would not be higher.

Furthermore, such accidents may lead to the shutdown of the facility in question and, potentially, similar facilities that may be considered to present the same risks.

Facilities operated by the EDF Group may be targeted by external attacks or ill-intentioned acts of any nature. In addition to the safety measures provided for during the design of the facilities and sites and the protective measures implemented by the EDF Group, safety measures were reinforced following the terrorist attacks of September 11, 2001, in collaboration with the public authorities. Nonetheless, like any safety measures intended to counter an outside threat, the EDF Group cannot guarantee that these will prove fully effective in all cases, including upon the occurrence of one of the events mentioned above.

## Risk Factors

---

An attack or ill-intentioned act committed on these facilities could have similar consequences to those of any of the accidents described above: (i) damage to persons and property, (ii) the EDF Group's liability being sought on the basis of measures that are judged inadequate, or (iii) interruption to operations.

Any one of these events may have material, negative consequences on the EDF Group's activities, results and financial situation.

***A significant part of the EDF Group's revenue is generated from activities subject to regulated tariffs, the level of which may have an impact on the EDF Group's results.***

In France, a significant part of EDF's revenue depends on regulated tariffs, either as set by decree, upon proposal by or after consultation with the French Energy Regulation Commission ("*Commission de Régulation de l'Énergie*", or CRE), or as set by the CRE itself, after review by the Ministers of Economy and of Energy (the integrated tariff and the TURP). Tariffs are also set by regulatory authorities in other countries where the EDF Group operates, including in Great Britain, Germany, China, Hungary and Slovakia.

These tariffs are negotiated regularly between operators and authorities. Public authorities and the regulator may decide to limit or even block tariff increases, with no change to the quality of service. These authorities can also change the requirements to benefit from such regulated tariffs.

Even if regulated tariffs were revised in favor of the EDF Group, it cannot guarantee that such tariffs will always be set at a level which would allow it to improve or maintain its profitability margins and its rates of return on investments, or at a level which would be compatible with an effective opening up of the markets. This could have a material, negative impact on the EDF Group's activities and financial results.

In addition, in France, the provisions of law n° 2006-1537 of December 7, 2006 concerning the energy sector in particular provide namely for the implementation for a period of two years, of a transitory regulated tariff for market adjustment ("TaRTAM") for the final customers who will apply in writing to their supplier before July 1, 2007. Pursuant to an order dated January 3, 2007, the TaRTAM is of the same amount as the regulated tariff (no taxes included), plus an increase of 10%, 20% or 23% depending on the characteristics of the final consumer choosing the TaRTAM. EDF cannot guarantee that the laws and regulations regarding the TaRTAM will not have a material adverse effect on the EDF Group's activities and results higher than those which EDF is currently able to estimate, nor that the possibilities taken into account for such estimation will not change, in a manner that will significantly increase the adverse effect of the implementation of such tariff on the EDF Group's activities and results.

## Risk Factors

---

***EDF is responsible for certain commitments, namely public service commitments, paid for by mechanisms which could fail to provide complete compensation of excess charges incurred, or which could be questioned.***

The new public service contract entered into by the French State and by EDF on October 24, 2005 outlines the public service commitments that EDF must provide and sets out compensation mechanisms in respect of EDF as regards these commitments.

EDF cannot ensure that the compensation mechanisms provided for by the laws and regulations applicable to it regarding its public service commitments and the implementation of regulated tariffs will provide for full compensation of the costs incurred by the EDF Group in order to respect such commitments and/or implement such tariffs. EDF cannot guarantee either that these compensation mechanisms will not be called into question.

If any of these events should occur, it may have a negative impact on the EDF Group's activities and its financial results.

***The EDF Group's activities require various administrative authorizations that may be difficult to obtain or whose grant may be subject to conditions that may become significantly more stringent; some activities are subject to special taxation.***

The operations and development of the EDF Group's industrial activities — generation, transmission and distribution — require various administrative authorizations, at local and national levels, both in France and abroad. The procedures for obtaining and renewing these authorizations can be drawn out and complex. Obtaining these authorizations is not routine and the conditions attached to obtaining them are not always unchanging or predictable. The EDF Group may accordingly be required to pay significant amounts to comply with the requirements associated with obtaining or renewing these authorizations (for example, the costs of preparing the application for the authorizations or investments associated with installing equipment required before the authorization can be issued). Its industrial activities may also be penalized. Delays, extremely high costs or the suspension of its industrial activities due to its inability to obtain, maintain, or renew authorizations, may have a negative impact on the EDF Group's activities and profitability. The EDF Group may also have invested resources without obtaining the necessary permits and authorizations and therefore have to cancel or withdraw from a project, which may have a negative impact on its business or development.

Some of the EDF Group's activities, for example, its nuclear, fossil fuel and hydropower generation activities in France, are subject to special taxation, which could increase. That would have a negative impact on the EDF Group's financial results.

***In some cases, the EDF Group operates its generation, transmission or distribution activities within the context of concessions governed by public law and it is not always the owner of the assets it operates.***

The EDF Group does not always own the assets that it uses for its activities and frequently operates them under a concession governed by French public law.



## Risk Factors

---

Accordingly, in France, EDF does not own the distribution networks but operates them under concession agreements negotiated with local authorities. Pursuant to the French law of April 8, 1946 and the French law of February 10, 2000, only EDF can be appointed by local authorities to operate their distribution networks, except networks operated by local distribution companies (“LDCs”). Therefore, when renewing a concession agreement, EDF does not compete with other operators. Nonetheless, the EDF Group cannot guarantee that such provisions will not be modified by law in the future or will not be challenged before the European Court of Justice or viewed to be in violation of European law. In addition, EDF could obtain the renewal of these contracts on worse economic terms.

In France, RTE-EDF Transport is the public transmission system operator according to standard concession specifications, which are currently being developed and which must be signed by the Minister of Industry (decree n° 2006-1731 of December 23, 2006). The EDF Group cannot guarantee that these concession specifications will not change in the future to contain obligations that are more restrictive for RTE-EDF Transport, in particular, obligations of a financial nature, than the obligations that are currently applicable.

Hydropower generation facilities of 4.5 MW or more are also operated under concessions awarded by the French State. Renewal of these concessions is now subject to a procedure of invitations to tender and the outgoing licensee, under current rules, is not indemnified. The EDF Group cannot guarantee that it will be able to obtain the renewal of the concessions that it currently operates, or that such renewal will not be obtained on worse economic terms, which may have a negative impact on its activities and financial results.

The EDF Group also operates under electricity distribution or generation concessions in other countries where it is present (including in the United Kingdom, Germany and Italy). Depending on the conditions in each of these countries, these concessions may not be upheld or renewed in its favor, or may be renewed on worse economic terms, which would have a negative impact on the EDF Group’s activities and its financial results.

***The EDF Group must comply with increasingly restrictive environmental and public health regulations that are the sources of costs and potential liabilities.***

The EDF Group’s activities are subject to regulations for the protection of the environment and public health, which are increasingly numerous and restrictive. These regulations relate to the EDF Group’s industrial activities, energy generation, transmission and distribution, as well as to energy supply and energy-related services, which must, for example, incorporate the concept of demand-side management in their offers.

In France, French law n° 2005-781 of July 13, 2005, which defines energy policy guidelines (*Loi de Programme fixant les Orientations de la Politique Énergétique*, or “LPOPE”), as amended and completed by the regulations in effect, contains certain energy saving provisions. The objective is to reduce, by an average of 2% each year by 2015, the final energy intensity, which is the ratio between energy consumption and the GDP. EDF has chosen to implement a program of several energy efficiency actions in all its markets and aiming to allow EDF to comply with all of its legal and regulatory obligations. However, at this stage, EDF cannot assure that such actions carried out by the EDF Group in favour of the management of energy demand will be sufficient to reach the goals settled by public

## Risk Factors

---

authorities, nor that the legal and regulatory requirements will not be reinforced, namely for what concerns energy saving obligations. That could have an adverse financial effect on the EDF Group.

Regulations relating to air quality and to emissions of major combustion facilities could become more restrictive. In particular, the CAFÉ strategy (“Clean Air For Europe”) developed by the European Union sets up very ambitious objectives regarding main air emissions. The adoption of this strategy during the first half of 2006 will open the work on redrafting the “Quality of Air” (deadline by 2010) and “National Emission Ceilings (NEC: deadline by 2007 to assure implementation by 2020)” Directives. New upper limits will also be created for some polluting products (NOx, SO2, etc.). Those revisions will most likely lead to additional environmental constraints, which may have an adverse effect on availability, competitiveness, renewal, or development on the EDF Group’s thermal generation fleet.

The EDF Group may also be required to make significant investments to comply with the implementation of the European directive relating to the greenhouse gas emission quota system. Regulations transposing this directive have been adopted or are being prepared in European countries. The quotas allocated to the EDF Group, a breach by the company of the CO2 emission quotas allocated to it and any purchase of supplementary quotas could lead to significant additional unplanned expenditures by the EDF Group. The risk involves more particularly EDF’s European subsidiaries and holdings outside France for the period until the end of 2007, and all of the EDF Group’s assets in Europe from 2008 since restrictions are expected to be increased for the period between 2008 and 2012. Accordingly, the National Allocation Plan concerning the second stage (2008-2012) addressed by the end of December 2006 by France to the European commission, reduces the number of quotas awarded from 155.6Mt to 132.8Mt a year, as well as the number of quotas awarded to the energy sector by 24%. After 2012, the evolution of this system remains uncertain. Differences between the regulations applicable in the various countries in Europe for the allocation of quotas could also lead to distortions in competition, to the EDF Group’s detriment.

A law concerning water and aquatic environments published on December 30, 2006, is expected to affect the tax regulation and the operation conditions of EDF’s facilities.

Finally, the EDF Group is also subject to regulations concerning polychlorobiphenyls (PCB) and polychloroterphenils (PCT) in different countries where it carries out its activities, namely in Europe and Latin America.

Other current and future regulations in the environmental and health areas concerning the EDF Group’s activities or assets may also have a material financial impact on the EDF Group.

The EDF Group may be found liable, even if it has not committed any fault or breached existing rules, as a result of the fault or breach committed by entities which were not part of the EDF Group at the time of damage, if the EDF Group has since taken over their facilities.

Current rules, and future changes to such rules, have resulted and are likely to continue to result in an increasing level of operating expenses and investments in order to comply with

## Risk Factors

---

such rules. The EDF Group may even be required to close facilities that cannot be made compliant with new rules. Furthermore, other rules, which may be more restrictive or which may apply to new areas, and which are not currently foreseeable, may be adopted by the relevant authorities and have a similar effect.

***The growth of an integrated European electricity market may be slowed by a lack of cross-border transmission system interconnections.***

The growth of an integrated European electricity market is inhibited by a lack of cross-border interconnections. This situation limits exchange capacity between operators in different countries, namely the capacity to rapidly adapt the supply to the demand (“black-out risk”), and is allowing price differences to exist which would not be present in an efficient integrated European market. It is contributing to a slowdown in the emergence of efficient operators with a European dimension as it limits the options for synergies between companies in the same group located on different sides of a border.

Although there are currently several projects to develop interconnections, their construction has nonetheless been delayed, mainly by environmental, financial, regulatory and local acceptability considerations.

Therefore the absence of adequate interconnections between countries where the EDF Group is based or their slow development may limit industrial synergies which the EDF Group intends to achieve between its various entities or cause network interruptions in countries in which the EDF Group is established, which could have a negative impact on its results, its business and prospects.

***Widespread blackouts in France or in an area served by an EDF Group subsidiary, in particular, if they are attributable to the EDF Group, may have consequences for its activities, results and image.***

Italy, Great Britain, Denmark, Sweden and a large part of the United States and Canada experienced significant blackouts in 2003. In France, the last event of this seriousness occurred in 1978. The causes of these blackouts vary: local or regional imbalance between electricity generation and consumption, accidental interruption to the power supply, cascaded interruptions (more difficult to overcome in a market with cross-border exchanges), interconnection problems at borders, lack of investment and difficulty in coordinating operators on an open market.

The EDF Group may be, or may be found, responsible for a blackout, even if the event that caused it occurred on another network or is attributable to another operator. Accordingly, on November 4, 2006, following an incident for which the source was in the German Network, a large breakdown in the electricity supply concerned several European countries. Nevertheless, it was possible to avoid a European “blackout” and the electricity supply breakdown lasted less than one hour in France.

Such electricity supply breakdowns (full-scaled or not) first have an impact on the EDF Group’s sales. They may also result in repair costs for reconnecting the network and lead to investment expenditures if it were decided, for example, to install additional generation or

## Risk Factors

---

network capacity. Finally, they would have a negative impact on the EDF Group's image with its customers, in particular, if the blackouts proved to be attributable to it.

***Natural disasters, significant climatic changes, or any major event on a scale that is difficult to predict, could have a material negative impact on the EDF Group's industrial and commercial activities.***

In France, the storms of December 1999 and the heat wave in the summer of 2003 led to additional costs for EDF. In addition to these events, other natural disasters (floods, landslides, earthquakes, etc.), other significant climatic changes (droughts, etc.), or any other event on a scale that is difficult to predict (large epidemic diseases, etc.) could affect the Group's activities.

Based on its experience with the above events, the EDF Group implements measures, which allow it to limit the consequences should such events be repeated. Accordingly, following the storms of December 1999, EDF initiated a program to secure its transmission and distribution networks. Following the heat wave in the summer of 2003, EDF drew up an "Unforeseen Climatic Events" plan in order to anticipate and prevent the consequences of such situations (as it was the case for the heat wave of summer 2006). The adoption of such measures can lead to costs in addition to those related to the cost of repairing the damage caused by the natural disaster and the loss of earnings corresponding to the interruption to supply.

In addition, after the storms of December 1999, EDF set up specific coverage against storm risk for its distribution network. The EDF Group cannot guarantee that this specific coverage will always be available or that its cost will not increase above its current level or that it will succeed in maintaining this coverage. Other than this specific coverage concerning the distribution network, the EDF Group's overhead networks, including those owned by RTE-EDF Transport, are not covered for "damage to property".

Owing to the absence of coverage, any damage to these overhead networks could have a negative impact on the EDF Group's financial situation.

Finally, in the event of a wide-spread sanitary epidemic, EDF created and tested, in 2006, a plan which aims to assure the continuity of electricity supply, depending on the intensity of the crisis, and at the same time guarantee the safety of the facilities and reduce the sanitary risks to which employees are exposed.

Despite the implementation of all such measures, the EDF Group cannot guarantee that the occurrence of a natural disaster, a significant climatic unforeseen event, or any other event on a scale that is difficult to predict will not have significant negative consequences on its activities, its profits and its financial situation.

***Risks associated with climatic conditions and seasonal variations in the business.***

Electricity consumption has a seasonal nature, and depends namely on climatic conditions. Accordingly, electricity consumption is generally higher during winter months. In addition, available generated electricity may also depend on climatic conditions: low hydrocity, heat

## Risk Factors

---

waves which restrained generation due to the obligation to respect certain temperature limits for rivers in the downstream of the facilities.

The EDF Group's profits consequently reflect the seasonal character of the demand for electricity and may be adversely affected by significant climate variations since the EDF Group would be able to compensate the reduction in the availability of economical generation means by using other means with a higher generation cost or by having recourse to wholesale markets at high-prices.

### ***Technological choices implemented by the EDF Group may be outperformed by new technologies.***

The EDF Group's activities are based on a certain number of technological choices, which may be outperformed by new technologies, which may prove more efficient, more profitable and even more reliable. The use of these technologies by the EDF Group's competitors may have the effect of reducing the competitive advantage, which the EDF Group has through some of its technologies, and thus have a negative impact on its activities, financial results and prospects.

### ***The occurrence of work-related illnesses or accidents cannot be excluded.***

Although the EDF Group does its best to comply with the laws and regulations concerning health and safety in the different countries in which it operates, and considers to have taken measures intended to ensure the health and safety of its employees and those of its subcontractors, the risk of work-related illnesses or accidents cannot be excluded. The occurrence of such events may lead to lawsuits against the EDF Group and the payment of damages, which may prove material.

For a description of the measures taken by the EDF Group with regards to ionizing radiation, see Section 6.2.1.1.3.2 ("Environment, safety and radiation protection") of the 2006 *Document de Référence*.

Regarding asbestos, the EDF Group has taken measures to treat materials containing asbestos, provide information and install protection, as described in Section 17.7 ("Health and safety") of the 2006 *Document de Référence*. For a description of ongoing legal proceedings, see Section 20.6 ("Legal and arbitration proceedings") of the 2006 *Document de Référence*.

### ***The EDF Group is exposed to risks on the wholesale energy and CO2 emission allowances' markets.***

The EDF Group operates on deregulated energy markets (mainly in Europe) as part of its generation, marketing and distribution activities. As such, the EDF Group is exposed to price fluctuations on wholesale energy markets (electricity, gas, coal, oil) as well as on the CO2 emission allowances market.

The EDF Group manages its risks exposure by buying and selling on the wholesale markets and through long-term contracts. Apart from the oil products markets, these are new markets

## Risk Factors

---

that are still developing. Therefore, a shortage of products or lack of depth can limit the EDF Group's capacity to hedge its energy market risks exposure. In addition, these markets remain in part partitioned by country, as a result, among other things, of the lack of interconnections. They may thus experience significant increases or decreases in price movements and liquidity crisis that are difficult to predict. Such fluctuations may have either a favorable or an unfavorable impact.

The management of energy market risks is in line with the energy market risks policy adopted by the EDF Group. The EDF Group hedges its positions on these markets through derivative products such as futures, forwards, swaps and options negotiated on organized or over-the-counter markets. However, the EDF Group cannot guarantee total protection, in particular, against significant price movements, which could have a material negative impact on its financial results.

***The EDF Group is exposed to variations in the prices and in the availability of materials or services (other than fuels) which it buys for the carrying out of its activities.***

The EDF Group could have to face an increase in the costs of certain products or services: increase of the price of certain raw-materials, such as copper which is in the composition of intermediary goods acquired in large quantities by EDF (cables, transformers, etc.). Moreover, this increase could lead to a reduction of the offer if certain suppliers were forced to reduce their profit margins. Certain products or services are increasingly demanded, which could have an effect on their availability, in particular, products used for gas-fired combined cycles, wind turbines and products and services in the nuclear field.

***The EDF Group is exposed to financial risks.***

Because of its activities, the EDF Group is exposed to financial risks:

- Interest rate risk for the holdings financing activity and assets value
- Exchange rate risk related to holdings in subsidiaries operating in currencies other than the Euro, or to supply, notably of fuel and material, denominated in these currencies
- Risk on dedicated assets, in particular related to the shares held as part of the management of dedicated assets constituted to hedge long-term commitment costs of EDF's nuclear activities and on shares held in the framework of cash activities
- Liquidity risk
- Counterparty risk inherent in contractual relationships

The organization and management principles of these risks are described in Section 4.1.1.3 ("Management and control of financial market risks") of the 2006 *Document de Référence* and their measures of control are described in Section 9.10 ("Financial risks management and control") of the same document. However, the EDF Group cannot guarantee total protection, including in the event of significant movements in exchange rates, interest rates and equity markets.

## Risk Factors

---

### **Specific risks relating to the EDF Group's nuclear activity**

The EDF Group is the leading nuclear operator in Europe. Nuclear electricity represents over 80% of its generation in France and the nuclear share in the EDF electricity mix is a major competitive advantage. Any event negatively affecting the nuclear business is likely to have greater consequences for the EDF Group's activities, productivity, financial situation and results, than for those of its competitors, which generate proportionally less electricity from this source of energy.

#### ***A serious nuclear accident in a foreign country may have material consequences for the EDF Group.***

Certain of the world's nuclear power plants do not meet the same level of safety, supervision and protection as those belonging to the EDF Group. Whatever precautions are taken during their design or operation, a serious accident cannot be excluded and could result in public rejection of the nuclear business and lead to public authorities deciding to tighten noticeably operating conditions of power plants, or to cease the generation of electricity through nuclear means. The EDF Group cannot guarantee that such a decision would not be taken, even outside the context of an accident. This would have a material, negative impact on the economic model, strategy, business, profit, financial situation and prospects of the EDF Group.

#### ***Due to its nuclear activities, the EDF Group is exposed to substantial liability risks and possibly significant additional operating costs.***

Even if the EDF Group has implemented risk control strategies and procedures corresponding to higher standards for its nuclear activities, such activities, by their nature, still present risks. Therefore, the EDF Group may face considerable liability as a result of, among others, incidents and accidents, breaches of security, ill-intentioned acts or terrorism, air crashes, natural disasters (such as floods or earthquakes), equipment malfunctions or mishandling in storage, handling, transportation, treatment or conditioning of substances and nuclear materials. Such events could have serious consequences, especially in case of radioactive contamination and irradiation of the environment, for persons working for the EDF Group and for the general population, as well as a material, negative impact on the EDF Group's activities and financial situation.

A nuclear operator assumes liability for the nuclear safety of its facilities. The liability scheme that applies to European nuclear facilities operators, and the associated insurance, are described in Sections 6.5.4.2 ("Special regulations applicable to nuclear facilities") and 4.1.3.4.1 ("Civil liability") of the 2006 *Document de Référence*. This scheme is based on the principle of strict liability for the operator. If there is an event which causes damage, the EDF Group would be automatically liable within the limits of a financial ceiling established by French law, regardless of the source of the event that caused the damage. The implementation of safety measures does not exonerate the EDF Group from this type of liability.

The EDF Group cannot guarantee that, in countries where it operates nuclear facilities, the liability ceilings established by law will not be increased or removed. For example, the

## Risk Factors

---

Protocols amending for the Paris Convention and the Brussels Convention, currently being ratified, provide for these ceilings to be raised. In addition, the EDF Group cannot guarantee that the insurance policies covering this liability will always be available, or that their cost will not increase from their present level, or that the EDF Group will always succeed in maintaining these insurance policies.

Finally, damage to EDF's nuclear facilities is covered by an insurance policy (See Section 4.1.3.4.2 ("Damage insurance for nuclear facilities") of the 2006 *Document de Référence*).

Despite this coverage, any event that causes significant damage to an EDF nuclear facility could have a negative impact on the EDF Group's business, financial results and financial situation.

***Nuclear activity is subject to particularly detailed and restrictive regulations that may increase in severity.***

The nuclear activity is subject to particularly detailed and restrictive regulations, with a scheme for the monitoring and periodic re-examination of operating authorizations, which primarily takes into account nuclear safety, environmental and public health protection, and also national safety considerations (terrorist threats in particular). These regulations may be subject to significant tightening by national and European authorities (for a description of the "nuclear package" and the French law relating to transparency and safety in the nuclear field, see Section 6.5.4.2 ("Specific regulations applicable to nuclear facilities") of the 2006 *Document de Référence*. This could result in increased costs of the EDF Group's nuclear fleet, which would have a negative impact on its financial situation.

***For its nuclear activity, the EDF Group depends on a limited number of contractors.***

Even though the EDF Group operates a supplier diversification policy within its nuclear business, it is currently dependent on a limited number of contractors.

This situation:

- limits competition between suppliers; and
- creates a risk of exposure to failure of one of these suppliers.

This could have a negative impact on the EDF Group's results and financial situation.

***The EDF Group is exposed to variations in the prices of uranium and conversion and enrichment services.***

Nuclear fuel purchases are part of the EDF Group's operating costs.

EDF purchases uranium, conversion services and enrichment services through long-term contracts containing hedging mechanisms against price movements allowing it to reduce the impact of the price fluctuations. The main supplier is the Areva group, but EDF is pursuing a policy of diversification by buying supplies from other producers. Prices for uranium and



## Risk Factors

---

conversion and enrichment services are subject to fluctuations resulting from factors, mainly political and economic which the EDF Group cannot control.

The EDF Group cannot guarantee that the protection mechanisms in place in its supply contracts and its diversification policy will protect it completely against drastic or significant price increases. The EDF Group cannot guarantee that when these long-term contracts expire, it will be able to renew them, in particular, at price conditions that are equally favorable. Notwithstanding the moderate role that uranium supply costs play in the generation costs for nuclear power and the delay of several years between buying uranium and using it in a power plant, drastic and significant variations in the price of uranium may have a negative impact on the EDF Group's financial results.

### ***Risks relating to the transportation of nuclear fuel.***

The transportation of new or used nuclear fuels is an operation that requires special and restrictive safety measures. Several factors that are outside of the EDF Group's control (such as opposition by local residents or anti-nuclear associations, for example, in the form of demonstrations to prevent waste from being moved) may slow these operations. The operation may also be interrupted, in particular, in the event of an accident. As a result, EDF may be required to slow or interrupt some or all of the generation on the sites in question, due to either the abstention of deliveries of new fuel assemblies, or the saturation of storage facilities on the sites, which could have a negative impact on the EDF Group's financial results.

### ***The nuclear fleet operated by the EDF Group is highly standardized. As a result, any defect in design or construction of a facility may have to be corrected on the other units.***

The fleet of nuclear facilities operated by the EDF Group in France is highly standardized. This represents an advantage for the EDF Group: it allows the EDF Group to achieve economies of scale in equipment purchases and engineering, to apply improvements made to its newest power plants to its entire fleet and to anticipate, in the event of a malfunction in a facility, the measures to be taken in the others.

This standardization carries the risk of a malfunction that is common to several power plants or series of power plants. The EDF Group cannot guarantee that it will never be confronted with burdensome or costly repairs or modifications, to be carried out on all or part of the fleet, or that an event will not occur which may have an impact on the operation of the fleet, bringing about a temporary outage or closure of all or part of the fleet.

Such an event may have a negative impact on the EDF Group's financial results and its activities.

### ***EDF may not be able to operate its nuclear power plants over a period of at least 40 years.***

EDF estimates that a lifespan of 40 years is now technically achievable due to the measures taken and resources used to achieve this objective. EDF follows a high-level R&D policy

## Risk Factors

---

relating to the long-term behavior of materials. In addition, the maintenance policy has been adapted to improve the degree to which it takes into account risk and knowledge of ageing phenomena. Operation over an even longer period is feasible for certain power plants using similar technology, in light of the extended lifespans agreed to by the competent authorities in the United States. The extension of lifespans concerns nuclear facilities of similar technology (PWR) over a period of 40 years or longer and remains subject to authorizations by safety authorities, in particular, at the time of indepth safety inspections every 10 years. The EDF Group cannot guarantee that it will obtain the necessary authorizations at the appropriate time, or that the autorisations will not be obtained, subject to the conditions requiring the EDF Group to carry out further expenses or investments.

Nonetheless, the EDF Group has based its assumptions for calculating accounting items linked to the lifespan of its nuclear fleet on a lifespan of 40 years (including depreciation and amortization and provisions, etc.). If the safety authorities opted for the closure of some units or power plants within 40 years, this would require accelerated replacement of the corresponding generation capacity by additional investments or recourse to electricity purchases on the market. It would also be necessary to review the depreciation and amortization plan to reappraise the residual lifespan of the power plants in question. This would have a material, negative impact on the EDF Group's financial results and financial situation.

### ***Construction of the EPR could encounter problems or not be completed.***

The EDF Group has launched the construction of the European Pressurized water Reactor (EPR) in Flamanville in order to renew its fleet of nuclear generating facilities. However:

- the EDF Group might not obtain the necessary authorizations required to begin the construction and operation of the EPR or may see them called into question by a court ruling;
- with regards to a first-of-a-kind reactor, technical difficulties or other difficulties not currently foreseen could occur during its development and construction and during the early stages of its operation. These difficulties could slow or hinder the construction of the EPR and its commissioning, increase its overall cost or affect its performance.

The EPR program for renewal of the fleet of generation facilities is strategic for the EDF Group's future. Any event leading to delay or blockage of this program, or affecting, the construction, of the first-of-a-kind EPR or subsequent units would thus have a material, negative impact on the EDF Group's activity and financial situation.

### ***The EDF Group remains liable for all radioactive waste from its nuclear power plants, especially long life, high-level waste from burnt fuels.***

The nuclear fuel cycle is described in Section 6.2.1.1.3.4 ("The nuclear fuel cycle and related issues") of the 2006 *Document de Référence*. In France, as described in this section, as an operator and producer of waste, EDF is legally responsible for burnt fuels from the moment they leave the power plant, during their processing operations and during their long-term management, and it assumes this responsibility in accordance with the applicable provisions

## Risk Factors

---

on radioactive waste in the French Environmental Code (*Code de l'Environnement*) as well as guidelines set forth by public authorities and under their control.

In particular, as a nuclear operator or producer, the EDF Group may incur liability resulting from regulation of waste in the event of an accident and damage to a third party or the environment through these burnt fuels or waste, even if they are handled, shipped warehoused or stored by operators other than EDF (especially the Areva group and ANDRA), in particular in the event of bankruptcy of such operators. If EDF were acknowledged as responsible for damages caused to third parties and/or the environment, the specific civil strict liability scheme applicable to nuclear operators would apply, within the ceilings specified by this scheme (see Section 6.5.4.2 "Special regulations applicable to nuclear facilities" of the 2006 *Document de Référence*).

In France, long-term radioactive waste management was the subject of several initiatives undertaken in the framework of the French "Bataille" law, and the passing of program law n° 2006-739 dated June 28, 2006 relating to the sustainable management of radioactive materials and waste. The EDF Group cannot guarantee that all long-life high and medium activity waste will constitute "ultimate radioactive waste" in the sense of Article 6 of the law n° 2006-739, and that as a consequence this waste will be directly stored in deep geological layers. The EDF Group cannot guarantee either the time required for the public authorities to authorise such a storage, which continues to result in ongoing uncertainties with respect to waste, liability and the resulting costs for EDF. The occurrence of any of these events would have a negative impact on the EDF Group's financial results and financial situation.

### ***The provisions made by the EDF Group for burnt fuel processing operations and long-term waste management could prove insufficient.***

The EDF Group has made provisions for burnt nuclear fuel processing operations (see note 29.2 consolidated financial statements for the year ended December 31, 2006 included in the 2006 *Document de Référence*) using the price and volume conditions in the agreement signed with Areva in August 2004 which covers the period from 2001 to 2007. The amount of provisions currently made to cover the period from 2007 onwards could prove insufficient if the renewal conditions of this contract over this period proved more onerous than those currently applicable.

EDF had made provisions for long-term waste management based on an assumption of deep geological storage, and the conclusions reached in 2006 by the working group comprising ANDRA, public authorities and producers of nuclear waste (see note 29.2.2 to the consolidated financial statements for the year ended December 31, 2006 and Section 6.2.1.1.3.4 ("The nuclear fuel cycle and related issues — B. Downstream") included in the 2006 *Document de Référence*). If the program law n° 2006-739 of June 28, 2006 relating to the sustainable management of radioactive materials and waste reinforces, without excluding other fields of complementary research, that the "ultimate radioactive waste" must be disposed in deep geological layers, the EDF Group cannot guarantee that all long-life high and medium waste will be considered as such and nor the length of time in which this type of storage, if it was held, could be carried out. In consequence, EDF cannot guarantee that the final cost of long-term waste management of the Group could exceed the provisions made in

## Risk Factors

---

its accounts. EnBW has also made provisions to cover its long-term nuclear commitments. The EDF Group cannot guarantee that the amount of these provisions will be sufficient.

The evaluation of these provisions is sensitive to the assumptions made in terms of costs, inflation rate, long-term discount rate and payment schedules. Given these sensitivity factors, changing the parameters may lead to significant revision of amounts set aside.

If such was the case, the inadequacy of the provisions for these commitments may have a material negative impact on the EDF Group's financial results and financial situation.

***Decommissioning of the existing fleet of nuclear facilities may present currently unforeseen difficulties or be much more costly than currently expected.***

The decommissioning of the EDF and EnBW nuclear fleets are described in Section 6.2.1.1.3.6 ("Decommissioning of nuclear power plants") and 6.3.1.2.3.1 ("Electricity businesses") of the 2006 *Document de Référence*. Given the size of the EDF Group's nuclear fleet, its decommissioning represents a highly technical and financial challenge.

While the EDF Group has evaluated the challenges, mainly technical, which this decommissioning brings (particularly the decommissioning of first generation power plants) and has identified the solutions to be developed, it has never dismantled nuclear power plants similar to those currently in service. The EDF Group has made provisions to cover the costs associated with decommissioning.

EnBW must also decommission its power plants and has made provisions for this.

However, the EDF Group cannot guarantee that the provisions made will be sufficient. Their insufficiency would have a negative impact on the EDF Group's financial results and financial situation.

***Dedicated assets reserved by the EDF Group to cover the costs of its long-term commitments in the nuclear business (such as radioactive waste and decommissioning) may prove insufficient.***

As of December 31, 2006, the fair value of dedicated assets for EDF was Euro 6.3 billion, against Euro 3.3 billion on December 31, 2005 (see Section 6.2.1.1.3.6 ("The decommissioning of nuclear power plants – Assets available to cover long-term nuclear power-related commitments (operating cycle excluded)") of the 2006 *Document de Référence*). These assets are built up gradually on the basis of spending estimates and the timeframe which the EDF Group will have to meet.

In September 2005, EDF decided to speed up the building of these dedicated assets to cover the whole basis in 2010. The law of June 28, 2006 relating to the sustainable management of radioactive materials and waste supported this decision, since it imposes a total cover of long-term nuclear commitments on nuclear operators, (excluding operating cycle) within a 5 year period of time after the law came into force. Furthermore, each operator is obliged, in 2007 and every 3 years following, to transmit a report supporting in particular the expenses relating to the decommissioning of nuclear power plants, the

## Risk Factors

---

calculation methods of said provisions and the constitution of consequent dedicated assets to the relevant administrative authority. In addition, the decree dated February 23, 2007 and the order of March 31, 2007 have specified the process for financial securitization of the nuclear expenses by establishing an indexation of the totality of such charges, by distinguishing those relevant to the operating cycle, setting a framework for their evaluation as well as the discount rate retained by nuclear plant operators to calculate provisions pertaining to it. These texts set the rules of investment and management for the dedicated assets and organize the role of the EDF Group's management, as well as the control plan to be implemented by the nuclear plant operators (see Section 6.2.1.1.3.6 ("The decommissioning of nuclear power plants – Assets available to cover longterm nuclear power-related commitments (operating cycle excluded)") of the 2006 *Document de Référence*).

EDF's dedicated assets may, nonetheless, be judged insufficient according to the June 28, 2006 law's implementation regulations or by the administrative authority, after analysis of EDF's report, and lead to adjustment measures (and notably a complementary allocation for the dedicated assets). These dedicated assets can also prove to be insufficient at the moment of actual payment if the real expenses were appreciably different or if actual costs are appreciably different or if the disassembly and storage costs schedule is modified. This would have a material, negative impact on the EDF Group's financial situation. Moreover, stricter national (in particular those which could have an impact of the basis of the dedicated assets needs to be constituted by EDF) or European regulatory constraints may lead to increasing demands for the constitution of dedicated assets and have an effect on EDF's financial situation.

Finally, these assets are constituted and managed in accordance with strict, prudential rules. The EDF Group cannot, however, guarantee that variations in the financial markets will not have a material negative impact on the value of these assets for a sensitivity analysis.

### **Risks relating to the structure and changes within the EDF Group**

#### ***The various changes required by the opening up of the market may have operational and financial consequences for EDF.***

The opening up of the market results mainly in a major re-organization of the joint structures through which EDF and Gaz de France manage their sales, billing, customer services and distribution networks.

This re-organization may have an impact on the way these activities are carried out, in particular:

- on relationships with residential customers or those who have not exercised their right of eligibility;
- on relationships with eligible customers that have chosen a supplier other than EDF and to whom EDF, in its capacity as a distributor, must act neutrally;
- on relationships with local authorities through concession contracts.

## Risk Factors

---

It could also generate major costs, mainly relating to the adaptation of information systems and organizations.

Finally, European regulations require the legal separation of distribution activities by July 1, 2007. This may have a material, negative impact on the EDF Group's activities and financial results.

### ***EDF must adapt its skills to face total opening to competition on July 1, 2007.***

Preparation for the total opening up of the markets in July 2007 requires a greater re-deployment of skills than the modifications that were required for the opening up of the market in professionals and small and medium-sized companies in July, 2004. The EDF Group cannot guarantee that EDF will be able to successfully carry out this preparation which could have a negative impact on the EDF Group's activities, financial results and financial situation.

### ***It is possible however that the EDF Group's development strategy cannot be implemented in accordance with the goals defined by the EDF Group.***

In particular, the implementation of the gas strategy may face significant problems.

Development of the EDF Group's gas business is a major issue, both for what concerns the use of gas in electricity generation and the development of dual gas/electricity offers.

Demand for gas in Europe is growing and there are significant quantities of untapped reserves throughout the world. However, sources of supply are remote and capacities for gas transport (by gas pipeline or by liquefied natural gas (LNG) tanker), LNG terminals and capacities for storage are still limited. To satisfy its gas needs, the EDF Group must not only have access to competitive sources of supply, but also to logistical infrastructures (such as storage, gas pipelines and LNG terminals) to move its gas within a perimeter close to its points of consumption and to produce synergies between its different entities (including those which it does not control) while coordinating and interconnecting its positions.

The EDF Group cannot guarantee that it will be able to either access these gas assets, or acquire them or participate in their development, or achieve the expected synergies, under acceptable financial conditions.

Any one of these factors could slow the development of the EDF Group's gas strategy, which would have a negative impact on its activities, its financial results and its prospects.

The EDF Group intends to develop and consolidate its offer of service integrated solutions, notably its energy efficiency services, to increase sales per customer as the energy market in Europe opens up to competition and to deal with issues relating to energy efficiency and sustainable development.

The energy-related services market is very competitive, and the energy efficiency market, though still an emerging one, possesses a strong potential for development. The EDF Group cannot guarantee that its energy-related services offer will continue to grow successfully.

## Risk Factors

---

If the EDF Group cannot implement its development policy in the area of energy-related services, this may have a negative impact on its financial results and prospects.

The EDF Group intends to continue its development in the electricity industry in France and abroad, in line with its industrial project, depending on its business model in each area and in light of any relevant experience (upstream/downstream balance, commercial strategy, development in renewable energy or in other production methods: nuclear, hydropower, coal, combined-cycle, etc.). It is thus implementing programs for re-organization, increasing profitability (see risk factor below entitled “*The Group has implemented programs to improve its operating and financial performance and to reinforce its financial flexibility*”), development and disposals.

The EDF Group may be confronted with an unexpected change in the regulatory economic and competition framework which may render its decisions inadequate, or may encounter difficulties in implementing or changing its strategy. The EDF Group may also find that it has been unable to make the disposals it expects to make, or that it has made them at a price different to that desired, due in particular to financial, regulatory or contractual constraints, or even political acts outside France. The EDF Group may acquire or develop some assets which in the end could prove not to be as profitable as expected. This may have a negative impact on the EDF Group’s financial results, financial situation and prospects.

### ***Risks relating to information systems.***

The EDF Group operates multiple and highly complex information systems (such as servers, networks, applications and databases) which are essential for the everyday operations of its commercial and industrial business. A problem with one of these systems may have material, negative consequences for the EDF Group. In particular, if the information systems required for the implementation of the opening up of the market in July 2007 are not available on time, or are available but with inadequate performance, this may have material, negative consequences for EDF.

Finally, as a general matter, the EDF Group cannot guarantee that the policy of reinforcing information back-up systems will not meet with technical difficulties and/or delays in implementation, which could — in the event of a serious incident — have a material, negative impact on the activity, financial results and financial position of the EDF Group.

### ***EDF is controlled by the French State, which is its principal shareholder.***

Pursuant to the Law of August 9, 2004, the French State is EDF’s principal shareholder and must remain the holder of more than 70% of its share capital. Under French law, a majority shareholder controls most social decisions relating to the company, including those that must be passed by the shareholders’ meeting (in particular, appointment and dismissal of members of the Board of Directors, distribution of dividends and amendments to the by-laws). In addition, the legal dilution limit for the French State holding may limit EDF’s capacity to resort to the capital markets or carry out external growth operations.

## Risk Factors

---

***Much of the EDF Group's workforce belongs to organizations common to EDF and Gaz de France; the EDF Group therefore depends in part on management mechanisms implemented in these common structures.***

Currently, approximately 58,500 people employees employed by the EDF Group belong to organizations common to EDF and Gaz de France (almost all belonging to EDF Gaz de France Distribution's management). Some decisions made in the context of these common organizations may accordingly have an impact on EDF, in particular on wages and on the management of its human resources. Moreover, EDF and Gaz de France may have divergent interests concerning these common organizations. Such constraints may have a negative impact on the EDF Group's financial results and financial structure.

***The EDF Group does not own a controlling majority of some of its strategic subsidiaries and holdings, or must share control of these entities with other shareholders.***

The EDF Group shares control of EnBW with OEW. This shared control is exercised through a shareholders' agreement. The EDF Group cannot, however, guarantee that it will always be in agreement with OEW on its policy towards EnBW.

This may also be the case with respect to Edison, where the two shareholders, EDF and AEM Milano and its partners, have joint control, and whose relationships are governed by a shareholders' agreement entered into on May 12, 2005 (see Section 6.3.1.3.1.2 ("Joint takeover of Edison by EDF and AEM Milan") of the 2006 *Document de Référence*). In addition, advantages which must result from the joint take-over of Edison by EDF and AEM Milan, in particular as regards the EDF Group's gas strategy, depend, in part, on the possibility to combine successfully and effectively Edison's activities with those of the EDF Group.

Other EDF Group businesses are, or will be in the future, exercised within other entities in which the EDF Group shares control, or in which the EDF Group is a minority shareholder. In these situations, the EDF Group may find itself confronted with an impasse when partners disagree or decisions are made which are contrary to its interests.

This may limit the EDF Group's ability to implement defined strategies and may have a material, negative impact on its business, financial situation or prospects.

***Shareholders in some of the EDF Group's subsidiaries and holdings have put options allowing them to require a buyback of their shares by the EDF Group, which, accordingly, may be forced into re-purchasing these shares at an unfavorable time or under unfavorable conditions.***

The structure and conditions of the put options that the shareholders, in particular, of EnBW and EDF Energies Nouvelles, have over the EDF Group are described in Section 6.3.1.2 ("Germany — EnBW") and 6.4.1.2.1.2 ("EDF Energies Nouvelles") of the 2006 *Document de Référence*.



## Risk Factors

---

Furthermore, at the time of EDF Energies Nouvelles' initial public offering in November 2006, the other historical shareholder along with the EDF Group in EDF Energies Nouvelles, transferred shares to the EDF Group, the payment of which may be made no later than December 31, 2010 based on an average market price.

If put options are exercised, the EDF Group may be forced to purchase the underlying securities at prices, set by the terms of the agreements in force, which could exceed their market value. In addition, the financing of these purchases could interfere with other EDF Group acquisition or investment expenses, delay them, or oblige the EDF Group to seek financing under less favorable conditions, which could have a negative financial impact on the EDF Group.

***The EDF Group may find itself forced to launch a tender offer for the acquisition of listed companies in which it has holdings.***

The EDF Group has holdings in a number of listed companies for which current legislation may require, under certain conditions, a shareholder exceeding certain thresholds to launch a tender offer to purchase all of the existing share capital. The EDF Group may, therefore, be forced to launch such an offer under unfavorable conditions, especially with respect to price, which may have a negative impact on its financial situation.

***Risks due to the international dimension of the EDF Group's activities.***

Some EDF Group investments and commitments are exposed to the risks and uncertainties associated with doing business in countries which may have, or have recently had, a period of political or economic instability. Several countries in which the EDF Group operates have less developed legal regulations providing less protection, maintain or could initiate controls or restrictions on repatriation of profits and capital invested, fix or could fix taxation and fees affecting the EDF Group's activities, and impose or could impose restrictive rules with regards to the business of international groups. In these countries, the electricity sector is also subject to sometimes rapidly changing regulations which could be influenced by political, social or other considerations, which may have an effect on activities or financial results of the EDF Group's subsidiaries and thus not be in its interest. The occurrence of any of these events may have a negative impact on the EDF Group's activities, financial results and financial situation.

Finally, the EDF Group has developed or built a portfolio of "Independent Power Plants" (IPP) in different parts of the world, especially in Mexico, Brazil, Vietnam, Laos and China, in which it plays one or more roles (engineering, project management, project manager, investor or operator). In these different capacities, the EDF Group may find itself liable or the EDF Group's financial performance may be affected, especially if the return on capital employed for the IPP is lower than expected, if long-term electricity contracts or "pass-through" clauses are questioned, or in the event of major changes to electricity market rules in the country concerned.

***EDF will also be required to renew much of its workforce and transfer experience and skills to new employees.***

## Risk Factors

---

In France, a large number of EDF employees will soon be of retirement age. For example, in nuclear generation and network maintenance, approximately 45% of the workforce will retire between now and 2015. The renewal of this workforce requires to anticipate the knowledge transfer.

The EDF Group cannot guarantee that EDF will be able to renew these staff and skills in time or under satisfactory conditions, which may have an impact on its generation capacity, quality of service and productivity.

### ***EDF may be required to satisfy significant obligations related to pensions and other employee benefits.***

In France, the financing of the pension system for the electricity and gas industries ("IEG") was reformed by French law n° 2004-803 of August 9, 2004 (the "Law of August 9, 2004") (see Section 17.8 ("Pension system and complementary healthcare benefits system" of the 2006 *Document de Référence*) and notes 29.5.2 to 29.5.6 to the consolidated financial statements for the year ended December 31, 2006 included in the 2006 *Document de Référence*).

The main features of the reform of the financing of the special pension system for the IEGs came into force on January 1, 2005. The provisions for the special pension system correspond to specific rights of agents linked to services not covered by the general system.

Therefore, the following are included in the pensions' provision:

- Specific rights of agents of deregulated or competitive activities;
- Specific rights acquired by agents since January 1, 2005 for regulated activities of the IEG branch – transmission and distribution (former rights are financed by the CTA levy (*Contribution Tarifaire Acheminement*, or "CTA");
- Specific rights of agents benefiting from retirement at an earlier age than the general system's legal retirement age.

The evaluation also takes into account the portion of CNIEG management fees for which the company is responsible, the CNIEG carrying out the management and payment of pensions to the inactive population.

As of December 31, 2006, the pension provision amounted to Euro 8,874 million.

Outside of France, the main pension obligations relate to EDF Energy and EnBW. On the basis of the last actuarial survey carried out on December 31, 2006, the pension funds established by EDF Energy have been considered insufficient by approximately £311 million. EDF Energy pays additional contributions in order to compensate for the shortage of funds. EnBW's commitments are fully provisioned.

In addition to these pension obligations, there are also commitments related to post-employment benefits (benefits in kind (electricity/gas), retirement gratuity, exceptional additional pension and bereavement benefits) and long-term benefits for employees currently in service (annuities following industrial accidents and work-related illness, long-service

## Risk Factors

---

awards, invalidity benefits, etc.) (see notes 29.5.2 and 29.5.3 of the consolidated financial statements for the year ended December 31, 2006 in the 2006 *Document de Référence*).

The amounts of these obligations, the provisions and the additional contributions to compensate for the shortage of funding for its pension scheme (EDF Energy) are calculated on an estimated basis using certain hypotheses, in particular, actuarial forecasts and a discount rate, which may be modified in relation to market conditions as well as by regulations governing retirement benefits paid out by the general system and those paid out by the EDF Group. These hypotheses and rules may be adjusted in the future and may increase the EDF Group's obligations, leading to an increase in the corresponding provisions (and additional contributions by EDF Energy). This could have a negative impact on the financial situation or the financial results of the EDF Group.

Furthermore, the Law of August 9, 2004 imposed joint and several liability among the companies in the IEG branch in regards to financing the specific rights for which they are responsible. In the event that one company in the IEG branch fails to pay, EDF may be forced to finance a portion of the obligations of such company. This may also have a negative impact on the financial situation and the financial results of the EDF Group.

***The special healthcare benefits regime for current and former IEG employees is still to be secured over the medium and long-term.***

Branch negotiations are continuing and aim at:

- protecting and securing the special social security system related to health insurance for active and inactive personnel in the electricity and gas industry;
- improving global health coverage by making it similar to that provided by other major French groups.

If a satisfactory agreement is not reached, IEG branch employers, including EDF, may find themselves in a situation where they have to finance some, or even all of the plan's shortfall, which could have a negative impact on the EDF Group's financial situation.

***Employee conflicts could have a negative impact on the EDF Group's activity.***

The EDF Group cannot exclude a deterioration of its employee relationships or the occurrence of employee demonstrations. Strikes, stoppages, claims or other social problems may harm its business. The EDF Group has not taken out any insurance for losses due to interruptions to business caused by employee demonstrations. As a result, its financial situation and operating results may be adversely affected by employee unrest.

***The EDF Group has implemented programs to improve its operating and financial performance and to reinforce its financial flexibility. The objectives set for these programs may not be achieved.***

The EDF Group has implemented programs to improve its operating and financial performance and to reinforce its financial flexibility, such as the Altitude program.

## **Risk Factors**

---

The EDF Group cannot guarantee that these programs will produce the expected results within the established timeframe. This may have a material, negative impact on the Group's financial results, financial situation and outlook.

### ***Risks due to changes to the IFRS standards applicable by the EDF Group.***

EDF consolidated financial statements for the year ended December 31, 2006 have been prepared, as for the year ended December 31, 2005, in accordance with international accounting standards approved by the European Union (see note 1.2 to the consolidated financial statements for the year ended December 31, 2006 in the 2006 *Document de Référence*).

These references are evolving and new standards and interpretations are currently in the process of being drafted and/or approved by the qualified international bodies. The EDF Group is studying the potential impact of standards or interpretations in the process of being approved or authorized by the qualified international bodies (notably IFRIC 12, see note 2.12.1 to the consolidated financial statements for the year ended December 31, 2006 in the 2006 *Document de Référence*) on its financial situation. In relation to standards or interpretations in the process of being drafted by the qualified international bodies, the EDF Group does not know of the possible evolutions that these standards or interpretations could entail, or the impact that they could have on its financial statements.

### **Risks related to the capital structure of EDF and the listing of its shares**

#### ***Significant volatility of the market price of shares***

Stock markets have experienced significant fluctuations in recent years, which have not always been related to the performance of the specific companies whose shares are traded. Such fluctuations may materially affect EDF share price.

EDF share price may also be materially affected by a number of factors, including factors relating to the EDF Group, its competitors, general economic conditions and, in particular, the energy industry.

#### ***Fluctuation in exchange rates***

The shares will be quoted only in euros and any future payments of dividends on the shares will be denominated in euros. The share price and any dividends paid to an EDF shareholder in other currencies could be adversely affected by a depreciation of the euro.

#### ***Risks related to future sales of shares by the French State***

As of January 30, 2007, the French State was holding 87.3% of EDF's share capital. If the French State decided to reduce further its holding in EDF capital, such sales by the French State, or the perception that such sales could occur, could adversely affect EDF's share price.

## DOCUMENTS INCORPORATED BY REFERENCE

The following document which has previously been published and has been approved by the *Autorité des marchés financiers* (hereafter the “**AMF**”) or filed with it (i) is hereby incorporated by reference in, and form part of, this Base Prospectus, (ii) with the exception of the items mentioned below as being excluded from this Base Prospectus:

- the *Document de Référence* registered by the AMF under no. R.07-036 on 19 April, 2007 prepared by the Issuer (hereafter the “**Document de Référence**”) which contains, *inter alia*, the audited annual consolidated financial statements of the Issuer for the periods ended 31 December 2004, 2005 and 2006;
- the *Document de Référence* shall be incorporated with the full exception of the following items (originally included in the *Document de Référence*), which are hereby explicitly excluded from the scope of incorporation to this Base Prospectus:
  - Chapter 1 of the *Document de Référence* relating to EDF Chairman’s declaration of responsibility regarding the content of the *Document de Référence*; and:
  - Chapter 13 of the *Document de Référence* relating to the confirmation of EDF Group’s profit forecasts or estimates announced at the time of its initial public offering (and included in the 2005 *Document de Référence* registered with the AMF on 18 May, 2006).

Attention of international qualified investors is drawn on the fact that the *Document de Référence* registered with the AMF on 19 April, 2007 under visa no. R.07-036 includes (i) the statutory auditors’ special report on agreements involving members of the Board of Directors for the financial year ended 31 December, 2006 in section 15.5.2 and (ii) as Annex B, the statutory auditors’ report prepared in accordance with article L.225.235 of the French commercial code.

Both of these reports correspond to French law specific requirements and are addressed to EDF’s shareholders only. In addition, the procedures and practices followed by the statutory auditors in France in respect to such reports may differ from those generally accepted and applied by auditors in other countries on issues that could appear to be similar as those covered by such reports.

Attention is also drawn to the statutory auditors’ report included in section 20.2 of the *Document de Référence*. The statutory auditors’ report includes for the information of the reader explanatory paragraphs discussing their assessment of significant accounting matters performed for purpose of issuing their audit opinion on the consolidated financial statements taken as a whole as required under French law in any auditors’ report, whether qualified or not. Such report shall be construed in accordance with French law and French auditing professional standards.

Any statement contained in this Base Prospectus or in a document which is incorporated by reference herein shall only be modified or superseded for the purpose of this Base Prospectus to the extent that it is modified or incorporated by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive.

---

For as long as the Programme remains in effect or any Instruments are outstanding, copies of this Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Instruments will be available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)), on the Issuer's website ([www.edf.fr](http://www.edf.fr)) and may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France and at the specified offices of each of the Paying Agents.

In addition, if the Instruments are listed and admitted to trading on a Regulated Market other than the Paris Stock Exchange (Eurolist of Euronext Paris S.A.), the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

The relevant page references for the information incorporated herein by reference are set out below:

### **STATUTORY AUDITORS**

Please refer to Chapter 2, Sections 2.1 and 2.2 of the *Document de Référence* (page 7).

### **SELECTED FINANCIAL INFORMATION**

Please refer to Chapter 3 of the *Document de Référence* (pages 8-9) for details of selected financial information relating to the Issuer.

### **INFORMATION ABOUT THE ISSUER**

Please refer (i) to Chapter 5 (pages 32-33), Chapter 7 (pages 124-126) and Chapter 21 (pages 303-310) of the *Document de Référence*, (ii) to Chapter 18 (pages 193-194) and Chapter 19 (pages 195-196) of the *Document de Référence*, (iii) to Chapter 20, Section 20.5 (page 297) of the *Document de Référence*, and (iv) to Chapter 24, Section 24.1 (page 311) of the *Document de Référence* for details of the history and development of the Issuer.

Please refer also (i) to Chapter 9, Paragraph 9.5.2 (pages 135-138) and Paragraph 9.13 (pages 161-162) of the *Document de Référence*, (ii) to Chapter 20, Section 20.6 (pages 297-302) and Section 20.7 (page 302) of the *Document de Référence* for details about any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

Please refer to Chapter 6 of the *Document de Référence* (pages 34-123) for details of the Issuer's investments.

### **BUSINESS OVERVIEW**

Please refer to Chapter 6 of the *Document de Référence* (pages 34-123) for details of the Issuer's principal activities and the principal markets in which the Issuer competes. Please also refer to Chapter 4, Paragraph 4.1.3 of the *Document de Référence* (pages 14-16) for a complete description of Insurance issues relating to the Issuer's activity.

### **ORGANISATIONAL STRUCTURE**

Please refer to Chapter 6, Section 6.3 of the *Document de Référence* (pages 72-97) for details of the Issuer's organisational structure.

---

## **ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

Please refer to Chapter 14 (pages 166-175) and Chapter 16 (pages 180-183) of the *Document de Référence* for details of the administrative, management, and supervisory bodies of the Issuer.

## **BOARD PRACTICES**

Please refer to Chapter 14 (pages 166-175) and Chapter 16 (pages 180-183) of the *Document de Référence* for details of the Issuer's board practices, as well as Schedules A, B, C, and D of the *Document de Référence*.

## **FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**

Please refer to Chapter 9 (pages 128-162) of the *Document de Référence* and Chapter 20 (pages 197-302) of the *Document de Référence* for details of selected financial information relating to the Issuer.

In respect of legal arbitration and proceedings relating to the Issuer, please refer to Chapter 20, Section 20.6 (pages 297-302) of the *Document de Référence*.

## **ADDITIONAL INFORMATION**

Please refer (i) to Chapter 21, Sections 21.2.1 (page 307) and 21.1 (pages 303-310) of the *Document de Référence* for details of the Issuer's share capital and constitutional documents.

## **MATERIAL CONTRACTS**

Apart from the public service contract described in Section 6.4.3.4 "Public service" of the *Document de Référence*, the contracts entered into with AEM Milan relating to the joint take-over of Edison mentioned in Section 6.3.1.3.1.3 ("*Joint take-over of Edison by EDF and AEM Milan*") of the *Document de Référence* and the industrial partnership agreement entered into with Exeltium and detailed in Section 6.2.1.2.2.2 ("*Prices of sale of electricity to eligible customers*") of the *Document de Référence*, EDF has not entered into any major contract except for those of its daily business within the last two years preceding the *Document de Référence*. For information relating to the contracts concluded by the EDF Group during the 2005 financial year, see notes 11 and 35 to the consolidated financial statements for the year ended December 31, 2006 included in the *Document de Référence*.

Investors should when reading the information incorporated by reference take into account the "Recent Events" section of this Base Prospectus which may modify or supersede the information incorporated by reference.

## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to the provisions of Article 16 of the Prospectus Directive and article 212-25 of the General Regulations of the *Autorité des marchés financiers* and any legislation in any Member State of the European Economic Area that implements the Prospectus Directive and subordinated legislation hereto, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus which in respect of any subsequent issue of Instruments shall amend or supplement this Base Prospectus. Such supplement to this Base Prospectus will be submitted to the *Autorité des marchés financiers* for the purposes of obtaining its visa thereon.



## FORM OF THE BEARER INSTRUMENTS WHILE IN GLOBAL FORM

Each Tranche of Bearer Instruments will be in bearer form and will be initially issued in the form of a temporary global Instrument (a “**Temporary Global Instrument**”) or, if so specified in the applicable Final Terms, a permanent global Instrument (a “**Permanent Global Instrument**”) and, together with a Temporary Global Instrument, the “**Global Instruments**” and each a “**Global Instrument**”) which, in either case, will:

- (i) if the Global Instruments are intended to be issued in New Global Instrument (“**NGI**”) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank S.A./N.V., (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream**”); and
- (ii) if the Global Instruments are issued in Classic Global Instrument (“**CGI**”) form because they are not intended to be recognisable as eligible collateral for Eurosystem monetary policy and intra-day credit operations, be delivered on or prior to the original issue date of the Tranche to a common depository (the “**Common Depository**”) for Euroclear and Clearstream.

Whilst any Instrument is represented by a Temporary Global Instrument, payments of principal, interest (if any) and any other amount payable in respect of the Instruments due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Instrument if the Temporary Global Instrument is intended to be issued in CGI form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Instrument are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream and Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Fiscal Agent.

On and after the date (the “**Exchange Date**”) which is 40 days after the Temporary Global Instrument is issued, interests in such Temporary Global Instrument will be exchangeable (free of charge) upon a request as described therein for either (i) interests in a Permanent Global Instrument of the same Series or (ii) definitive Instruments of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Instruments, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Instrument will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Instrument for an interest in a Permanent Global Instrument or for definitive Instruments is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts due on a Permanent Global Instrument will be made through Euroclear and/or Clearstream (against presentation or surrender (as the case may be) of the Permanent Global Instrument if the Permanent Global Instrument is intended to be issued in CGI form) without any requirement for certification.

---

Interests in a Permanent Global Instrument will be exchangeable by the Issuer (in whole but not in part only) at the option of the Holder of such Permanent Global Instrument for Definitive Instruments (a) only upon the occurrence of an Exchange Event or (b) if so specified in the Final Terms, at the option of the Holder of such Permanent Global Instrument upon such Holder's request. For these purposes, "**Exchange Event**" means that (i) if an Event of Default (as defined in Condition 7.1) occurs in respect of any Instrument of the relevant Series; or (ii) if either Euroclear, Clearstream, Euroclear France or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so. The Issuer will promptly give notice to holders of Bearer Instruments in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Global Instrument) may give notice to the Fiscal Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (a) above, the Issuer may also give notice to the Fiscal Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent. In order to exercise the option contained in paragraph (b), the Holder must, not less than 45 days before the date upon which the delivery of such Definitive Instruments is required, deposit the relevant Permanent Global Instrument with the Fiscal Agent at its specified office with the form of exchange notice endorsed thereon duly completed. If the Issuer does not make the required delivery of Definitive Instruments by 6.00 p.m. (London time) on the day on which the relevant notice period expires or, as the case may be, the thirtieth day after the day on which such Permanent Global Instrument becomes due to be exchanged and, in the case of (a) above, such Instrument is not duly redeemed (or the funds required for such redemption are not available to the Fiscal Agent for the purposes of effecting such redemption and remain available for such purpose) by 6.00 p.m. (London time) on the thirtieth day after the day at which such Instrument became immediately redeemable such Permanent Global Instrument will become void in accordance with its terms but without prejudice to the rights conferred by the Deed of Covenant.

The following legend will appear on all Bearer Instruments which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Instruments:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections of the Internal Revenue Code of 1986, as amended (the "**Code**"), referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Instruments, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Bearer Instruments, receipts or interest coupons.

Bearer Instruments which are represented by a Global Instrument will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream as the case may be.

---

Pursuant to the Issue and Paying Agency Agreement (as defined in the “Terms and Conditions of the Instruments”), the Fiscal Agent shall arrange that, where a further Tranche of Instruments is issued which is intended to form a single Series with an existing Tranche of Instruments, the Instruments of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Instruments of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Instruments of such Tranche.

Any reference herein to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Fiscal Agent.

## TERMS AND CONDITIONS OF THE INSTRUMENTS

*The following are the Terms and Conditions of the Instruments which, subject to completion in relation to any Instruments by the relevant Final Terms, will be applicable to each Series of Instruments. All capitalised terms that are not defined in these Terms and Conditions shall have the meaning given in the relevant Final Terms:*

The Instruments are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement (as amended, supplemented or replaced, the "**Issue and Paying Agency Agreement**") dated 8 June 2007 and made between Electricité de France (the "**Issuer**"), The Bank of New York acting through its London Branch in its capacity as fiscal agent (the "**Fiscal Agent**", which expression shall include any successor to The Bank of New York in its capacity as such) and as calculation agent unless an alternative calculation agent is appointed in the Final Terms (as defined below) in relation to a particular issue of Instruments (the "**Calculation Agent**") and CACEIS Bank Luxembourg in its capacity as principal registrar (the "**Principal Registrar**", which expression shall include any successor to CACEIS Bank Luxembourg in its capacity as such), and the paying agents named therein (the "**Paying Agents**", which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement). The Instruments have the benefit of an amended and restated deed of covenant (as amended, supplemented or replaced, the "**Deed of Covenant**") dated 8 June 2007 executed by the Issuer in relation to the Instruments. Copies of the Issue and Paying Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents and the Principal Registrar, and any alternative registrar appointed in accordance with the Final Terms (the "**Alternative Registrar**"). All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement and the Deed of Covenant insofar as they relate to the relevant Instruments. The Registrar is as defined in Condition 2.2.

The Instruments are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Instruments. Each Tranche will be the subject of Final Terms (each, the "**Final Terms**"), a copy of which will be available during normal business hours at the specified office of the Fiscal Agent and/or, as the case may be, the Registrar (as defined in Condition 2.2). In the case of a Tranche of Instruments in relation to which application has not been made for listing on any stock exchange, copies of the Final Terms will only be available for inspection by a Holder (as defined in Condition 2.1 and Condition 2.2) of or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant), in respect of such Instruments.

References in these Terms and Conditions to Instruments are to Instruments of the relevant Series and any references to Coupons (as defined in Condition 1.6) and Receipts (as defined in Condition 1.7) and Talons (as defined in Condition 1.6) are to Coupons, Receipts and Talons relating to Instruments of the relevant Series.

References in these Terms and Conditions to the Final Terms are to the Final Terms prepared in relation to the Instruments of the relevant Tranche or Series.

In respect of any Instruments, references herein to these Terms and Conditions are to these terms and conditions as completed by the Final Terms.

## Terms and Conditions of the Instruments

---

### 1. Form and Denomination

- 1.1 Instruments are issued in bearer form ("**Bearer Instruments**") or in registered form ("**Registered Instruments**"), as specified in the Final Terms and are serially numbered. Registered Instruments will not be exchangeable for Bearer Instruments.

#### ***Bearer Instruments***

- 1.2 The Final Terms shall specify whether U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") or U.S. Treasury Regulation § 1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") shall apply. Unless the Final Terms specify that TEFRA C Rules are applicable in respect of Instruments, each Tranche of Bearer Instruments is represented upon issue by a temporary global Instrument (a "**Temporary Global Instrument**").

Where the Final Terms applicable to a Tranche of Bearer Instruments specify that the TEFRA C Rules apply, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a permanent global Instrument (a "**Permanent Global Instrument**").

Interests in a Temporary Global Instrument may be exchanged for:

- (i) interests in a Permanent Global Instrument; or
- (ii) if so specified in the Final Terms, definitive Instruments in bearer form ("**Definitive Instruments**") and/or (in the case of a Series comprising both Bearer Instruments and Registered Instruments and if so specified in the Final Terms) Registered Instruments.

Exchanges of interests in a Temporary Global Instrument for Definitive Instruments or, as the case may be, a Permanent Global Instrument will be made only on or after the Exchange Date (as specified in the Final Terms) and (unless the Final Terms specify that the TEFRA C Rules are applicable to the Instruments) provided certification as to the beneficial ownership thereof as required by U.S. Treasury Regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received. An exchange for Registered Instruments will be made at any time or from such date as may be specified in the Final Terms, in each case, without any requirement for certification.

- 1.3 The bearer of any Temporary Global Instrument shall not be entitled to receive any payment in respect of the Instruments represented by such Temporary Global Instrument which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date (unless, upon due presentation of such Temporary Global Instrument for exchange (in whole but not in part only) for a Permanent Global Instrument or for delivery of Definitive Instruments and/or Registered Instruments, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date).

## Terms and Conditions of the Instruments

---

- 1.4 Unless the Final Terms specify that the TEFRA C Rules are applicable to the Instruments and subject to Condition 1.3 above, if any date on which a payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by a Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear Bank S.A./ N.V. ("**Euroclear**") or Clearstream Banking, société anonyme, ("**Clearstream**") or Euroclear France ("**Euroclear France**") or any other relevant clearing system. Payments of amounts due in respect of a Permanent Global Instrument or (subject to Condition 1.3 above) a Temporary Global Instrument (if the Final Terms specify that the TEFRA C Rules are applicable to the Instruments) will be made through Euroclear, Clearstream, Euroclear France or any other relevant clearing system without any requirement for certification.
- 1.5 Interests in a Permanent Global Instrument will be exchanged by the Issuer (in whole but not in part only) at the option of the Holder of such Permanent Global Instrument, for Definitive Instruments and/or (in the case of a Series comprising both Bearer and Registered Instruments and if so specified in the Final Terms) Registered Instruments, (a) if an Event of Default occurs in respect of any Instrument of the relevant Series; or (b) if either Euroclear, Clearstream, Euroclear France or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so; or (c) if so specified in the Final Terms, at the option of the Holder of such Permanent Global Instrument upon such Holder's request. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than 45 days before the date upon which the delivery of such Definitive Instruments and/or Registered Instruments is required, deposit the relevant Permanent Global Instrument with the Fiscal Agent at its specified office with the form of exchange notice endorsed thereon duly completed. If the Issuer does not make the required delivery of Definitive Instruments and/or Registered Instruments by 6.00 p.m. (London time) on the day on which the relevant notice period expires or, as the case may be, the thirtieth day after the day on which such Permanent Global Instrument becomes due to be exchanged and, in the case of (a) above, such Instrument is not duly redeemed (or the funds required for such redemption are not available to the Fiscal Agent for the purposes of effecting such redemption and remain available for such purpose) by 6.00 p.m. (London time) on the thirtieth day after the day at which such Instrument became immediately redeemable such Permanent Global Instrument will become void in accordance with its terms but without prejudice to the rights conferred by the Deed of Covenant.
- 1.6 Interest-bearing Definitive Instruments have endorsed thereon a grid for recording the payment of interest or, if so specified in the Final Terms, have attached thereto at the time of their initial delivery coupons ("**Coupons**"), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. Interest-bearing Definitive Instruments, if so specified in the Final Terms, have

## Terms and Conditions of the Instruments

---

attached thereto at the time of their initial delivery, a talon ("**Talon**") for further coupons and the expression "**Coupons**" shall, where the context so requires, include Talons.

- 1.7 Instruments, the principal amount of which is repayable by instalments ("**Instalment Instruments**") which are Definitive Instruments, have endorsed thereon a grid for recording the repayment of principal or, if so specified in the Final Terms, have attached thereto at the time of their initial delivery, payment receipts ("**Receipts**") in respect of the instalments of principal.

### **Registered Instruments**

- 1.8 In respect of each Tranche of Instruments issued in registered form, the Issuer will deliver to each Holder of such Instruments a Registered Instrument which will be recorded in the register which the Issuer shall procure to be kept by the Registrar. Registered Instruments will be in substantially the form (subject to amendment and completion) scheduled to the Issue and Paying Agency Agreement. Registered Instruments will not be exchangeable for Bearer Instruments.

### **Denomination**

#### *Denomination of Bearer Instruments*

- 1.9 Bearer Instruments are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. Bearer Instruments of one denomination may not be exchanged for Bearer Instruments of any other denomination.

#### *Denomination of Registered Instruments*

- 1.10 Registered Instruments are in the minimum denomination specified in the Final Terms or integral multiples thereof.

### **Currency of Instruments**

- 1.11 The Instruments are denominated in such currency as may be specified in the Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

### **Partly Paid Instruments**

- 1.12 Instruments may be issued on a partly paid basis ("**Partly Paid Instruments**") if so specified in the Final Terms. The subscription moneys therefor shall be paid in such number of instalments ("**Partly Paid Instalments**") in such amounts, on such dates and in such manner as may be specified in the Final Terms. The first such instalment shall be due and payable on the date of issue of the Instruments. For the purposes of these Terms and Conditions, in respect of any Partly Paid Instrument, "**Paid Up Amount**" means the aggregate amount of all Partly Paid Instalments in respect thereof as shall have fallen due and been paid up in full in accordance with the Terms and Conditions.

## Terms and Conditions of the Instruments

---

Not less than 14 days nor more than 30 days prior to the due date for payment of any Partly Paid Instalment, (other than the first such Instalment) the Issuer shall publish a notice in accordance with Condition 14 stating the due date for payment thereof and stating that failure to pay any such Partly Paid Instalment on or prior to such date will entitle the Issuer to forfeit the Instruments with effect from such date ("**Forfeiture Date**") as may be specified in such notice (not being less than 14 days after the due date for payment of such Partly Paid Instalment), unless payment of the relevant Partly Paid Instalment together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any Partly Paid Instalments paid in respect of any Instruments subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the persons entitled thereto. The Issuer shall not be liable for any interest on any Partly Paid Instalment so returned.

Interest shall accrue on any Partly Paid Instalment which is not paid on or prior to the due date for payment thereof at the Rate of Interest (in the case of non-interest bearing Instruments, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Instruments for the period from and including the due date for payment of the relevant Partly Paid Instalment up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any Partly Paid Instalment made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 5.8).

Unless an Event of Default (as defined in Condition 7.1) (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default) shall have occurred and be continuing, on the Forfeiture Date, the Issuer shall forfeit all of the Instruments in respect of which any Partly Paid Instalment shall not have been duly paid, whereupon the Issuer shall be entitled to retain all Partly Paid Instalments previously paid in respect of such Instruments and shall be discharged from any obligation to repay such amount or to pay interest thereon, or (where such Instruments are represented by a Temporary Global Instrument or a Permanent Global Instrument) to exchange any interests in such Instrument for interests in a Permanent Global Instrument or to deliver Definitive Instruments or Registered Instruments in respect thereof, but shall have no other rights against any person entitled to the Instruments which have been so forfeited.

Without prejudice to the right of the Issuer to forfeit any Instruments, for so long as any Partly Paid Instalment remains due but unpaid, and except in the case where an Event of Default shall have occurred and be continuing (a) no interests in a Temporary Global Instrument may be exchanged for interests in a Permanent Global Instrument and (b) no transfers of Registered Instruments or exchanges of Bearer Instruments for Registered Instruments may be requested or effected.

Until such time as all the subscription monies in respect of Partly Paid Instruments shall have been paid in full and except in the case where an Event of Default shall have occurred and be continuing or if any of Euroclear, Clearstream, Euroclear France or any other relevant clearing system is closed for business for a continuous



## Terms and Conditions of the Instruments

---

period of 14 days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so, no interests in a Temporary Global Instrument or a Permanent Global Instrument may be exchanged for Definitive Instruments or Registered Instruments.

### 2. Title and Transfer

- 2.1 Title to Bearer Instruments, Receipts and Coupons passes by delivery. References herein to the "**Holders**" of Bearer Instruments or of Receipts or Coupons are to the bearers of such Bearer Instruments or such Receipts or Coupons.
- 2.2 Title to Registered Instruments passes by registration in the register which the Issuer shall procure to be kept by the Registrar. For the purposes of these Terms and Conditions, "**Registrar**" means, in relation to any Series comprising Registered Instruments, the Principal Registrar or, as the case may be, the Alternative Registrar, as specified in the Final Terms. References herein to the "**Holders**" of Registered Instruments are to the persons in whose names such Registered Instruments are so registered in the relevant register.
- 2.3 The Holder of any Bearer Instrument, Receipt, Coupon or Registered Instrument will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.
- 2.4 A person who is not a Holder shall have no right to enforce any term or condition of any Instruments under the Contracts (Rights of Third Parties) Act 1999.

### ***Transfer of Registered Instruments and exchange of Bearer Instruments for Registered Instruments***

- 2.5 A Registered Instrument may, upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the Final Terms) upon the surrender of the Registered Instrument to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.
- 2.6 If so specified in the Final Terms, the Holder of Bearer Instruments may exchange the same for the same aggregate principal amount of Registered Instruments upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement. In order to exchange a Bearer Instrument for a Registered Instrument, the Holder thereof shall surrender such Bearer Instrument at the specified office outside the United States of the Fiscal Agent or of the Registrar together with a written request for the exchange. Each Bearer Instrument so surrendered must be accompanied by all unmatured Receipts and Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the

## Terms and Conditions of the Instruments

---

exchange date (as defined in Condition 2.7) where the exchange date would, but for the provisions of Condition 2.7, occur between the Record Date (as defined in Condition 9B.3) for such payment of interest and the date on which such payment of interest falls due.

- 2.7 Each new Registered Instrument to be issued upon the transfer of a Registered Instrument or the exchange of a Bearer Instrument for a Registered Instrument will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such exchange or transfer be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer or request for exchange received by the Registrar or the Fiscal Agent after the Record Date in respect of any payment due in respect of Registered Instruments shall be deemed not to be effectively received by the Registrar or the Fiscal Agent until the day following the due date for such payment.

For the purposes of these Terms and Conditions:

- (i) **"Relevant Banking Day"** means a day on which commercial banks are open for business (including the registration or transfer of Registered Instruments and dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Instrument for a Registered Instrument where such request for exchange is made to the Fiscal Agent, in the place where the specified office of the Fiscal Agent is located;
  - (ii) the **"exchange date"** shall be the Relevant Banking Day following the day on which the relevant Bearer Instrument shall have been surrendered for exchange in accordance with Condition 2.6; and
  - (iii) the **"transfer date"** shall be the Relevant Banking Day following the day on which the relevant Registered Instrument shall have been surrendered for transfer in accordance with Condition 2.5.
- 2.8 The issue of new Registered Instruments on transfer or on the exchange of Bearer Instruments for Registered Instruments will be effected without charge by or on behalf of the Issuer, the Fiscal Agent or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Fiscal Agent or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.
- 2.9 Upon the transfer, exchange or replacement of Registered Instruments bearing the private placement legend (the **"Private Placement Legend"**) set forth in the form of Registered Instrument scheduled to the Issue and Paying Agency Agreement, the Registrar shall deliver only Registered Instruments that also bear such legend unless either (i) such transfer, exchange or replacement occurs three or more years after the later of (1) the original issue date of such Instruments or (2) the last date on which the Issuer or any affiliates (as defined below) of the Issuer as notified to the Registrar

## Terms and Conditions of the Instruments

---

by the Issuer as provided in the following sentence, was the beneficial owner of such Instrument (or any predecessor of such Instrument) or (ii) there is delivered to the Registrar an opinion reasonably satisfactory to the Issuer of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws. The Issuer covenants and agrees that it will not acquire any beneficial interest, and will cause its "**affiliates**" (as defined in paragraph (a)(1) of Rule 144 under the United States Securities Act of 1933, as amended (the "**Securities Act**")) not to acquire any beneficial interest in any Registered Instrument bearing the Private Placement Legend unless it notifies the Registrar of such acquisition. The Registrar and all Holders shall be entitled to rely without further investigation on any such notification (or lack thereof).

- 2.10 For so long as any of the Registered Instruments bearing the Private Placement Legend remain outstanding and are "**Restricted Securities**" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) under such Act, make available to any Holder of such Instruments in connection with any sale thereof and any prospective purchaser of such Instruments from such Holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

### 3. **Status of the Instruments**

The Instruments and, where applicable, any related Coupons and Receipts, constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (save for certain mandatory exceptions provided by French law).

### 4. **Negative Pledge**

- 4.1 So long as any of the Instruments remains outstanding, the Issuer will not create or have outstanding any mortgage, charge, pledge or other security interest upon the whole or any part of its undertaking, revenues or assets, present or future, in order to secure any Indebtedness, or any guarantee or indemnity in respect of any Indebtedness except for any mortgage, charge, pledge or other security interest granted by the Issuer on property purchased by the Issuer as security for all or part of the purchase price thereof or on nuclear fuel owned by it as security for the financing of the cost of acquisition and/or processing thereof, without at the same time according to the Instruments the same security.
- 4.2 For the purposes of this Condition 4 and Condition 7.1, "**Indebtedness**" means any monies borrowed and any indebtedness of the Issuer which, in each case, is in the form of or represented by any bond, note, debenture, debenture stock, loan stock,

## Terms and Conditions of the Instruments

---

certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

### 5. Interest

#### ***Interest***

- 5.1 Instruments may be interest-bearing or non interest-bearing, as specified in the Final Terms. Words and expressions appearing in this Condition 5 and not otherwise defined herein or in the Final Terms shall have the meanings given to them in Condition 5.8.

#### ***Interest-bearing Instruments***

5.2 (i) *Interest on Fixed Rate Instruments*

Instruments which are specified in the Final Terms as being Fixed Rate Instruments shall bear interest on their Outstanding Nominal Amount from their Interest Commencement Date at the relevant Rate of Interest payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified in the Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the Final Terms.

(ii) *Interest on Floating Rate Instruments and Index Linked Interest Instruments*

Each Floating Rate Instrument and Index Linked Interest Instrument bears interest on its Outstanding Nominal Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are specified in the Final Terms as Specified Interest Payment Date(s).

#### ***Floating Rate Instruments and Index Linked Interest Instruments***

- 5.3 The Rate of Interest in respect of Floating Rate Instruments for each Interest Accrual Period shall be determined in the manner specified in the Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the Final Terms. The Rate of Interest in respect of Index Linked Interest Instruments for each Interest Accrual Period shall be determined in the manner specified in the Final Terms.

(i) *ISDA Determination for Floating Rate Instruments*

Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent, as a rate equal to the relevant

## Terms and Conditions of the Instruments

---

ISDA Rate plus or minus (as indicated in the Final Terms) the Margin (if any) (as defined below in this Condition). For the purposes of this subparagraph (i), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the Final Terms;
- (y) the Designated Maturity is a period specified in the Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the Final Terms.

For the purposes of this sub-paragraph (i), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

The ISDA Definitions shall be available for inspection at the Calculation Agent's office, during normal business hours.

### (ii) *Screen Rate Determination for Floating Rate Instruments*

Where Screen Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

The Final Terms shall specify which page (the "**Relevant Screen Page**") on the Reuters Screen or any other information vending service shall be applicable. If such a page is so specified, the Rate of Interest applicable to the relevant Instruments for each Interest Accrual Period shall be determined by the Calculation Agent on the following basis:

- (i) The Calculation Agent will determine the offered rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being rounded upwards) of the rates for deposits) in the relevant currency for a period of the Specified Duration (as defined in Condition 5.8) commencing on the relevant Interest Determination Date on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if, on any Interest Determination Date, no such rate for deposits so appears at the Relevant Time (or, as the case may be, if fewer than two such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the Specified Currency are offered by four major Reference Banks (as defined in Condition 5.8) in the London interbank market or, where the basis for calculating the Floating Rate is EURIBOR, in the Euro-zone interbank

## Terms and Conditions of the Instruments

---

market, selected by the Calculation Agent at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market or, where the basis for calculating the Floating Rate is EURIBOR, in the Euro-zone interbank market for a period of the Specified Duration commencing on the relevant Interest Determination Date and in an amount that is representative for a single transaction in the relevant market at the relevant time;

- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (iv) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks selected by the Calculation Agent, in the Relevant Financial Centre (or, in the case of Instruments denominated in euro, in the Euro-zone) at approximately 11.00 a.m. on the first day of the relevant Interest Accrual Period for loans in the relevant currency to leading European banks for a period of the Specified Duration of the relevant Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Instruments during each Interest Accrual Period will be the sum of the relevant margin (the "**Margin**"), if any, specified in the Final Terms and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) so determined provided, however, that, if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Accrual Period, the Rate of Interest applicable to such Instruments during such Interest Accrual Period will be the sum of the Margin, if any, and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates) determined in relation to such Instruments in respect of the last preceding Interest Accrual Period.

### ***Maximum or Minimum Rates of Interest***

- 5.4 If any Maximum or Minimum Rate of Interest is specified in the Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

### ***Accrual of Interest***

- 5.5 (i) Interest shall accrue on the Outstanding Nominal Amount of each Instrument during each Interest Accrual Period from the Interest Commencement Date. Interest will cease to accrue as from the due date for redemption therefor (or in the case of an Instalment Instrument (as defined in Condition 1.7), in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount (as defined in Condition 6.1) unless upon due presentation or surrender thereof (if required), payment in full of the Redemption Amount (as defined in Condition 6.10) or the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the

## Terms and Conditions of the Instruments

---

payment thereof in which case interest shall continue to accrue on the nominal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Rate of Interest then applicable or such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Instrument or certificate (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant certificate is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 14 that the Fiscal Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

- (ii) The Rate of Interest in respect of Index Linked Interest Instruments for each Interest Accrual Period shall be determined in the manner specified in the Final Terms and interest will accrue by reference to an Index or formula as specified in the Final Terms.

- (iii) *Partly Paid Instruments*

In the case of Partly Paid Instruments (as defined in Condition 1.12) (other than Partly Paid Instruments which are Zero Coupon Instruments), interest will accrue as aforesaid on the paid-up nominal amount of such Instruments and otherwise as specified in the Final Terms.

- (iv) *Dual Currency Instruments*

In the case of Dual Currency Instruments, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange (as specified in the Final Terms) or a method of calculating the Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the Final Terms.

### ***Interest Amount(s), Calculation Agent and Reference Banks***

- 5.6 If a Calculation Agent is specified in the Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation) will determine the Rate of Interest and calculate the Interest Amount(s) in respect of each Specified Denomination of the Instruments for the relevant Interest Accrual Period, calculate the Redemption Amount (as defined in Condition 6.10) or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent,

## Terms and Conditions of the Instruments

---

each of the Paying Agents, the Registrar (in the case of Registered Instruments), the Issuer, the Holders in accordance with Condition 14 and, if the Instruments are listed on a stock exchange and the rules applicable to that exchange so require, such exchange as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the case of notification to the stock exchange the time required by the rules of the relevant stock exchange. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements be made by way of adjustment) without notice in the event of an extension or shortening of an Interest Accrual Period or of the Interest Period. If the Instruments become due and payable under Condition 7, the Rate of Interest and the accrued interest payable in respect of the Instruments shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be such number of Reference Banks as may be required for the purpose of determining the Rate of Interest applicable to the Instruments and a Calculation Agent, if provision is made therefore, in the relevant Final Terms and for so long as any Instrument is outstanding.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

### ***Calculations and Adjustments***

- 5.7 The amount of interest payable in respect of any Instrument for any period shall be calculated by multiplying the product of the Rate of Interest and the Outstanding Nominal Amount by the Day Count Fraction, save that if the Final Terms specify a specific amount in respect of such period, the amount of interest payable in respect of such Instrument for such period will be equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in the Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. Being rounded up to



## Terms and Conditions of the Instruments

---

0.00001 per cent.), (b) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards and (e) all Euro amounts will be rounded to the nearest cent, being Euro 0.01, with Euro 0.005 being rounded upwards.

### **Definitions**

5.8 **"Applicable Business Day Convention"** means the **"Business Day Convention"** which may be specified in the Final Terms as applicable to any date in respect of the Instruments. Where the Final Terms specify **"No Adjustment"** in relation to any date, such date shall not be adjusted in accordance with any Business Day Convention. Where the Final Terms fail either to specify an applicable Business Day Convention or **"No Adjustment"** for the purposes of an Interest Payment Date or an Interest Period End Date, then in the case of Instruments which bear interest at a fixed rate, **"No Adjustment"** shall be deemed to have been so specified and in the case of Instruments which bear interest at a floating rate, the Modified Following Business Day Convention shall be deemed to have been so specified. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates, Interest Period End Dates and any other date or dates in respect of any Instruments.

**"Banking Day"** means, in respect of any city, any day (other than a Saturday or a Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in that city.

**"Business Day"** means:

- (i) in the case of a currency other than Euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for each currency; and/or
- (ii) in the case of Euro, a day on which the TARGET system is operating (a **"TARGET Business day"**); and/or
- (iii) in the case of a currency and/or one or more additional business centres (**"Additional Business Centres"** as specified in the Final Terms), a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated generally in each of the Additional Business Centres.

**"Business Day Convention"** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the Final Terms in relation to any date applicable to any Instruments, shall have the following meanings:

## Terms and Conditions of the Instruments

---

- (i) **"Following Business Day Convention"** means that such date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (iv) **"Floating Rate Business Day Convention"** or **"Eurodollar Convention"** means that each such date shall be the date which numerically corresponds to the date of issue of the relevant Instruments or the preceding such date as the case may be, in the calendar month which is the number of months specified in the Final Terms after the calendar month in which such date of issue or preceding such date occurred provided that:
  - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (from and including the first day of such period to but excluding the last day of such period) whether or not constituting an Interest Period, (the **"Calculation Period"**), such day count fraction as may be specified in the Final Terms and:

- (i) if **"Actual/365"** or **"Actual/Actual-ISDA"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **"Actual/Actual-ICMA"** is so specified, means:
  - (a) if the Calculation Period is equal to or shorter than the Determination Period (as defined below) during which it falls, the number of days in

## Terms and Conditions of the Instruments

---

the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

- (b) if the Calculation Period is longer than one Determination Period, the sum of:
  - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

**"Determination Period"** means the period from and including an Interest Determination Date in any year to but excluding the next Interest Determination Date;

- (iii) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if **"30/360"**, **"360/360"** or **"Bond Basis"** is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if **"30E/360"** or **"Eurobond Basis"** is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

## Terms and Conditions of the Instruments

---

**"Early Redemption Amount"** means Early Redemption Amount (Tax) (as defined in Condition 6.2) or Early Termination Amount (as defined in Condition 7.2) as the case may be.

**"Euro"** means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty.

**"Euro-zone"** means the zone comprising the Member States of the European Union that participate or are participating in European Economic and Monetary Union and that adopt or have adopted the Euro as their lawful currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and the Treaty of Amsterdam, as amended.

**"Interest Accrual Period"** means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided always that the first Interest Accrual Period shall commence on and include the Interest Commencement Date and the final Interest Accrual Period shall end on but exclude the date of final maturity.

**"Interest Amount"** means the amount of interest payable and, in the case of Fixed Rate Instruments, means the Fixed Coupon Amount (as defined in the relevant Final Terms) or the Broken Amount (as defined in the relevant Final Terms), as the case may be.

**"Interest Commencement Date"** means the date of issue of the Instruments (as specified in the relevant Final Terms) or such other date as may be specified as such in the Final Terms.

**"Interest Determination Date"** means, in respect of any Interest Accrual Period, the date falling such number (if any) of Banking Days in such city(ies) as may be specified in the Final Terms prior to the first day of such Interest Accrual Period, or if none is specified:

- (i) if the Specified Currency is Pounds Sterling, the first day of such Interest Accrual Period; or
- (ii) if the Specified Currency is Euro, the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period; or
- (iii) if the Specified Currency is neither Pounds Sterling nor Euro, the date falling two London Banking Days prior to the first day of such Interest Accrual Period.

**"Interest Payment Date"** means the date or dates specified as such in, or determined in accordance with the provisions of, the Final Terms and, if an Applicable Business Day Convention is specified in the Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention provided that if the Applicable Business Day Convention is the Floating Rate Business Day Convention and an interval of a number of calendar months is

## Terms and Conditions of the Instruments

---

specified in the Final Terms as being the Interest Period, each of such dates, as may occur in accordance with the Floating Rate Business Day Convention at such specified period of calendar months following the date of issue of the Instruments (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

**"Interest Period"** means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the date of final maturity.

**"Interest Period End Date"** means the date or dates specified as such in, or determined in accordance with the provisions of, the Final Terms and, if an Applicable Business Day Convention is specified in the Final Terms, as the same may be adjusted in accordance with the Applicable Business Day Convention or, if the Applicable Business Day Convention is the Floating Rate Business Day Convention and an interval of a number of calendar months is specified in the Final Terms as the Interest Accrual Period, such dates as may occur in accordance with the Floating Rate Business Day Convention at such specified period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the Final Terms, means the date or each of the dates which corresponds with the Interest Payment Date(s) in respect of the Instruments.

**"ISDA Definitions"** means the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms.

**"Outstanding Nominal Amount"** means, in respect of an Instrument, its nominal amount less, in respect of any Instalment Instrument, any nominal amount on which interest shall have ceased to accrue in accordance with Condition 5.5 or, in the case of a Partly Paid Instrument (as defined in Condition 1.12), the Paid Up Amount (as defined in Condition 1.12) of such Instrument or otherwise as indicated in the Final Terms except that the Paid Up Amount shall be deemed to be nil for Instruments which have been forfeited by the Issuer on or after the Forfeiture Date as provided for in Condition 1.12.

**"Optional Redemption Amount"** means Early Redemption Amount (Call) (as defined in Condition 6.3) or Early Redemption Amount (Put) (as defined in Condition 6.6) as the case may be.

**"Rate of Interest"** means the rate of the interest payable from time to time in respect of an Instrument and which is either specified in or calculated in accordance with the provisions of the Final Terms.

**"Reference Banks"** means such banks as may be specified in the Final Terms as the Reference Banks or, if so provided in these Terms and Conditions or the Final Terms, as selected by the Calculation Agent or, if none are so specified or if no such

## Terms and Conditions of the Instruments

---

selection is provided for, "**Reference Banks**" has the meaning given in the ISDA Definitions, *mutatis mutandis*.

"**Relevant Financial Centre**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date or with respect to the Fixed Rate, the relevant financial centre as may be specified as such in the Final Terms or, if none is so specified, the relevant financial centre with which the relevant benchmark is most closely connected (which, in case of EURIBOR, shall be the Euro-zone) or, if not so connected, London.

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in specified currency in the interbank market in the Relevant Financial Centre and for this purpose "**local time**" means, with respect to Europe and the Euro-zone as Relevant Financial Centre, Central European Time.

"**Reuters Screen**" means, when used in connection with any designated page and any designated information, the display page so designated on the Reuters Markets 3000 (or such other page as may replace that page for the purpose of displaying such information), as disclosed in the Final Terms.

"**Specified Currency**" means the currency specified as such in the Final Terms or, if none is specified, the currency in which Instruments are denominated.

"**Specified Denomination**" means the denomination specified in the Final Terms.

"**Specified Duration**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the Final Terms or, if none is so specified, a period of time equal to the relative Interest Accrual Period ignoring any adjustment pursuant to this Condition.

"**TARGET system**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

### **Zero Coupon Instruments**

- 5.9 If any Redemption Amount (as defined in Condition 6.10) or Instalment Amount (as defined in Condition 6.1) in respect of any Instrument which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield defined in, or determined in accordance with the provisions of, the Final Terms or at such other rate as may be specified for this purpose in the Final Terms until the date on which, upon due presentation or surrender of the relevant Instrument or certificate (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Instrument or certificate is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment,

## Terms and Conditions of the Instruments

---

notice is given to the Holders of the Instruments in accordance with Condition 14 that the Fiscal Agent or the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 5.7 as if the Rate of Interest was the Amortisation Yield, the Outstanding Nominal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Final Terms or, if not so specified, 30E/360 (as defined in Condition 5.8).

### 6. Redemption and Purchase

#### *Redemption at Maturity*

- 6.1 Unless previously redeemed, or purchased and cancelled or unless such Instrument is stated in the Final Terms as having no fixed maturity date, each Instrument shall be redeemed at its final redemption amount (the "**Final Redemption Amount**") (which shall be its Outstanding Nominal Amount or such other redemption amount as may be specified in or determined in accordance with the Final Terms) (or, in the case of Instalment Instruments, in such number of instalments and in such amounts ("**Instalment Amounts**") as may be specified in, or determined in accordance with the provisions of, the Final Terms) on the date or dates (or, in the case of Instruments which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the Final Terms.

#### *Early Redemption for Taxation Reasons*

- 6.2 If, in relation to any Series of Instruments:
- (a) the Issuer determines that it would, on the occasion of the next payment in respect of such Instruments, be required to pay additional amounts in accordance with Condition 8; or
  - (b) the Issuer would, on the occasion of the next payment in respect of such Instruments, be prevented by French law or published regulations from making payment of the full amount then due and payable (notwithstanding the requirement to pay additional amounts in accordance with Condition 8),

then the Issuer may at its option in the case of (a) above, and shall forthwith in the case of (b) above, and provided:

- (i) such obligations cannot be avoided by the Issuer taking reasonable measures available to it; and
- (ii) such circumstances are evidenced by the delivery by the Issuer to the Fiscal Agent of a certificate signed by an authorised officer of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail,

## Terms and Conditions of the Instruments

---

having given no less than 30 nor more than 60 days' notice (ending, in the case of Instruments which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Instruments in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Instruments comprising the relevant Series at their early tax redemption amount (the "**Early Redemption Amount (Tax)**") (which shall be their Outstanding Nominal Amount or, in the case of Instruments which are non-interest bearing, their Amortised Face Amount (as defined in Condition 6.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon provided, however, that:

- in the case of redemption following either (a) or (b) above, no such notice of redemption may be given earlier than 90 days (or, in the case of Instruments which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Instruments plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Instruments then due; and
- in the case of redemption following (a) above, the due date for redemption shall be a date which is not earlier than the latest practicable date on which the Issuer would be able to make the relevant payment in full without being required to pay additional amounts in accordance with Condition 8; or
- in the case of redemption following (b) above, the due date for redemption shall be a date which is the latest practicable date on which the Issuer would be able to make the relevant payment in full or, if that date cannot be achieved, within 60 days following the effective date of any French law or regulation by virtue of which the next payment due in respect of the Instruments would have to be made subject to deduction or withholding with respect to French taxes (or, if that date is passed, as soon as is practicable thereafter).

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 6.6.

### ***Optional Early Redemption (Call)***

- 6.3 If this Condition 6.3 is specified in the Final Terms as being applicable then the Issuer may, having given the appropriate notice and subject to such conditions as may be specified in the Final Terms, redeem all (but not, unless and to the extent that the Final Terms specify otherwise, some only) of the Instruments of the relevant Series at their call early redemption amount (the "**Early Redemption Amount (Call)**") (which shall be their Outstanding Nominal Amount or, in the case of Instruments which are non-interest bearing, their Amortised Face Amount (as defined in Condition 6.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon on the date specified in such notice.



## Terms and Conditions of the Instruments

---

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 6.6.

6.4 The appropriate notice referred to in Condition 6.3 is a notice given by the Issuer to the Holders of the Instruments of the relevant Series in accordance with Condition 14, which notice shall be irrevocable and shall specify:

- the Series of Instruments subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Instrument or Permanent Global Instrument) the serial numbers of the Instruments of the relevant Series which are to be redeemed;
- the due date for such redemption, which shall be not less than 30 days (or such lesser period as may be specified in the relevant Final Terms) after the date on which such notice is given and which shall be such date or the next of such dates ("**Call Option Date(s)**") or a day falling within such period ("**Call Option Period**"), as may be specified in the Final Terms and which is, in the case of Instruments which bear interest at a floating rate, a date upon which interest is payable; and
- the Early Redemption Amount (Call) at which such Instruments are to be redeemed.

### ***Partial Redemption***

6.5 If the Instruments of a Series are to be redeemed in part-only on any date in accordance with Condition 6.3:

- in the case of Bearer Instruments (other than a Temporary Global Instrument or Permanent Global Instrument), the Instruments to be redeemed shall be drawn by lot in such European city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair;
- in the case of a Temporary Global Instrument or a Permanent Global Instrument, the Instruments to be redeemed shall be selected in accordance with the rules of Euroclear and/or Clearstream and/or any other relevant clearing system (to be reflected in the records of Euroclear and Clearstream as either a pool factor or a reduction in nominal amount, at their discretion); and
- in the case of Registered Instruments, the Instruments shall be redeemed (so far as may be practicable) pro rata to their principal amounts, provided always that the amount redeemed in respect of each Instrument shall be equal to the minimum denomination thereof or an integral multiple thereof;

## Terms and Conditions of the Instruments

---

subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Instruments may be listed.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 2.5 to 2.10 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

### ***Optional Early Redemption (Put)***

- 6.6 If this Condition 6.6 is specified in the Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the date specified in the relevant Put Notice (as defined below) at its put early redemption amount (the "**Early Redemption Amount (Put)**") (which shall be its Outstanding Nominal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 6.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than 45 days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates ("**Put Date(s)**") or a day falling within such period ("**Put Period**") as may be specified in the Final Terms), deposit the relevant Instrument (together, in the case of an interest-bearing Definitive Instrument, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 9A.6 apply)) during normal business hours at the specified office of, in the case of a Bearer Instrument, any Paying Agent or, in the case of a Registered Instrument, the Registrar together with a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar, specifying, in the case of a Temporary Global Instrument or Permanent Global Instrument or Registered Instrument, the aggregate principal amount in respect of which such option is exercised (which must be the minimum denomination specified in the Final Terms or an integral multiple thereof). No Instrument so deposited and option exercised may be withdrawn without the prior consent of the Issuer.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 2.5 to 2.10 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

The Holder of an Instrument may not exercise such option in respect of any Instrument which is the subject of an exercise by the Issuer of its option to redeem such Instrument under either Condition 6.2 or 6.3.

## Terms and Conditions of the Instruments

---

### ***Purchase of Instruments***

- 6.7 The Issuer or any of its subsidiaries may at any time purchase Instruments in the open market or otherwise and at any price in accordance with applicable laws provided that all unmatured Receipts and Coupons appertaining thereto are purchased therewith. If purchases are made by tender, tenders must be available to all Holders of Instruments alike.

### ***Cancellation of Redeemed and Purchased Instruments***

- 6.8 All unmatured Instruments and Coupons redeemed or purchased must be cancelled and may not be reissued or resold.

### ***Further Provisions applicable to Redemption Amount and Instalment Amounts***

- 6.9 The provisions of Condition 5.6 and the last paragraph of Condition 5.7 shall apply to any determination or calculation of the Redemption Amount or any Instalment Amount required by the Final Terms to be made by the Calculation Agent.
- 6.10 References herein to "**Redemption Amount**" shall mean, as appropriate, the Final Redemption Amount, the final Instalment Amount, Early Redemption Amount (Tax), Early Redemption Amount (Call), Early Redemption Amount (Put) and Early Termination Amount (as defined in Condition 7.2) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms.
- 6.11 In the case of any Instrument which is non-interest bearing, the "**Amortised Face Amount**" shall be an amount equal to the sum of:
- (i) the Issue Price specified in the Final Terms; and
  - (ii) the product of the Amortisation Yield (defined in, or determined in accordance with the provisions of the relevant Final Terms) (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the Final Terms to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Instrument becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 5.8) specified in the Final Terms for the purposes of this Condition 6.11.

- 6.12 If any Redemption Amount (other than the Final Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortised Face Amount shall be calculated as provided in Condition 6.11 but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Instrument becomes due and repayable were replaced by references to the earlier of:
- (i) the date on which, upon due presentation or surrender of the relevant Instrument (if required), the relevant payment is made; and

## Terms and Conditions of the Instruments

---

- (ii) (except where presentation or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 14 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

### 7. Events of Default

7.1 The following events or circumstances as modified by, and/or such other events as may be specified in, the Final Terms (each an "**Event of Default**") shall be acceleration events in relation to the Instruments of any Series:

- (i) the Issuer fails to pay any amount of principal in respect of the Instruments of the relevant Series or any of them on the due date for payment thereof or fails to pay any amount of interest in respect of the Instruments of the relevant Series or any of them within 15 days of the due date for payment thereof; or
- (ii) the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Instruments of the relevant Series and (except in any case where such default is incapable of remedy when no such continuation or notice, as is hereinafter mentioned, will be required) such default remains unremedied for 30 days after written notice requiring such default to be remedied has been received by the Issuer at the specified office of the Fiscal Agent by the Holder of any such Instrument; or
- (iii) (a) any Indebtedness (as defined in Condition 4.2) of the Issuer (being Indebtedness having an outstanding aggregate principal amount in excess of €100,000,000 or its equivalent in any other currency) is not paid when due or (as the case may be) within any original applicable grace period, (b) any Indebtedness (being Indebtedness having an outstanding aggregate principal amount in excess of €100,000,000 or its equivalent in any other currency) becomes due and payable prior to its stated maturity as a result of a default thereunder which is not remedied within the relevant grace period or (c) the Issuer fails to pay when due any amount payable by it under any guarantee of Indebtedness (being Indebtedness having an outstanding aggregate principal amount in excess of €100,000,000 or its equivalent in any other currency); or
- (iv) the Issuer is dissolved prior to redemption in full of the Instruments unless, at that time, the obligations and liabilities of the Issuer pursuant to the Instruments are transferred to a French legal entity and, until the Instruments have been repaid in full, (a) at least 51% of the capital of such entity remains, directly or indirectly, controlled by the Republic of France, or (b) the Instruments are assigned by Moody's Investors Service and Standard & Poor's Rating Services, a division of The McGraw-Hill Group of Companies (or, in the event that either or both of such institutions cease to exist, at least

## Terms and Conditions of the Instruments

---

two international rating agencies of comparable reputation), a rating equal to A+/A1 or more and the above-mentioned entity is an entity assuming all or part of the existing industrial activities of the Issuer and owning the assets corresponding with such activities, or (c) such entity's obligations and liabilities under the Instruments are unconditionally guaranteed by the Republic of France; or

- (v) the Issuer enters into an amicable settlement (*procédure de conciliation* in accordance with Articles L. 611-4 to L. 611-15 of the French Commercial Code) with creditors or a judgment is issued for judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of its business (*cession totale de l'entreprise*), or the Issuer is subject to proceedings to the same effect, or in the absence of legal proceedings the Issuer makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors.
- 7.2 If any Event of Default shall occur and be continuing in relation to any Series of Instruments, any Holder of an Instrument of the relevant Series may, by written notice to the Issuer which shall be effective upon receipt, at the specified office of the Fiscal Agent, declare that such Instrument and (if the Instrument is interest-bearing) all interest then accrued on such Instrument shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the "**Early Termination Amount**") (which shall be its Outstanding Nominal Amount or, if such Instrument is non-interest bearing, its Amortised Face Amount (as defined in Condition 6.11) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Instruments to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Instruments of the relevant Series shall have been cured.

## 8. Taxation

- 8.1 Interest and other revenues with respect to Instruments issued by the Issuer which constitute *obligations* under French law and which are being issued or deemed to be issued outside the Republic of France, will benefit from the exemption provided for in Article 131 *quater* of the *Code Général des Impôts* (General Tax Code) from deduction of tax at source. Accordingly, such payments do not give the right to any tax credit from any French source. The tax regime applicable to Instruments which do not constitute *obligations* will be set out in the relevant Final Terms.
- 8.2 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Instruments will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that

## Terms and Conditions of the Instruments

---

- event, the Issuer will to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable by the Issuer or by the Paying Agent in relation to any payment in respect of any Instrument or Coupon:
- (i) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon by reason of his having some connection with the Republic of France other than (a) the mere holding of such Instrument or Coupon or (b) the receipt of principal, interest or other amount in respect of such Instrument or Coupon; or
  - (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (iii) by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Instrument or Coupon to another Paying Agent in a Member State of the European Union; or
  - (iv) presented for payment more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of 30 days; or
  - (v) presented for payment in the Republic of France.
- 8.3 For the purposes of these Terms and Conditions, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the monies payable has not been received by the Fiscal Agent or, as the case may be, the Registrar on or prior to such due date, it means the first date on which, the full amount of such monies having been so received and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 14.
- 8.4 If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to the Republic of France references in Condition 6.2, Condition 8.2 and Condition 8.6 to the Republic of France shall be read and construed as references to the Republic of France and/or to such other jurisdiction(s).
- 8.5 Any reference in these Terms and Conditions to "**principal**" and/or "**nominal**" and/or "**interest**" in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 8. Unless the context

## Terms and Conditions of the Instruments

---

otherwise requires, any reference in these Terms and Conditions to "**principal**" and/or "**nominal**" shall include any premium payable in respect of an Instrument, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and "**interest**" shall include all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

- 8.6 Interest and other revenues with respect to Instruments issued by the Issuer which, if so specified in the relevant Final Terms, are not being issued or deemed to be issued outside the Republic of France, only benefit from the exemption from deduction of tax at source provided by, and subject to, the provisions of Article 125 A III of the *Code Général des Impôts*, which requires, inter alia, certification of non-French residency.
- 8.7 The holder of any Instrument referred to in 8.6 above shall be responsible for supplying certification of non-residency (in the form required by the French tax authorities from time to time) in accordance with the provisions of Article 125 A III of the *Code Général des Impôts* and the Issuer shall not be responsible for any deduction or withholding in respect of any payment made under any Instrument or Coupon resulting from the failure of such Holder to submit such certification.

### 9. **Payments**

#### 9A **Payments - Bearer Instruments**

- 9A.1 This Condition 9A is applicable in relation to Instruments in bearer form.
- 9A.2 Payment of amounts (other than interest) due in respect of Bearer Instruments will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Bearer Instruments at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Instrument which is a Definitive Instrument with Receipts will be made against presentation of the Instrument together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Instrument to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of an Instrument without the relative Receipt or the presentation of a Receipt without the Instrument to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

- 9A.3 Payment of amounts in respect of interest on Bearer Instruments will be made:
- (i) in the case of a Temporary Global Instrument or Permanent Global Instrument, against presentation of the relevant Temporary Global Instrument or Permanent Global Instrument at the specified office of any of the Paying Agents outside (unless Condition 9A.4 applies) the United States and, in the

## Terms and Conditions of the Instruments

---

case of a Temporary Global Instrument, upon due certification as required therein;

- (ii) in the case of Definitive Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Instruments at the specified office of any of the Paying Agents outside (unless Condition 9A.4 applies) the United States; and
  - (iii) in the case of Definitive Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Definitive Instruments, in either case at the specified office of any of the Paying Agents outside (unless Condition 9A.4 applies) the United States.
- 9A.4 Payments of amounts due in respect of interest on the Bearer Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 9A.7 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Instruments when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law. If paragraphs (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.
- 9A.5 If the due date for payment of any amount due in respect of any Bearer Instrument is not a Relevant Financial Centre Day and a Local Banking Day (each as defined in Condition 9C.3), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.5 or, if appropriate, Condition 5.9.
- 9A.6 Each Definitive Instrument initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:
- (i) if the Final Terms specify that this paragraph (i) of Condition 9A.6 is applicable (and, in the absence of specification, this paragraph (i) shall apply to Definitive Instruments which bear interest at a fixed rate or rates or in fixed



## Terms and Conditions of the Instruments

---

amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;

- (ii) if the Final Terms specify that this paragraph (ii) of condition 9A.6 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Definitive Instruments which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Definitive Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
- (iii) in the case of Definitive Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (iv) in the case of Definitive Instruments initially delivered with Receipts attached thereto, all Receipts relating to such Instruments in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 9A.6 notwithstanding, if any Definitive Instruments should be issued with a maturity date and a Rate of Interest or Rates of Interest such that, on the presentation for payment of any such Definitive Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

- 9A.7 In relation to Definitive Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised

## Terms and Conditions of the Instruments

---

in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 9A.4 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

### 9B Payments - Registered Instruments

- 9B.1 This Condition 9B is applicable in relation to Instruments in registered form.
- 9B.2 Payment of the Redemption Amount (together with accrued interest) due in respect of Registered Instruments will be made against presentation and, save in the case of partial payment of the Redemption Amount, surrender of the relevant Registered Instruments at the specified office of the Registrar. If the due date for payment of the Redemption Amount of any Registered Instrument is not a Relevant Financial Centre Day (as defined in Condition 9C.3), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and, will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.5 or, as appropriate, Condition 5.9.
- 9B.3 Payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at opening of business (local time in the place of the specified office of the Registrar) on the fifteenth Relevant Banking Day (as defined in Condition 2.7) before the due date for such payment (the "**Record Date**").
- 9B.4 Notwithstanding the provisions of Condition 9C.2, payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be made in the currency in which such amount is due by cheque and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 2.7) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency, in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Relevant Financial Centre Day, then the Holder thereof will not be entitled to

## Terms and Conditions of the Instruments

---

payment thereof until the first day thereafter which is a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.5 or, as appropriate, Condition 5.9.

### 9C **Payments - General Provisions**

9C.1 Save as otherwise specified in these Terms and Conditions, this Condition 9C is applicable in relation to Instruments whether in bearer or in registered form.

9C.2 Payments of amounts due (whether principal, interest or otherwise) in respect of Instruments will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency specified by the payee. Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws and regulations.

9C.3 For the purposes of these Terms and Conditions:

- (i) **"Relevant Financial Centre Day"** means, in the case of any currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments in the financial centre ("**Financial Centre**") specified as such in the Final Terms or in the case of payment in Euro, a day on which the TARGET System is operating; and
- (ii) **"Local Banking Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including the presentation and payment of bearer debt securities and dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Instrument or, as the case may be, Coupon.

9C.4 No commissions or expenses shall be charged to the Holders of Instruments or Coupons in respect of such payments.

### 9D **Redenomination**

9D.1 Where Redenomination is specified in the relevant Final Terms as being applicable, the Issuer, without the consent of the Holders of the Instruments, the Receipts or the Coupons, on giving at least 30 days' prior notice to the Holders of the Instruments, the Receipts or the Coupons in accordance with Condition 14, may elect that, with effect from the Redenomination Date specified in the notice, the Instruments shall be redenominated in Euro.

9D.2 The election will have effect as follows:

- (i) each Specified Denomination (as defined below) and, in the case of Fixed Rate Instruments, each amount specified on the Coupons will be deemed to

## Terms and Conditions of the Instruments

---

be denominated in such amount of Euro as is equivalent to its denomination or the amount of interest so specified in the Specified Currency (as defined below) at the Established Rate (as defined below), rounded down to the nearest Euro 0.01;

- (ii) after the Redenomination Date (as defined below), all payments in respect of the Instruments, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in Euro as though references in the Instruments to the Specified Currency were to Euro. Payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee, or at the option of the payee, by a Euro cheque;
- (iii) if the Instruments are Fixed Rate Instruments and interest for any period ending on or after the Redenomination Date is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (i) the number of those days falling in a leap year divided by 366 and (ii) the number of those days falling in a non-leap year divided by 365);
- (iv) if the Instruments are Floating Rate Instruments the relevant Final Terms will specify any relevant changes to the provisions relating to interest; and
- (v) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Fiscal Agent, and as may be specified in the notice, to conform them to conventions then applicable to Instruments denominated in Euro or to enable the Instruments to be consolidated with Other Instruments (as defined below) whether or not originally denominated in the Specified Currency or Euro. Any such other changes will not take effect until after they have been notified to the Holders of the Instruments in accordance with Condition 14.

### 9E Exchangeability

Where Exchangeability is specified in the relevant Final Terms as being applicable, the Issuer may without the consent of the Holders of the Instruments, the Receipts or the Coupons, on giving at least 30 days' prior notice to the Holders of the Instruments in accordance with Condition 14, elect that, with effect from the Redenomination Date or such later date for payment of interest under the Instruments as it may specify in the notice, the Instruments shall be exchangeable as the Issuer may decide, with the approval of the Fiscal Agent and as may be specified in the notice, including arrangements under which Receipts and Coupons unmatured at the date so specified become void.

### 9F Consolidation

The Issuer may also from time to time, without the consent of the Holders of the Instruments, consolidate the Instruments with one or more issues of other Instruments ("**Other Instruments**") issued by it, whether or not originally issued in the relevant currency in which

## Terms and Conditions of the Instruments

---

the Instruments are denominated or Euro, provided that such Other Instruments have been redenominated into Euro (if not originally denominated in Euro) and otherwise have, in respect of all periods subsequent to such consolidation, the same or substantially the same terms and conditions as the Instruments. The relevant issue and paying agency agreement(s) will be amended accordingly. The Fiscal Agent shall act as the consolidation agent (in such capacity, the "**Consolidation Agent**").

### 9G Definitions

In these Terms and Conditions, the following expressions have the following meanings:

- (i) "**Established Rate**" means the rate for conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into Euro established by the Council of the European Union pursuant to Article 123(4) of the Treaty;
- (ii) "**Other Instruments**" means, at any time, any one or more Series of other Instruments of the Issuer which have the same or substantially the same Terms and Conditions (as then in effect and which have not lapsed and/or the rights in respect of which have not been exercised) as the Instruments (other than in relation to the currency of original denomination and/or denomination and/or the Terms and Conditions relating to business days or interest accrual bases and/or the stock exchange(s), if any, on which such Instruments are listed and/or the clearing system(s) on which such Instruments are cleared and settled and/or Redenomination into Euro and/or notices);
- (iii) "**Redenomination Date**" means (in the case of interest bearing Instruments) any date for payment of interest under the Instruments or (in the case of non-interest bearing Instruments) any date, in each case specified by the Issuer in the notice given to the Holders of Instruments pursuant to Clause 9D.1 or Clause 9E above and which falls on or after such date as when the country of the Specified Currency has become a participating Member State in the single currency of the European Economic and Monetary Union as provided in the Treaty;
- (iv) "**Specified Currency**" means as defined in Condition 5.8;
- (v) "**Specified Denomination**" means as defined in Condition 5.8;
- (vi) "**Treaty**" means the Treaty establishing the European Community as amended from time to time.

### 10. Prescription

- 10.1 Claims against the Issuer for payment of principal and interest in respect of Instruments will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date (as defined in Condition 8.3) for payment thereof.
- 10.2 In relation to Definitive Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon

## Terms and Conditions of the Instruments

---

any Coupon which would be void upon issue pursuant to Condition 9A.6 or the due date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 10 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Instrument.

### 11. **The Paying Agents, the Registrars and the Calculation Agent**

11.1 The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or the Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent provided that it will at all times maintain (i) a Fiscal Agent, (ii) in the case of Registered Instruments, a Registrar, (iii) a Paying Agent (which may be the Fiscal Agent) with a specified office in a continental European city, (iv) a Paying Agent in an EU Member State that will not oblige such Paying Agent to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, (v) so long as the Instruments are listed on the Luxembourg Stock Exchange and/or any other stock exchange, a Paying Agent (which may be the Fiscal Agent) and a Registrar each with a specified office in Luxembourg and/or in such other place as may be required by the rules of such other stock exchange, (vi) so long as the Instruments are listed on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.) and it is required by the applicable law, a Paying Agent and a Registrar each with a specified office in Paris, (vii) in the circumstances described in Condition 9A.4, a Paying Agent with a specified office in New York City, and (viii) a Calculation Agent where required by the Terms and Conditions applicable to any Instruments (in the case of (i), (ii), (iii) and (viii) with a specified office located in such place (if any) as may be required by the Terms and Conditions). The Paying Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 14.

11.2 The Paying Agents, the Principal Registrar and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

### 12. **Replacement of Instruments**

If any Instrument, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the Final Terms (in the case of Bearer Instruments

## Terms and Conditions of the Instruments

---

and Coupons) or of the Registrar (in the case of Registered Instruments) ("**Replacement Agent**"), subject to all applicable laws and the requirements of any stock exchange on which the Instruments are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Instruments, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

### 13. Meetings of Holders and Modification

The Issue and Paying Agency Agreement contains provisions for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined below) of these Terms and Conditions and the Deed of Covenant insofar as the same may apply to such Instruments. The expression "**Extraordinary Resolution**" means a resolution passed at a meeting of the Holders of Instruments, duly convened and held, by a majority consisting of not less than three-fourths of the votes cast thereon. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Instruments of such Series.

Such a meeting may be convened by Holders of Instruments of the relevant Series holding not less than 10 per cent. of the Outstanding Nominal Amount of the Instruments of such Series. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in Outstanding Nominal Amount of the Instruments, or at any adjourned meeting two or more persons being or representing Holders whatever the Outstanding Nominal Amount of the Instruments held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to vary the date of maturity or any date of redemption of any of the Instruments or any date for payment of any principal or interest in respect thereof; or (ii) to reduce or cancel the principal amount of the Instruments of the relevant Series; or (iii) to vary (or to vary the method or basis of calculating or determining) the rate or amount of interest or to vary the rate of discount, rate of amortisation or any other rate of return applicable thereto; or (iv) to vary (or to vary the method or basis of calculating or determining) the amount payable on redemption of the Instruments, or in the case of any Instalment Instrument, any Instalment Amount; or (v) to modify any provision of the Deed of Covenant; or (vi) to modify the provisions concerning the quorum required at any meeting of Holders of the Instruments or any adjournment thereof or concerning the majority required to pass an Extraordinary Resolution; or (vii) to vary the currency in which any payment (or other obligation) in respect of the Instruments is to be made; or (viii) which would have the effect of giving any authority, direction or sanction which under the Terms and Conditions is required to be given pursuant to a meeting of the Holders of the Instruments to which the special quorum provisions apply; or (ix) to amend any of (i) to (viii) inclusive above in any manner, in which case the necessary quorum shall be two or more persons holding or representing not less than 50 per cent., or at any adjourned meeting two or more persons being or representing Holders whatever the Outstanding Nominal Amount of the Instruments held or represented.

The Issuer may, with the consent of the Fiscal Agent, but without the consent of the Holders of the Instruments of any Series or Coupons, amend these Terms and Conditions and the

## Terms and Conditions of the Instruments

---

Deed of Covenant insofar as they may apply to such Instruments to correct a manifest error. Subject as aforesaid, no other modification may be made to these Terms and Conditions or the Deed of Covenant except with the sanction of an Extraordinary Resolution.

### 14. Notices

#### ***To Holders of Bearer Instruments***

14.1 Notices to Holders of Bearer Instruments will, save where another means of effective communication has been specified herein or in the Final Terms, be deemed to be validly given if (i) published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) and (ii) in the case of any Instruments which are listed on the Luxembourg Stock Exchange (so long as such Instruments are listed on the Luxembourg Stock Exchange and the applicable rules of that exchange so require), in a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*) or on the Luxembourg Stock Exchange website, and (iii) in the case of any Instruments which are listed on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.) (so long as such Instruments are listed on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.) and the applicable rules of that exchange so require), in a leading daily newspaper having general circulation in Paris (which is expected to be *La Tribune*). If such publication is not practicable, in the case of (i) or (ii) above, if published in a leading English language daily newspaper having general circulation in Europe, and, in the case of (iii) above, if such publication is not practicable, if published in a leading French language daily newspaper having general circulation in the Republic of France, or, in the case of a Temporary Global Instrument or Permanent Global Instrument, if delivered to Euroclear and Clearstream for communication by them to the persons shown in their respective records as having interests therein, provided that, in the case of Instruments admitted to listing on any stock exchange, the rules of such stock exchange have been complied with. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or, as the case may be, on the fourth day after the date of such delivery to Euroclear and Clearstream. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Instruments in accordance with this Condition.

#### ***To Holders of Registered Instruments***

14.2 Notices to Holders of Registered Instruments will be deemed to be validly given if (i) sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth day after the date of such mailing or, if posted from another country, on the fifth such day, and (ii) in the case of Instruments which are listed on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.) (so long as such Instruments are listed on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.) and the the rules applicable to that exchange so require) if published in a leading newspaper having general circulation



## Terms and Conditions of the Instruments

---

in France (which is expected to be *La Tribune*) and (iii) in the case of Instruments which are listed on the Luxembourg Stock Exchange (so long as such Instruments are listed on the Luxembourg Stock Exchange and the rules of that exchange so require), if published in a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*).

### 15. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Instruments or Coupons, create and issue further Instruments, bonds or debentures having the same terms and conditions as such Instruments in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single Series with the Instruments of any particular Series.

### 16. Currency Indemnity

The currency in which the Instruments are denominated or, if different, payable, as specified in the Final Terms (the "**Contractual Currency**"), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Instruments, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or an order of a court of any jurisdiction or otherwise) by any Holder of an Instrument or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of an Instrument or Coupon in respect of such Instrument or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of an Instrument or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Instruments or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of an Instrument or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

### 17. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

### 18. Law and Jurisdiction

## Terms and Conditions of the Instruments

---

- 18.1 The Instruments, the Issue and Paying Agency Agreement and the Deed of Covenant are governed by, and shall be construed in accordance with, English law.
- 18.2 The Issuer irrevocably agrees for the benefit of the Holders of the Instruments that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Instruments (respectively, "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- 18.3 The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.
- 18.4 The Issuer agrees that the process by which any proceedings in England are begun may be served on it by being delivered to The Law Debenture Trust Corporation plc. at Fifth Floor, 100 Wood Street, London EC2V 7EX. If the appointment of the person mentioned in this Condition 18.4 ceases to be effective, the Issuer shall forthwith appoint a further person in England to accept service of process on its behalf in England and notify the name and address of such person to the Fiscal Agent and, failing such appointment within fifteen days, any Holder of an Instrument shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent. Nothing contained herein shall affect the right of any Holder of an Instrument to serve process in any other manner permitted by law.
- 18.5 The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Holders of the Instruments or any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.
- 18.6 The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings) provided that the properties and assets of the Issuer in France that are employed in a *service public* (public service) over which the French State or an *entité de droit public* (public law entity) have rights cannot be subject to any attachment or execution proceedings in France.
- 18.7 To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), the Issuer agrees not to claim and irrevocably waive such immunity to the full extent permitted by the laws of such jurisdiction.

## Terms and Conditions of the Instruments

---

### 19. Method of Publication of the Base Prospectus and the Final Terms

- 19.1 This Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Instruments listed and admitted to trading on any regulated market as defined by the Markets in Financial Instruments Directive 2004/39/EC (a "**Regulated Market**") will always be published on (a) the website of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) and (b) on the Issuer's website ([www.edf.fr](http://www.edf.fr)) and may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France and at the specified offices of each of the Paying Agents.
- 19.2 In addition, should the Instruments be listed and admitted to trading on a Regulated Market other than the Paris Stock Exchange (Eurolist of Euronext Paris S.A.), the Final Terms related to those Instruments will provide whether additional methods of publication are required and what they consist of.

## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Instruments will be applied by the Issuer to meet part of its general financing requirements.

## RECENT EVENTS

### 1. EDF's Credit Ratings as of 7 June 2007

Rating Agency	Long term rating	Short term rating	Update since December 2006
Moody's	Aa1, stable outlook	P-1	Reviewed on 7 June 2007, no change
Standard and Poor's	AA-, stable outlook	A-1+	Reviewed on 7 June 2007, stable outlook (negative outlook in December 2006)
Fitch IBCA	AA, stable outlook	F1+	Reviewed on 7 June 2007, no change

### 2. 24 May 2007 – EDF's General Shareholders' Meeting

EDF SA's General Shareholders' Meeting was held on 24 May at the *Palais des Congrès* in Paris. It brought together almost 1500 shareholders. The 18 resolutions proposed were adopted.

After noting the management report of the Board of Directors and the auditor's report, the General Shareholders' Meeting of 24 May approved the consolidated accounts for the financial year ending 31 December 2006. In addition, it decided to pay a dividend of €1.16 per share (a rise of 47%), representing a total of about €2.1 billion, to be paid out on 4 June 2007. The shareholding employees will thus receive almost €40 million. The balance of undistributed profits will be used to increase the equity capital of the company.

Among the other resolutions voted for, it will be particularly noted that the General Shareholders' Meeting authorised the Board of Directors to proceed to the award of free shares for the employees of the EDF Group (this authorisation is agreed for a period of 12 months from the General Shareholders Meeting). The total number of securities will represent a maximum of 0.2% of the capital. Furthermore, the plan to allocate free shares, named ACT 2007, is the subject of negotiations with the trade union organisations which will set the conditions.

In addition, the General Shareholders' Meeting has amended Article 21 of the articles of association of the company to enable distance voting, particularly by internet, at General Shareholders' Meetings.

This General Shareholders' Meeting of 24 May was also the opportunity for the Chairman to recall that 2006 was a year of significant progress for EDF and to restate the EDF Group's strategic directions for 2007: the relaunch of investments, the liberalisation of the market on 1 July, the renewal of skills, the continuation of the construction of the EDF Group in Europe and the necessity of making EDF a

## Recent Events

benchmark player in the revival of nuclear power at international level. While pursuing these objectives, EDF does not forget its public service commitments which are the pride of the staff, making up the strength of the EDF brand in France.

In his conclusion Pierre Gadonneix addressed the shareholders, telling them that they were “*co-owners of an industrial Group which holds major trump cards in the face of the energy and environmental challenges of the 21st century*”.

### 3. **14 May 2007 – 1<sup>st</sup> quarter 2007 organic sales growth: organic sales growth at 1.8% marked by the mild weather**

EDF Group’s sales stood at €17,430 million in the 1st quarter of 2007. Virtually unchanged from Q1 2006, this figure includes a negative scope effect amounting to €478 million, mainly due to disposals in Latin America in 2006. Excluding consolidation scope and exchange rate effects, Q1 2007 sales recorded organic growth of 1.8% against a particularly high base in Q1 2006 due to the cold weather in Europe and specifically in France (-0.9°C compared to the average temperatures for the period). Conversely, temperatures in Q1 2007 were much milder than historical averages across Europe and in particular in France (+1.9°C), thereby reducing electricity and natural gas consumption and triggering an unusual decline in wholesale prices during the period.

<i>In millions of Euros</i>	Q1 2007	Q1 2006*	Change 2007/2006*	Organic growth**
<b>France</b>	<b>9,807</b>	<b>9,739</b>	<b>+0.7%</b>	<b>+0.7%</b>
<b>United Kingdom</b>	2,613	2,271	+15.1%	+12.9%
<b>Germany</b>	1,901	1,733	+9.7%	+0.2%
<b>Italy</b>	1,247	1,616	-22.8%	-10.5%
<b>Rest of Europe</b>	1,551	1,419	+9.3%	+7.2%
<b>Europe excluding France</b>	<b>7,312</b>	<b>7,039</b>	<b>+3.9%</b>	<b>+3.3%</b>
<b>Rest of the world</b>	<b>311</b>	<b>795</b>	<b>-60.9%</b>	<b>+1.4%</b>
<b>EDF Group</b>	<b>17,430</b>	<b>17,573</b>	<b>-0.8%</b>	<b>+1.8%</b>

\* Restated for the effects of the retrospective application of IFRIC 4.

\*\*Excluding scope, exchange rate and method effects.

### **France**

First quarter 2007 sales stood at €9,807 million. Sales were virtually unchanged, with an 0.7% organic growth against a particularly strong first quarter 2006. Growth was

## Recent Events

---

slowed down by lower consumption by end-user customers, mainly due to the milder climate.

The EDF Group generated 56.3% of its sales in France.

### **Europe excluding France**

In Europe excluding France, with sales amounting to €7,312 million, the EDF Group recorded a 3.3% organic growth against Q1 2006 sales, which were up strongly in Europe excluding France. The climate also led to an easing of energy prices and lower volumes.

The EDF Group generated 42% of its sales in Europe excluding France.

**In the United Kingdom**, EDF Energy sales totalled €2,613 million, with an organic sales growth of 12.9%. This increase includes the impact of tariff increases for electricity and natural gas which took place in 2006 and a favourable price effect on electricity sales contracts with major clients, completed prior to 2007.

The growth of the customer portfolio, particularly for natural gas, offset lower electricity sales to residential customers.

**In Germany**, EDF Group sales excluding scope effects were stable (+0.2%) at €1,901 million. They were marked by lower natural gas sales and a pickup in electricity sales thanks to a positive price effect on electricity contracts linked with wholesale electricity markets (signed previously). EnBW sales included a positive scope effect of 9.5% due in particular to EnBW's increased stake in SWD.

**In Italy**, after various consolidation scope effects, sales, mainly comprised of Edison's contribution, stood at €1,247 million, with organic growth down 10.5%. Increased electricity sales by Edison in the deregulated market, thanks to higher production (commissioning of the Torviscosa combined cycle power station), were not sufficient to offset lower volumes, particularly in natural gas. Sales reported by Edison were down 8.4%.

**In the rest of Europe**, sales stood at €1,551 million, with organic growth at 7.2%. This growth was mainly due to the results of EDF Trading, particularly in the electricity market, and to positive price effects in some of the subsidiaries in Central and Eastern Europe.

### **Rest of the world**

Sales mainly reflected a negative scope effect due to the disposal of Light in Brazil. Sales stood at €311 million, with organic growth at 1.4%.

#### **4. 25 April 2007 – Competition authority decision relating to conservatory measures issued in the 'KalibraXE' litigation**

KalibraXE filed a complaint before the French competition authority (*Conseil de la concurrence*) on January 22, 2007 alleging that some anti-competitive practices had been, according to it, carried out by EDF. In addition to the complaint, that company also filed a request for conservatory measures.

## Recent Events

---

A hearing date was settled before the *Conseil de la concurrence* on April 4, 2007 in order to examine the admissibility of the main requests and the request for conservatory measures.

On 25 April 2007, the *Conseil de la concurrence* issued two conservatory measures, thereby ordering EDF (i) to amend its general terms of sale in order to define the rules applicable to early termination of supply agreements when concerning professional keepers, as well as (ii) to inform its eligible customers that no penalty is incurred on the normal expiration date of the agreement.

### 5. **10 April 2007 – Sale of the residual shareholding in Edenor**

In connection with the project of the listing of Edenor on the New York and Buenos Aires stock exchange markets currently in progress, EDF announced on 10 April, 2007 that it was contemplating the sale of the remainder of its shareholding in Edenor's share capital.

Such a sale was in fact completed by EDF on 4 May, 2007.

### 6. **5 April 2007 – Signature of an industrial partnership agreement between EDF and the Exeltium consortium**

EDF entered into an industrial partnership agreement with the Exeltium consortium, which details the terms of the memorandum of understanding which had been entered into on January 15, 2007 and allows Exeltium to benefit from a larger visibility over electricity supply prices in the long-term, in exchange for a sharing of the risks related to the development and the operation of EDF's nuclear facilities.

The approximately fifty industrials which may join the initial shareholders of the consortium will communicate their decision in the weeks following the signature of this partnership agreement.

Depending on Exeltium's finance raising schedule and subject to the European Commission's approval, the first electricity deliveries could take place at the beginning of Summer 2007.

### 7. **Long-term industrial agreement between EDF and Poweo**

This agreement concerns the supply by EDF of 160 MW of baseload nuclear electricity between 2007 and 2021 on economic terms that reflect the cost of developing a new nuclear generation method.

In return, Poweo will make part of the output of its future 412 MW combined cycle gas turbine power plant at Pont sur Sambre available to EDF, for the same capacity and duration, starting in 2009.



## Recent Events

---

8. **1 February 2007 – Edison warrants exercised.**

Edison announced on February 1, 2007 that 519,554,810 warrants had been exercised at the subscription price of one Euro, generating receipts of Euro 519.6 million for Edison. The EDF Group did not exercise its warrants as part of this operation.

9. **EDF launched, in mid-January 2007, a sale process concerning its assets in Mexico.**

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche of Instruments will be substantially in the following form, duly completed to reflect the particular terms of the relevant Instruments and their issue.*

**Final Terms dated •**

**[Logo, if document is printed]**

### ELECTRICITE DE FRANCE

Euro 11,000,000,000 Programme for the Issuance of Debt Instruments  
Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments]  
Issue Price: [•] per cent

PR  
2.2.9  
and  
2.2.10

**[Name(s) of Dealer(s)]**

The date of these Final Terms is [•]

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated • 2007 which received visa no [•] from the *Autorité des Marchés Financiers* (the "AMF") in France on [•] [and the supplemental Base Prospectus dated [•] which received visa no [•] from the *Autorité des Marchés Financiers* (the "AMF") in France on [•]]<sup>1</sup> which [together] constitute[s] a prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus. For so long as any Instruments are outstanding, copies of the Base Prospectus [and the supplemental Base Prospectus] (i) may be inspected and obtained, free of charge, during normal business hours at the specified offices of each of the Paying Agents, (ii) are available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and on the Issuer's website ([www.edf.fr](http://www.edf.fr)) and (iii) may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France [In addition<sup>2</sup>, the Base Prospectus [and the supplement to the Base Prospectus] [is/are] available for viewing [at/on] [•]].

Art. 14.2  
PD  
Arts 26 and  
33 PR

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a [Base Prospectus] with an earlier date.*

---

<sup>1</sup> Delete if no supplement is published.

<sup>2</sup> If the Instruments are admitted to trading on a regulated market other than Euronext Paris S.A.

## Form of Final Terms

---

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [original date] which received visa no [●] from the *Autorité des marchés financiers* (the "**AMF**") in France on [●] [and the supplemental Prospectus dated [●] which received visa no [●] from the AMF in France on [●]]. This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated [current date] which received visa no. [●] from the AMF in France on [●] [and the supplement to the Base Prospectus dated [●] which received visa no [●] from the AMF in France on [●]], which [together] constitute[s] a prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Base Prospectus] dated [original date] which received visa no [●] from the AMF in France on [●] [and the supplement to the Base Prospectus dated [●] which received visa no [●] from the AMF in France on [●]] and are attached hereto. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the [Base Prospectus] dated [original date] and the Base Prospectus dated [current date] [and the supplement(s) to the Base Prospectus dated [●]]. For so long as any Instruments are outstanding, copies of the Base Prospectuses [and the supplement(s) to the Base Prospectuses] and the Base Prospectus [and the supplement(s) to the Base Prospectus] (i) may be inspected and obtained, free of charge, during normal business hours at the specified offices of each of the Paying Agents, (ii) are available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and on the Issuer's website ([www.edf.fr](http://www.edf.fr)) and (iii) may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France [In addition<sup>1</sup>, the Base Prospectus [and the supplement(s) to the Base Prospectus] [is/are] available for viewing [at/on] [●]].

1. [(i)] Issuer: Electricité de France

2. [(i)] Series Number: [ ]

[(ii)] Tranche Number: [ ]

(If fungible with an existing Series, details of that Series, including the date on which the Instruments become fungible).]

3. Specified Currency or [ ] Currencies:

Annex V, 4.4

4. Aggregate Nominal Amount: [ ]

Annex V,  
5.1.2

[(i)] Series: [ ]

[(ii)] Tranche: [ ]

---

<sup>1</sup> If the Instruments are admitted to trading on a regulated market other than Euronext Paris S.A.

## Form of Final Terms

---

5.	Issue Price:	[ ] per cent of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]	Annex V, 5.3.1 Annex XII, 5.3
6.	Specified Denominations: (Condition 1.9 or 1.10)	[ ] <sup>1</sup> [ ]	
7.	[(i)] Issue Date:	[ ]	Annex V, 4.12
	[(ii)] Interest Commencement Date:	[ ]	Annex V, 4.7
8.	Maturity Date:	<i>[specify date or (for Floating Rate Instruments) Interest Payment Date falling in or nearest to the relevant month and year]</i>	Annex V, 4.8
9.	Interest Basis:	[• % Fixed Rate] [[specify reference rate] +/- • % Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (specify)] (further particulars specified below)	Annex V, 4.7
10.	Redemption/Payment Basis: <sup>2</sup>	[Redemption at Outstanding Nominal Amount] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]	Annex V, 4.8

---

<sup>1</sup> Where multiple denominations above Euro 50,000 or equivalent are being used, the following sample wording should be followed: "[Euro 50,000] and integral multiples of [Euro 1,000] in excess thereof up to and including [Euro 99,000]. No Instruments in definitive form will be issued with a denomination above [Euro 99,000]".

Section 6: Add the following language if the programme allows for issues of securities with a maturity of less than one year and the issuer is not an authorised person permitted to accept deposits or an exempt person under the UK Financial Services and Markets Act 2000. Delete square-bracketed text for issuers incorporated in the UK or within S 418 FSMA. The issue of securities with a maturity of less than one year by such issuers, where the issue proceeds are to be accepted in the United Kingdom, or, in the case of issuers incorporated in the UK or within S 418 FSMA, will be subject to S 19 FSMA unless their denomination is £100,000 or more (or its equivalent in other currencies) and they are only issued to "professionals" within Article 9(2)(a) of the Financial Services and Markets Act (Regulated Activities) Order 2001:

Instruments [(including Instruments denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of S 19 FSMA and] which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

Add appropriate provisions to terms and conditions if included.

<sup>2</sup> If the Final Redemption Amount is less than 100 per cent of the nominal value the Instruments will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive

## Form of Final Terms

---

11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Instruments into another interest or redemption/ payment basis]*
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. (i) Status of the Instruments: [Unsubordinated] Annex V, 4.5
- (ii) [Date of corporate authorisations for issuance of Instruments obtained: [[ ] and [ ], respectively] Annex V, 4.11
14. Method of distribution: [Syndicated/Non-syndicated] Annex V, 5.4.1, 5.4.3

### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Instrument Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"]/not adjusted]*
- (iii) Fixed Coupon Amount[(s)]: [ ] per [ ] in Outstanding Nominal Amount
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]*
- (v) Day Count Fraction: [30/360/Actual/Actual([ICMA/ISDA])/other]
- (vi) Determination Dates: [ ] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA]))*
- (vii) Other terms relating to the [Not Applicable/give details]

---

Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

## Form of Final Terms

---

method of calculating interest  
for Fixed Rate Instruments:

16. **Floating Rate Instrument Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [As defined in Condition 5.8] Annex V, 4.5
- (ii) Specified Interest Payment Dates/Specified Period: [ ] Annex XIII, 4.12
- (iii) Business Day Convention: [Specify unless no adjustment is required, in which case specify "No Adjustment". If nothing is specified, Modified Following Business Day Convention shall be deemed to have been specified (see Condition 5.8). Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
- (iv) Additional Business Centre(s): [ ]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]): [ ]
- (vii) Screen Rate Determination:
- Reference Rate: [ ]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ]
  - Reference Banks: [ ]

## Form of Final Terms

---

- Specified Duration: [ ]
  - (viii) ISDA Determination:
    - Floating Rate Option: [ ]
    - Designated Maturity: [ ]
    - Reset Date: [ ]
  - (ix) Margin(s): [ +/- ] [ ] per cent per annum
  - (x) Minimum Rate of Interest: [ ] per cent per annum
  - (xi) Maximum Rate of Interest: [ ] per cent per annum
  - (xii) Day Count Fraction: [ ]
  - (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions: [ ]
17. **Zero Coupon Instrument Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [ ] per cent per annum
  - (ii) Day Count Fraction: [ ]
  - (iii) Any other formula/basis of determining amount payable: [ ]
18. **Index Linked Interest Instruments/other variable-linked interest Instrument provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/formula/other variable: [give or annex details]
  - (ii) Calculation Agent responsible for calculating the interest due: [ ]
  - (iii) Provisions for determining Coupon where calculated by reference to Index and/or [ ]

## Form of Final Terms

---

formula and/or other variable:

(iv) Determination Date(s): [ ]

(v) Provisions for determining Coupon where calculation by reference to Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted:

Annex V, 4.7

(vi) Interest Period(s): [ ]

(vii) Specified Interest Payment Dates: [ ]

(viii) Business Day Convention: [Floating Rate Business Day Convention/  
Following Business Day Convention/Modified  
Following Business Day Convention/Preceding  
Business Day Convention/other *(give details)*]

(ix) Additional Business Centre(s): [ ]

(x) Minimum Rate of Interest: [ ] per cent per annum

(xi) Maximum Rate of Interest: [ ] per cent per annum

(xii) Day Count Fraction: [ ]

19. **Dual Currency Instrument Provisions**<sup>1</sup> [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Rate of Exchange/method of calculating Rate of Exchange: *[give details]*

(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [ ]

(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:

Annex V, 4.7

(iv) Person at whose option [ ]

---

<sup>1</sup> If the Final Redemption Amount is less than 100 per cent of the nominal value the Instruments will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro firma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.



## Form of Final Terms

---

Specified Currency(ies) is/are payable:

### PROVISIONS RELATING TO REDEMPTION

20. **Call Option** [Applicable/Not Applicable]  
(Condition 6.3) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption [ ]  
Date(s):
- (ii) Optional Redemption [Early Redemption Amount (Call)/Amortised Face  
Amount(s) of each Amount /other]  
Instrument and method, if  
any, of calculation of such  
amount(s):
- (iii) If redeemable in part:
- (a) Minimum Redemption [ ]  
Amount:
- (b) Maximum Redemption [ ]  
Amount:
- (iv) Notice period (if other [ ]  
than as set out in the  
Conditions):
21. **Put Option** [Applicable/Not Applicable]  
(Condition 6.6) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption [ ]  
Date(s):
- (ii) Optional Redemption [Early Redemption Amount (Put)/Amortised Face  
Amount(s) of each Amount/other]  
Instrument and method, if  
any, of calculation of such  
amount(s):
- (iii) Notice period (if other [ ]  
than as set out in the  
Conditions):

## Form of Final Terms

---

**22. Final Redemption Amount of each Instrument<sup>1</sup>** [Outstanding Nominal Amount/other/see Appendix]

In cases where the Final Redemption Amount is index-linked or other variable-linked:

- (i) Index/formula/variable: [give or annex details]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [ ]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or formula and/or other variable: [ ]
- (iv) Determination Date(s): [ ]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]
- (vi) Payment Date: [ ]
- (vii) Minimum Final Redemption Amount: [ ]
- (viii) Maximum Final Redemption Amount: [ ]

**23. Early Redemption Amount**

Early Redemption Amount(s) of each Instrument payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of [As set out in Condition 6 and Condition 7/give details]

---

<sup>1</sup> If the Final Redemption Amount is less than 100 per cent of the nominal value, the Instruments will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.

## Form of Final Terms

---

calculating the same (if required or if different from that set out in the Conditions):

### GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

24. (a) Form of Instruments: [Bearer/Registered] Annex V, 4.3  
(b) Bearer Instruments exchangeable for Registered Instruments:

If issued in Bearer Form:

- (a) New Global Instrument: [Yes / No]
- (b) Initially represented by a Temporary Global Instrument or Permanent Global Instrument:(Condition 1.2) [Specify. If nothing is specified and these Final Terms do not specify that the TEFRA C Rules apply, Instruments will be represented initially by a Temporary Global Instrument. If nothing is specified and these Final Terms specify that the TEFRA C Rules apply, the Instruments will be represented by a Permanent Global Instrument.]
- (c) Temporary Global Instrument exchangeable for Permanent Global Instrument or for Definitive Instruments and/or [(if the relevant Series comprised both Bearer and Registered Instruments)] Registered Instruments: [Specify.] (Exchanges for a Permanent Global Instrument or Definitive Instruments will be made on or after the Exchange Date set out at 36 below).
- Specify date from which exchanges for Registered Instruments will be made: (Condition 1.2) [Specify. If nothing is specified, exchanges will be made at any time.]
- (d) Permanent Global Instrument exchangeable at the option of the bearer for the Definitive Instruments and/or [(if the relevant Series comprises both Bearer Instruments and

## Form of Final Terms

---

- Registered Instruments]]  
Registered Instruments:  
(Condition 1.5)
- (e) Coupons to be attached to [Yes/No]  
Definitive Instruments:  
(Condition 1.6)
25. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. *Note that this item relates to the date and place of payment, and not interest payment dates and interest period end dates, to which items 15 (ii), 16(iv) and 18(ix) relate*]
26. Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
27. Details relating to Partly Paid Instruments: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Instruments and interest due on late payment]: [Not Applicable/*give details*]
28. Details relating to Instalment Instruments: amount of each instalment, date on which each payment is to be made: (Condition 6.1) [Not Applicable/*give details* (including whether Receipts will be attached (Condition 1.7)]
29. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions in Condition 9D and 9E apply]
30. Consolidation provisions: [Not Applicable/The provisions in Condition 9F apply/The provisions annexed to these Final Terms apply]
31. Other final terms: [Not Applicable/*give details for example Business Day Conventions applicable to any other dates (see Condition 5.8)*]

Annex V, 4.8

## Form of Final Terms

---

*(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

### DISTRIBUTION

32. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments] Annex V, 5.4.1, 5.4.3  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (ii) Date of [Subscription] Agreement: [ ] Annex V, 5.4.4
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
33. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
34. Total commission and concession: [ ] per cent. of the Aggregate Nominal Amount Annex V, 5.4.3
35. Additions or amendments to selling restrictions: [Not Applicable/give details] Annex V, 6.1
36. United States of America: Category 2 restrictions apply to the Instruments  
*[Specify whether the Instruments are subject to TEFRA C or TEFRA D Rules. In the absence of specification TEFRA D Rules will apply].*  
*[Specify whether Instruments are Rule 144A eligible].*  
*[Specify Exchange Date].*

## Form of Final Terms

---

### **[LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Instruments described herein pursuant to the €11,000,000,000 Programme for the Issuance of Debt Instruments of Electricité de France.]

Annex V, 6.1

### **RESPONSIBILITY**

Annex V, 1

The Issuer accepts responsibility for the information contained in these Final Terms.

Annex V, 7.4

Signed on behalf of the Issuer:

By: .....

Duly authorised

**PART B – OTHER INFORMATION**

**1. LISTING**

(i) Listing: [Paris Stock Exchange (Eurolist of Euronext Paris S.A.)/Luxembourg Stock Exchange/other (specify)/None] Annex V, 6.1

(ii) Admission to trading: [Application has been made for the Instruments to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.] Annex V, 6.2  
*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

(iii) Additional publication of Base Prospectus and Final Terms: [ ] *(See Condition 19 which provides that the Base Prospectus and Final Terms of Instruments listed and admitted to trading on any Regulated Market will be published on the websites of (a) the Autorité des marchés financiers and (b) the Issuer 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. Please provide for additional methods of publication in respect of a listing and admission to trading on a Regulated Market other than the Paris Stock Exchange (Eurolist of Euronext Paris S.A.))*

(iv) Regulated markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the securities offered or admitted to trading are already trading: [ ]

**2. RATINGS**

Ratings: The Instruments to be issued have been rated: Annex V, 7.5  
[S & P: [ ]]  
[Moody's: [ ]]  
[[Other]: [ ]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

(The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

### 3. [NOTIFICATION]

The *Autorité des marchés financiers* in France [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

### 4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Annex V, 3.1

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer."

### 5. [THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Annex V, 3.2  
Annex XII,  
3.2

Where a statement or report attributed to a person as an expert is included in respect of the Issuer or the Instruments, provide such person's name, business address, qualifications and material interest if any in the Issuer. If the report has been produced at the Issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part in respect of the Issuer or the Instruments.

Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the Issuer shall identify the source(s) of the information.]

### 6. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES



## Form of Final Terms

---

[(i) Reasons for the offer: [ ]  
(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds: ●  
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: ● [Include breakdown of expenses.]  
*(If the Instruments are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

### 7. [FIXED RATE INSTRUMENTS ONLY – YIELD

Annex V, 4.9

Indication of yield: ●  
Calculated as [include details of method of calculation in summary form] on the Issue Date.  
As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]

### 8. [FLOATING RATE INSTRUMENTS ONLY - HISTORIC INTEREST RATES

Annex V, 4.7

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

### 9. [INDEX-LINKED OR OTHER VARIABLE-LINKED INSTRUMENTS ONLY – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING<sup>1</sup>

Annex V, 4.7  
Annex XII,  
4.1.2, 4.2.2

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the

---

<sup>1</sup> For derivative securities to which Annex 12 to the Prospectus Directive Regulation applies, please complete instead paragraph 10 below relating to explanation of effect on value of investment, return on derivatives securities and information concerning the underlying.

## Form of Final Terms

---

circumstances when the risks are most evident and any market disruption or settlement disruption events that affect the underlying. Include details of rules with relation to events concerning the underlying.] [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]\*]

**10. [DUAL CURRENCY INSTRUMENTS ONLY – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT<sup>1</sup>**

Annex V, 4.7  
Annex XII,  
4.1.2, 4.2.2

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained, the underlying on which it is based and of the method used to relate the two, a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident and any market disruption or settlement disruption events that affect the underlying. Include details of rules with relation to events concerning the underlying.]*

**11. [DERIVATIVES ONLY - EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING<sup>2</sup>**

**EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

*Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying, the circumstances when the risks are most evident, and the risk that investors may lose part or all of their investment.*

**RETURN ON DERIVATIVES SECURITIES**

Return on derivative securities: [Description of how any return on derivative securities takes place]

Payment or delivery date: [•]

Method of calculation: [•]

---

<sup>1</sup> For derivative securities to which Annex 12 to the Prospectus Directive Regulation applies, please complete instead paragraph 10 below relating to explanation of effect on value of investment, return on derivatives securities and information concerning the underlying.

<sup>2</sup> Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote\*\* below.

\*\* If the Final Redemption Amount is less than 100% of the nominal value the Instruments will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

**INFORMATION CONCERNING THE UNDERLYING**

The exercise price or the final reference price of the underlying: [•]

Annex XII, 4.2.1

A statement setting out the type of the underlying and details of where information on the underlying can be obtained:

- an indication where information about the past and the further performance of the underlying and its volatility can be obtained: [•]

- where the underlying is a security: [Applicable/Not Applicable]

the name of the issuer of the security:

Annex XII, 4.1.1  
Annex XII, 4.2.2

the ISIN (International Security Identification Number) or other such security identification code:

- where the underlying is an index: [Applicable/Not Applicable]

the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained:

- where the underlying is an interest rate: [Applicable/Not Applicable]

a description of the interest [Applicable/Not Applicable]

## Form of Final Terms

---

rate:

- others:

where the underlying does not fall within the categories specified above the securities note shall contain equivalent information:

- where the underlying is a basket of underlyings: [Applicable/Not Applicable]

disclosure of the relevant weightings of each underlying in the basket:

A description of any market disruption or settlement disruption events that affect the underlying:

Annex XII, 4.2.3  
Annex XII, 4.2.4

Adjustment rules with relation to events concerning the underlying:]<sup>1</sup>

Annex XII, 4.2.4

### 12. [DERIVATIVES ONLY - POST ISSUANCE INFORMATION CONCERNING THE UNDERLYING]<sup>2</sup>

*Indicate whether or not the Issuer intends to provide post-issuance information concerning the underlying. If the Issuer intends to report such information, specify what information will be reported and where such information can be obtained.]*

---

<sup>1</sup> Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote\*\* below.

\*\* If the Final Redemption Amount is less than 100% of the nominal value the Instruments will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

<sup>2</sup> Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote\*\* below.

\*\* If the Final Redemption Amount is less than 100% of the nominal value the Instruments will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

## Form of Final Terms

---

### 13. [PLACING AND UNDERWRITING]<sup>1</sup>

Annex V, 5.2.1

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer: [•]

Annex XII, 4.1.2  
Annex V, 5.4.1  
Annex XII, 5.4.1

Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent): [•]

Annex XII, 5.4.2  
Annex V, 5.4.2

Names and addresses of entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements.<sup>2</sup> [•]

Annex XII, 5.4.3  
Annex V, 5.4.3

When the underwriting agreement has been or will be reached: [•]

Annex XII, 5.2.2  
Annex V, 5.2.2

### 14. OPERATIONAL INFORMATION

ISIN Code: [ ]

Annex V, 4.1

Common Code: [ ]

Annex XII, 4.1.1

Any clearing system(s) other than Euroclear France, Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Intended to be held in a [Yes/No]

---

<sup>1</sup> To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

<sup>2</sup> Where not all of the issue is underwritten, a statement of the portion not covered.

## Form of Final Terms

---

manner which would allow  
Eurosystem eligibility:

[Note that the designation "yes" simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs (Euroclear Bank S.A./N.V. or Clearstream Banking, *société anonyme*) as Common Safekeeper and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. *(include this text if "yes" is selected, in which case the instruments must be issued in NGI form).*]

Names and addresses of  
additional Paying Agent(s) (if  
any):

Annex V, 5.4.2

[Common Depositary: [ ]

Registrar: [Principal Registrar/Alternative Registrar - Specify]

### 15. [PUBLIC OFFER(S)]

Public Offer(s):

The Instruments may not, under any circumstances, be offered to the public in France, and may not, under any circumstances, be offered to the public elsewhere in circumstances which would require a prospectus to be published for this purpose, whether under Directive 2003/71/CE or under the laws of any relevant country.

### 16. OFFER CONDITIONS, STATISTICS AND EXPECTED TIMETABLE

(i) Offer conditions:

(ii) Offer statistics:

(iii) Expected timetable:

## TAXATION

**The information provided below does not purport to be a complete summary of French tax law and practice currently applicable. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisers.**

Subject to the exceptions set out in Condition 8.2 of the Terms and Conditions of the Instruments, payments in respect of the Instruments will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of the Republic of France as provided by Article 131 *quater* of the French General Tax Code, to the extent that the Instruments are issued (or deemed to be issued) outside France and constitute *obligations* within the meaning of the aforementioned article 131 *quater*.

Instruments constituting *obligations* under French law will be issued (or deemed to be issued) outside France (i) in the case of syndicated or non-syndicated issues of Instruments, if such Instruments are denominated in euro, (ii) in the case of syndicated issues of Instruments denominated in currencies other than euro, if, *inter alia*, the Issuer and the relevant Dealers agree not to offer the Instruments to the public in the Republic of France in connection with their initial distribution and such Instruments are offered in the Republic of France only through an international syndicate to qualified investors (*investisseurs qualifiés*) as described in Article L.411-2 of the French *Code monétaire et financier* or (iii) in the case of non-syndicated issues of Instruments denominated in currencies other than euro, if each of the subscribers of the Instruments is domiciled or resident for tax purposes outside the Republic of France in each case as more fully set out in the Circular of the *Direction Générale des Impôts* dated 30 September 1998.

However, Instruments constituting *obligations* denominated in currencies other than Euro may be issued on a non-syndicated basis and placed with subscribers not all of whom are resident outside the Republic of France. In such cases, the Instruments will not benefit from the exemption from deduction at source provided by Article 131 *quater* of the French General Tax Code and payments under such Instruments made to a non-French resident will be exempt from withholding or deduction at source only if the beneficiary of the payment provides certification that he is not resident in the Republic of France, all in accordance with the provisions of Article 125 A III of the French General Tax Code, as more fully described in "**Terms and Conditions of the Instruments - Taxation**".

The tax regime applicable to Instruments which do not constitute *obligations* will be set out in the relevant Final Terms.

A Holder of an Instrument will not be subject to French income taxes (other than withholding taxes) with respect to any payment under the Instruments, provided that such Holder is neither domiciled in the Republic of France nor deemed to be resident, established or carrying on an activity in the Republic of France for French tax purposes.

A Holder of an Instrument will not be subject to French taxes on capital gains with respect to any gains realised on the disposal of the Instruments provided that such Holder is neither domiciled in the Republic of France nor deemed to be resident, established or carrying on an activity in the Republic of France for French tax purposes.

## SUBSCRIPTION AND SALE

Instruments may be sold from time to time by the Issuer to any one or more of BNP Paribas, Dresdner Bank Aktiengesellschaft, Goldman Sachs International, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc and UBS Limited, (the "**Dealers**" and individually a "**Dealer**"). Instruments may also be sold by the Issuer directly to institutions who are not Dealers. The arrangements under which Instruments may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated 8 June 2007 (the "**Dealership Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Instruments.

Since the Instruments may not, under any circumstances, be offered to the public in France, and may not, under any circumstances, be offered to the public elsewhere in circumstances which would require a prospectus to be published for this purpose, whether under Directive 2003/71/CE or under the laws of any relevant country, the following selling restrictions shall apply under all circumstances.

### **United States of America**

Regulation S Category 2 TEFRA D, unless TEFRA C is specified as applicable in the relevant Final Terms; Rule 144A Eligible if so specified in the relevant Final Terms.

Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except that Instruments in registered form may be offered or sold to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on the exemption from registration requirements of the Securities Act provided by Rule 144A. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealership Agreement, it will not offer or sell Instruments (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Instruments comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Instruments to or through more than one Dealer, by each of such Dealers as to Instruments of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so



## Subscription and Sale

---

certified), within the United States or to, or for the account or benefit of, U.S. persons (other than Instruments sold pursuant to Rule 144A), and it will have sent to each distributor, dealer or person to which it sells Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the respective meanings given to them by Regulation S under the Securities Act.

In addition, until forty days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of Instruments within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act (if available).

Each purchaser of Instruments in registered form in the United States will, by its purchase of such Instruments, be deemed to have represented and agreed as follows:

- (i) it is (a) a qualified institutional buyer as defined in Rule 144A under the Securities Act, (b) aware that the sale to it is being made in reliance on Rule 144A and (c) acquiring such Instruments for its own account or for the account of a qualified institutional buyer who has been advised that the sale is being made to it in reliance on Rule 144A;
- (ii) it understands if it decides to offer, sell or otherwise transfer such Instruments, it may do so only (a) outside the United States in a transaction exempt from the registration requirements of the Securities Act pursuant to Rule 904 of Regulation S under the Securities Act, (b) in accordance with Rule 144A under the Securities Act to a person whom the seller and any person acting on behalf of the seller reasonably believe is a qualified institutional buyer that is purchasing for its own account or for the account of a qualified institutional buyer and to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A under the Securities Act or (c) if available, pursuant to the exemption from registration under the Securities Act provided by Rule 144 thereunder; and
- (iii) it understands that any Instrument in registered form purchased in the United States will bear a legend setting forth the representations and agreements in (ii) above.

Each Tranche of Instruments will also be subject to such further United States selling restrictions as the Issuer and the relevant Dealer(s) may agree and as indicated in the relevant Final Terms.

## Subscription and Sale

---

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Instruments to the public in that Relevant Member State.

For the purposes of this provision, the expression an "offer of Instruments to the public" in relation to any Instruments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### United Kingdom

Each Dealer has represented and agreed that:

- (a) in relation to any Instruments which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

### The Republic of France

Each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, the Instruments to the public in France and

## Subscription and Sale

---

neither the Base Prospectus nor any other offering material relating to the Instruments has been distributed or caused to be distributed or will be distributed or caused to be distributed to the public in France, except to qualified investors (*investisseurs qualifiés*) and to a restricted circle of investors (*cercle restreint d'investisseurs*), provided that such investors are acting for their own account and to persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined and in accordance with Article L.411-2, D.411-1, D.411-2, D. 411-3, D. 411-4, D.734-1, D.744-1, D.754-1 and D. 764-1 of the French *Code monétaire et financier*.

### Japan

The Instruments have not been and will not be registered under the Securities and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**Securities and Exchange Law**"). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Instruments in Japan or to, or for the benefit of, any resident of Japan or to others for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan except in circumstances which will result in compliance with the Securities and Exchange Law and all applicable other laws, regulations and ministerial guidelines in Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### The Netherlands

The Kingdom of the Netherlands excluding Aruba and the Netherlands Antilles ("**The Netherlands**").

Each of the Dealers and the Issuer agree and represent that it has not offered and will not offer any Instruments issued under the Programme to the public in The Netherlands and that no such offer shall be announced in writing (whether electronically or otherwise) to the public in The Netherlands, except to qualified investors (*gekwalificeerde beleggers*) pursuant to article 5:3 of the Netherlands Financial Markets Supervision Act (*Wet op het financieel toezicht*, the "FMSA"). Any subsequent resale or transfer of the Instruments issued under the Programme in The Netherlands which were previously the subject of an exception pursuant to the FMSA shall be regarded as a separate offer and sections 5:1 and 5:2 of the FMSA shall apply for the purpose of deciding whether that resale or transfer is an offer of Instruments to the public in The Netherlands. The Instruments may only be offered, directly or indirectly to the public in The Netherlands in compliance with chapter 5.1 of the FMSA and any applicable Netherlands law.

In addition and without prejudice to the relevant restrictions set out under (1) above, each Dealer represents and agrees that: Zero Coupon Instruments (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Netherlands Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Instrument in global form, or (b) in respect of the initial issue of

## Subscription and Sale

---

Zero Coupon Instruments in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Instruments in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Instruments within, from or into The Netherlands if all Zero Coupon Instruments (either in definitive form or as rights representing an interest in a Zero Coupon Instrument in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein "**Zero Coupon Instruments**" are Instruments that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

### General

Other than with respect to the listing of the Instruments on the relevant stock exchange, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "**General**" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer, with the exception of an Offer of Instruments to the Public which may not, in any case, be allowed in conformity with the Specific Selling Restrictions provided in this Base Prospectus. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Instruments) or (in any other case) in a supplement to this Base Prospectus.

## GENERAL INFORMATION

1. Further to the Prospectus Directive, application has been made to the *Autorité des marchés financiers* in its capacity as competent authority under French law for Instruments issued under the Programme described in this Base Prospectus to be listed on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.) during a period of twelve months after the date of this Base Prospectus. This Base Prospectus received the visa no. 07-173 on 8 June 2007 from the *Autorité des marchés financiers*. Unlisted Instruments and Instruments listed on another stock exchange(s) may also be issued under the Programme. A legal notice relating to the issue of such Instruments on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.) will be published in the *Bulletin des Annonces légales obligatoires* (BALO) prior to such listing.

2. Pursuant to article L. 228-40 of the French Commercial Code, any issue of Instruments under the Programme to the extent that such Instruments constitute *obligations* requires the prior authorisation of the Board of Directors which may delegate its powers within one year from the date of such authorisation to its *Président Directeur Général* or, with the approval of the latter, one or more *Directeurs Généraux Délégués*.

The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 22 March 1996. The maximum aggregate amount of Instruments to be issued under the Programme of €11,000,000,000 was authorised by a resolution of the Board of Directors of the Issuer passed on 4 April 2007 and pursuant to such a resolution the Board of Directors has authorised the issue of Instruments under the Programme or otherwise (to the extent they constitute *obligations* and/or *titres de créances*) up to an aggregate amount of €3,000,000,000 from 4 April 2007 until 4 April 2008, and delegated its powers to issue up to an aggregate amount of €3,000,000,000 of Instruments (to the extent they constitute *obligations* and/or *titres de créances*) in a maximum amount of €2,500,000,000 for each issue of Instruments to its *Directeur Général Délégué Finances*.

3. The Instruments have been accepted for clearance through Euroclear and Clearstream which are the entities in charge of keeping the records and, in the case of Instruments listed on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.), Euroclear France. The appropriate common code and the International Securities Identification Number, in relation to the Instruments of each Series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Instruments for clearance together with any further appropriate information.

The address of Euroclear is 1 boulevard du Roi Albert II, B-1210 Brussels.

The address of Clearstream, Luxembourg is 42 avenue JF Kennedy, L-1855 Luxembourg.

The address of Euroclear France is 115, rue Réaumur, 75081 Paris Cedex 02, France.

4. Bearer Instruments (other than Temporary Global Instruments) and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Bearer Instrument or Coupon generally will not be allowed to deduct any

## General Information

---

loss realised on the sale, exchange or redemption of such Bearer Instrument or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

**5.** Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Fiscal Agent or, as the case may be, the Registrar in relation to each Tranche of Instruments.

**6.** On 3 June 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income. Since 1 July 2005, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during the period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures (a withholding system in the case of Switzerland).

If, pursuant to the Terms and Conditions of the Instruments, a payment is made or collected through a Member State which has opted for a withholding system under the Directive and an amount of, or in respect of, tax is withheld from that payment, neither the Issuer nor any Paying Agent nor any other person will be obliged to pay additional amounts with respect to any Instrument as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

In relation to French taxation, the Directive has been implemented in French law under Article 242 *ter* of the French General Tax Code and Articles 49 I *ter* to 49 I *sexies* of the Schedule III to French General Tax Code. As regards Luxembourg taxation, the Directive has been implemented in Luxembourg by a law dated 21 June 2005.

**7.** Save as disclosed in this Base Prospectus, neither the Issuer nor any of its fully consolidated subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or any of its fully consolidated subsidiaries.

**8.** Since 31 December 2006, the last day of the financial period in respect of which the most recent annual audited consolidated financial statements of the Issuer have been prepared, and save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Issuer and no significant change in the financial or trading position of the Issuer and its fully consolidated subsidiaries.

**9.** The consolidated financial statements of the Issuer have been audited by Deloitte & Associés, KPMG SA for the year ending 31 December 2005 and 31 December 2006. The audit report relating to the 2005 consolidated financial statements draws attention to certain

## General Information

---

notes to the financial statements relating to its contractual obligations in renewing public sector concessions, and provisions relating to nuclear production. The audit report relating to the 2006 consolidated financial statements draws attention to certain notes to the financial statements relating to the valuation of long-term provisions relating to nuclear electricity production, as well as the approach adopted by EDF to present in its balance sheet its obligation to renew property plant and equipments used for the French public distribution of electricity. KPMG SA and Deloitte & Associés are members of the *Compagnie Nationale des Commissaires aux Comptes*.

**10.** There are no potential conflicts of interest between any duties to Electricité de France of the directors of Electricité de France and their private interests and/or other duties.

**11.** For so long as the Programme remains in effect or any Instruments are outstanding, copies of the following documents may be inspected and obtained, free of charge, during normal business hours at the specified offices of each of the Paying Agents, namely:

- (a) the *statuts* (by-laws) of the Issuer;
- (b) this Base Prospectus, any supplement to this Base Prospectus and any document incorporated by reference therein;
- (c) the Issue and Paying Agency Agreement;
- (d) the Deed of Covenant;
- (e) the Dealership Agreement;
- (f) the audited consolidated and non-consolidated financial statements of the Issuer for the periods ended 31 December 2005 and 2006; and
- (g) any Final Terms relating to Instruments which are listed on any stock exchange. (In the case of any Instruments not listed on any stock exchange, copies of the relevant Final Terms will only be available for inspection by a Holder of or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant), in respect of, such Instruments).

In addition, for as long as the Programme remains in effect or any Instruments remain outstanding, copies of this Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Instruments and any document incorporated by reference therein will be available for viewing on the Issuer's website ([www.edf.fr](http://www.edf.fr)) and may be obtained, free of charge, during normal business hours from Electricité de France, 22-30, avenue de Wagram, 75008 Paris, France.

For so long as the Programme remains in effect or any Instruments remain outstanding, the following documents will be available on the website of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)):

## General Information

---

- (a) the Final Terms for Instruments that are listed on the Paris Stock Exchange (Eurolist of Euronext Paris S.A.) or any other regulated market (for the purposes of the Markets in Financial Instruments Directive 2004/39/EC) in the European Economic Area; and
- (b) this Base Prospectus and any supplement to this Base Prospectus and any document incorporated by reference therein.

In addition, if the Instruments are listed and admitted to trading on a Regulated Market other than the Paris Stock Exchange (Eurolist of Euronext Paris S.A.), the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.



## PERSONS RESPONSIBLE FOR THE BASE PROSPECTUS

### Individual assuming responsibility for the Base Prospectus

In the name of the Issuer

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

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

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

Issued in Paris, on 7 June 2007

---

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

## **VISA OF THE AUTORITÉ DES MARCHÉS FINANCIERS**

In accordance with articles L.411-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the *Autorité des marchés financiers* ("**AMF**"), in particular articles 212-31 to 212-33, the AMF has granted to this Base Prospectus *visa* n° 07-173 on 7 June 2007. This Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. This Base Prospectus was prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.612-8-1-I of the French *Code monétaire et financier*, the *visa* was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This *visa* has been granted subject to the publication of Final Terms in accordance with article 212-32 of the AMF's General Regulations, setting out the terms of the Instruments being issued.

## RESPONSABILITE DU PROSPECTUS DE BASE

### *Personne qui assume la responsabilité du présent Prospectus de Base*

*Au nom de l'Émetteur*

Après avoir pris toute mesure raisonnable à cet effet, j'atteste que les informations contenues dans le présent Prospectus de Base sont, à ma connaissance, conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

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

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

*A Paris, le 7 juin 2007*

---

*M. Daniel Camus  
Directeur Général Délégué Finances  
Electricité de France*

## VISA DE L'AUTORITE DES MARCHES FINANCIERS

*En application des articles L.412-1 et L.621-8 du Code monétaire et financier et de son règlement général, notamment des articles 212-31 à 212-33, l'Autorité des marchés financiers (l'"AMF") a visé le présent Prospectus de Base le 7 juin 2007 sous le numéro 07-173. Ce Prospectus de Base ne peut être utilisé à l'appui d'une opération financière que s'il est complété par des conditions définitives. Il a été établi par l'émetteur et engage la responsabilité de ses signataires. Le visa, conformément aux dispositions de l'article L.621-8-1-I du Code monétaire et financier, a été attribué après que l'AMF a vérifié "si le document est complet et compréhensible, et si les informations qu'il contient sont cohérentes". Il n'implique pas l'authentification par l'AMF des éléments comptables et financiers présentés. Ce visa est attribué sous la condition suspensive de la publication de Conditions Définitives établies, conformément à l'article 212-32 du règlement général de l'AMF, précisant les caractéristiques des titres émis.*

**REGISTERED OFFICE OF THE ISSUER**

**Electricité de France**  
22-30, avenue de Wagram  
75008 Paris

**ARRANGER FOR THE PROGRAMME**

**Morgan Stanley & Co. International plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA

**DEALERS**

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA

**Dresdner Bank**

**Aktiengesellschaft**  
Juergen-Ponto-Platz 1  
D-60301 Frankfurt am Main

**Goldman Sachs  
International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB

**J.P. Morgan Securities  
Ltd.**

125 London Wall  
London EC2Y 5AJ

**Merrill Lynch  
International**

Merrill Lynch Financial  
Centre  
2 King Edward Street  
London EC1A 1HQ

**UBS Limited**

1 Finsbury Avenue  
London EC2M 2PP

**AUDITORS OF THE ISSUER**

**Deloitte & Associés**

185, avenue Charles de  
Gaulle  
92200 Neuilly-sur-Seine

**KPMG S.A.**

Immeuble le Palatio  
3, cours du Triangle  
92 923 Paris La Défense  
Cédex

**FISCAL AGENT AND CALCULATION AGENT**

**The Bank of New York**  
One Canada Square  
London E14 5AL United Kingdom

**PRINCIPAL REGISTRAR**  
**CACEIS Bank Luxembourg**  
5 Allée Scheffer  
L-2520 Luxembourg

**LUXEMBOURG PAYING AGENT**  
**CACEIS Bank Luxembourg**  
5 Allée Scheffer  
L-2520 Luxembourg

**PARIS PAYING AGENT**  
**CACEIS Corporate Trust**  
91-93, boulevard Pasteur  
75015 Paris  
France

**LEGAL ADVISERS**

*To the Issuer as to English and French Law*

**Lovells LLP**  
6, avenue Kléber  
75116 Paris  
France

*To the Dealers as to English and French Law*

**Clifford Chance Europe LLP**  
9, place Vendôme,  
CS 50018  
75038 Paris Cedex 01  
France

**LUXEMBOURG LISTING AGENT**  
**Société Générale Bank & Trust**  
11 Avenue Emile Reuter  
L-2420 Luxembourg