

BASE PROSPECTUS



€20,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Electricité de France (the "**Issuer**" or "**EDF**" or "**Electricité de France**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**") to qualified investors and the public in France or in any other Member State of the European Economic Area ("**EEA**") where this Base Prospectus has been notified to the competent authority in that Member State in accordance with the Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading. The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 20,000,000,000 (or the equivalent in other currencies at the date of issue of any Notes).

This Base Prospectus supersedes and replaces the Base Prospectus dated 20 April 2010.

Application has been made to the Autorité des marchés financiers (the "**AMF**") for approval of this Base Prospectus in its capacity as competent authority under the Prospectus Directive. This Base Prospectus received the visa no. 11-391 on 6 September 2011 from the AMF. Application may be made (i) to Euronext Paris during the period of 12 months from the date of this Base Prospectus for Notes issued under the Programme to be admitted to trading and/or (ii) to the competent authority of any other EEA Member State for Notes issued under the Programme to be admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC (a "**Regulated Market**"). However, Notes may be issued pursuant to the Programme which are not admitted to trading on any Regulated Market. The relevant final terms (the "**Final Terms**") (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading, and, if so, the relevant Regulated Market. The minimum denomination of each Note will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

The Programme is currently rated "Aa3" by Moody's Investors Service Ltd ("**Moody's**") and "AA-" by Standard and Poor's Ratings Services ("**Standard and Poor's**"). Notes issued pursuant to the Programme may be unrated or rated differently from the current ratings of the Programme. The rating of Notes (if any) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009 (the "**CRA Regulation**") will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. 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 without notice.

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**") as more fully described herein. Dematerialised Notes will at all times be in book entry form in compliance with Article L.211-3 of the French Code monétaire et financier. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be in bearer dematerialised form (au porteur) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes — Form, Denomination(s), Title and Redenomination") including Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or in registered dematerialised form (au nominatif) and, in such latter case, at the option of the relevant Noteholder (as defined in "Terms and Conditions of the Notes —

Form, Denomination(s), Title and Redenomination"), in either fully registered form (au nominatif pur), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (au nominatif administré) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached, on or after a date expected to be on or about the 40th day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Bearer Notes") upon certification as to non U.S. beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche (as defined in "Summary") intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

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

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus.

This Base Prospectus and the documents incorporated by reference herein are available on the websites of the Issuer' (www.edf.fr) and the AMF (www.amf.org) and can be obtained free of charge from the registered office of the Issuer.

Arranger for the Programme
BNP PARIBAS

Dealers

BNP PARIBAS

Société Générale Corporate & Investment Banking

Crédit Agricole CIB

The date of this Base Prospectus is 6 September 2011.

This Base Prospectus (together with any supplements to this Base Prospectus published from time to time, each a "Supplement" and, together, the "Supplements") constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading as amended (which includes the amendments made by Directive 2010/73/EU (the "2010 PD Amending Prospectus Directive") to the extent that such amendments have been implemented in a Member State of the European Economic Area) (herein referred to as the "Prospectus Directive"), and for the purposes of giving information, with regard to the Issuer and its fully consolidated subsidiaries (the "EDF Group") and the Notes, which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attached to the Notes.

This Base Prospectus should be read and construed in conjunction with any 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 Notes, should be read and construed together with the relevant Final Terms, the Base Prospectus and the Final Terms being together, the "Prospectus".

The Issuer 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 the Issuer 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, the Dealers or the Arranger.

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 Note 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 Notes in certain jurisdictions may be restricted by law. No action

has been taken by the Issuer, the Dealers or the Arranger which would permit a public offering of any Notes or distribution of this Base Prospectus in any such jurisdiction where action for that purpose is required. Accordingly no Notes 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 Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and may include Notes in bearer form which are subject to U.S. tax law requirements. Under United States legislation, subject to certain exceptions, Notes 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 Notes 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 Notes. 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.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes 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 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 and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s)) acting on behalf of any Stabilising Manager(s)) in accordance with applicable laws and rules.

In addition, liquidity provider(s) may be appointed in connection with the issue of any Tranche, in which case the applicable Final Terms will include all relevant details regarding the entity (ies) which have a firm commitment to act as intermediary (ies) in secondary trading.

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.

FORWARD-LOOKING STATEMENTS

This Base Prospectus may contain certain statements that are forward-looking including statements with respect to the Issuer's business strategies, expansion and growth of operations, trends in its business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "**believe**", "**expect**", "**project**", "**anticipate**", "**seek**", "**estimate**" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forwardlooking statements, which speak only as of the date hereof.

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SUMMARY

*This summary (the "**Summary**") is provided for the purposes of the issue of Notes of a denomination of less than Euro 50,000 (or its equivalent in other currencies). Investors in Notes 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 investors¹.*

The following paragraph is to be read as an introduction to the Summary if the relevant Member State has not implemented the changes to the Summary requirements under the Directive 2010/73/EU (the "2010 PD Amending Directive").

This Summary must be read as an introduction to this Base Prospectus. Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Where a claim relating to information contained in this Base Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member States of the European Community or states parties to the European Economic Area, be required to bear the costs of translating this Base Prospectus before the legal proceedings are initiated. No civil liability will attach to the persons who tabled the summary, including any translation thereof, and applied for its notification pursuant to Article 212-39 of the règlement général of the Autorité des marchés financiers, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus, including the documents incorporated by reference.

The following paragraph is to be read as an introduction to the Summary if the relevant Member State has implemented the changes to the Summary requirements under the 2010 PD Amending Directive.

This Summary must be read as an introduction to this Base Prospectus and is provided as an aid to investors when considering whether to invest in the Notes, but is not a substitute for the Base Prospectus. Any decision to invest in the Notes should be based on a consideration by any investor of the Base Prospectus as a whole, including any documents incorporated by reference and any supplement from time to time. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC, as amended by Directive 2010/73/EU) in each Member State of the European Economic Area, no civil liability will attach to the Issuer in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes. Where a claim relating to 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

¹ This Summary is provided for purposes of the issue of Notes of a Specified Denomination less than Euro 50,000 if the Issue Date of the Notes is on or prior to 30 December 2010, being the date of entry into force of Directive 2010/73/EU (the "**2010 PD Amending Directive**") and thereafter to the extent that the 2010 PD Amending Directive has not been implemented in the Relevant Member State. After 30 December 2010 and to the extent that Directive 2010/73/EU has been implemented in the Relevant Member State, this Summary shall apply to the issue of Notes of a Specified Denomination less than Euro 100,000.

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State of the European Economic Area where the claim is brought, be required to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.

References to "EDF" or "EDF SA" in this section are references to the Issuer and references to the "EDF Group" are references to the Issuer and its fully consolidated subsidiaries.

1. Information relating to the Issuer

General introduction to the EDF Group

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.

The EDF Group is an integrated energy company with a presence in a wide range of electricity-related businesses: generation, transmission, distribution, supply and energy trading. It is France's leading electricity operator and has strong positions in the United Kingdom and Italy, making it one of Europe's leading electrical players as well as a recognized player in the gas industry.

With worldwide installed capacity of 133.9 GW¹ as of 31 December 2010 (129.8 GW in Europe) and global energy generation of 630.4 TWh, it has the largest generating capacity of all the major European energy corporations with the lowest level of CO2 emissions per KWh generated² due to the significant proportion of nuclear and hydroelectric power in its generation mix. The EDF Group supplies electricity, gas and associated services to more than 37 million customer accounts³ worldwide (including approximately 27.7 million in France).

Key information regarding the EDF Group's financial data

The selected financial information is taken from the EDF Group's consolidated financial statements at 31 December 2010, which have been audited by EDF's statutory auditors.

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 2010 *Document de Référence*, and (ii) the operating and financial review contained in Chapter 9 of the 2010 *Document de Référence*.

¹ *Figures calculated according to the rules of accounting consolidation. Group data in this section do not include EnBW, unless otherwise indicated.*

² *Source: PricewaterhouseCoopers: "European Carbon Factor in November 2010".*

³ *One customer may have two accounts: one for electricity and one for gas.*

Summary

Year Ended 31 December <i>(in millions of Euro)</i>	2010	2009 (1)
Extracts from the consolidated income statements:		
EDF net income	1,020	3,905
Extracts from the consolidated balance sheets:		
Total assets	240,559	241,914
Total equity and liabilities	240,559	241,914
Extracts from the consolidated cash flow statements:		
Net increase (decrease) in cash and cash equivalents	(1,512)	1,340
Information concerning net indebtedness		
Net indebtedness	34,389	42,496

(1) Data published in 2009 for the 2009 fiscal year.

See section headed "Description of the Issuer" of this Base Prospectus.

2. Information relating to the Programme

Description	Euro Medium Term Note Programme for the issue of Notes to qualified investors and the public in France or in any other Member State of the European Economic Area where the Base Prospectus has been notified to the competent authority in that Member State in accordance with the Prospectus Directive, subject to further particularities set out in the relevant Final Terms.
Arranger	BNP Paribas.
Dealers	BNP Paribas, Crédit Agricole Corporate and Investment Bank and Société Générale. 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 Notes. References in this Base Prospectus to " Permanent Dealers " are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to " Dealers " are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent, Principal Paying Agent and Paris Paying Agent	Société Générale.
Calculation Agent	The Fiscal Agent unless an alternative Calculation Agent is appointed in relation to a particular issue of Notes.

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Programme Limit	<p>Up to Euro 20,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.</p> <p>Any increase to this Programme limit will require the publication of a Supplement to the Base Prospectus.</p>
Method of Issue	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the "Final Terms").</p>
Form of Notes	<p>Notes may be issued in either dematerialised form ("Dematerialised Notes") or in materialised form ("Materialised Notes").</p> <p>Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant Noteholder, in either fully registered form (<i>au nominatif pur</i>) or administered registered form (<i>au nominatif administré</i>). No physical documents of title will be issued in respect of Dematerialised Notes.</p> <p>Materialised Notes will be in bearer materialised form ("Materialised Bearer Notes") only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.</p>
Initial Delivery of Dematerialised Notes	<p>One Paris business day before the issue date of each Tranche of Dematerialised Notes, the <i>lettre comptable</i> relating to such Tranche shall be deposited with Euroclear France as central depository.</p>
Initial Delivery of Materialised Notes	<p>On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer,</p>

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the Fiscal Agent and the relevant Dealer.

Currencies

Notes 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 Notes may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated and based on rates of exchange for such other currency/ies.

Status

Notes and, where applicable, any related Coupons and Receipts, will constitute direct, unconditional, unsubordinated and (subject to the provisions of *Negative Pledge* below) unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

Negative Pledge

There will be a negative pledge.

Events of Default (including cross default)

There will be events of default and a cross-default.

Issue Price

Notes 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

Notes may be redeemable in whole or in part (detailed in a formula or otherwise), at maturity or in instalments, as may be specified in the relevant Final Terms.

Optional Redemption

The Final Terms issued in respect of an issue of Notes will state whether such Notes 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 Notes, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons.

Interest

Notes 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.

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Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Denominations	Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/ or regulatory and/or central bank requirements and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency).
Consolidation	Notes of one Series may be consolidated with Notes of another Series.
Redenomination	Notes issued in the currency of any Member State of the EU which will participate in the single currency of the European Economic and Monetary Union may be redenominated into Euro.
Further Issues	Further Notes may be issued so as to form a single Series with the Notes of any particular Series.
Taxation	Unless otherwise specified in the relevant Final Terms, payments with respect to Notes will be made without the withholding tax set out under Article 125 A III of the French Tax Code (<i>Code général des impôts</i>).
Governing Law	French law.
Listing and Admission to Trading	As specified in the relevant Final Terms, a Series of Notes may or may not be listed and admitted to trading on Euronext Paris and/or any regulated market as defined by the Markets in Financial Instruments Directive 2004/39/EC (a " Regulated Market ") or other stock exchange.
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 Notes 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> (www.amf-france.org) and (b) the Issuer (www.edf.fr) and may be obtained, free of charge, during normal business hours from Electricité de France, 22-30,

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avenue de Wagram, 75008 Paris, France and at the specified offices of each of the Paying Agents. In addition, if the Notes are listed and admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

Clearing Systems

Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

Selling Restrictions

There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions.

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.

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 "Risk Factors" below. 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:

- European energy markets;
- the EDF Group's activities;
- the EDF Group's nuclear activities;
- the EDF Group's structure and its transformation; and
- the structure of EDF share capital and the listing of its shares.

B. Essential risks associated with the Notes to be issued by EDF

An investment in the Notes involves certain risks which are material for the purpose of assessing the market risks associated with Notes

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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 Notes may lead to a volatility and/or decrease in the market value of the relevant Tranche whereby the market value falls short of the expectations (financial or otherwise) of an investor upon making an investment in such Notes.

However, each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes 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 Notes.

These risks include:

- **risk relating to potential conflicts of interest between the Issuer, the Dealers, their respective affiliates and the Holders of the Notes**

- **risks related to legality of purchase**

The acquisition of the Notes may be restricted by the laws of the jurisdiction of the Holder of the Notes, and may be subject to regulation by local authorities.

- **risk of modification, waivers or substitutions, of the conditions of the Notes by a General Meeting of Holders of the Notes binding all Holders of the Notes including those who did not attend or who voted in a manner contrary to the majority**

- **risks related to taxation**

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other charges or duties in accordance with the law and practices of the country where the Notes are transferred or where any other action is taken in relation to the Notes.

- **risks related to the EU Savings Directive**

Directive 2003/48/EC relating to the taxation of savings income provides that during a transitional period, certain Member States will withhold an amount on interest payments in respect of the taxation of that income.

- **risk of a change of law**

The Terms and Conditions of the Notes are based on French law in effect as of the date of the Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus.

- **risk relating to the liquidity/trading market for the Notes**

Notes issued under the Programme may not be widely distributed and there may be no active trading market in respect of such Notes.

- **risks relating to exchange rates risks and exchange controls**

The Issuer will pay principal and interest in the currency specified in the relevant Final Terms. For investors whose financial activities are denominated in a currency other than the specified currency in which the related Notes are denominated, there is a risk of significant fluctuation in the rate of exchange between these two currencies.

- **risks relating to credit ratings**

The credit ratings assigned to the Notes may not reflect the potential impact of all risks relating to the Notes, and other factors which may affect the value of the Notes.

- **risks related to the market value of the Notes**

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors.

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

These risk factors are more detailed in "Risk Factors" below.

RÉSUMÉ EN FRANCAIS (SUMMARY IN FRENCH)

Le présent résumé (le "Résumé") est établi dans le cadre de l'émission de Titres d'une dénomination inférieure à 50 000€ (ou son équivalent dans une autre monnaie). Les personnes investissant en Titres 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 investisseurs¹.

Le paragraphe suivant doit être lu comme une introduction au Résumé si l'Etat membre concerné n'a pas transposé les modifications apportées par la Directive 2010/73/EU (la "Directive modifiant la Directive Prospectus 2010") aux informations requises dans le Résumé.

Le Résumé doit être lu comme une introduction au présent prospectus de base (le "Prospectus de Base"). Toute décision d'investir dans des titres (les "Titres") doit être fondée sur un examen exhaustif du présent Prospectus de Base ainsi que de tout document incorporé par référence. Lorsqu'une action concernant l'information contenue dans le Prospectus de Base est intentée devant le 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. Les personnes qui ont présenté le résumé, y compris le cas échéant sa traduction et en ont demandé la notification au sens de l'article 212-41 du règlement général de l'Autorité des marchés financiers, n'engagent leur responsabilité civile que si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base, y compris tout document incorporé par référence.

Le paragraphe suivant doit être lu comme une introduction au Résumé si l'Etat membre concerné a transposé les modifications apportées par la Directive modifiant la Directive Prospectus de 2010 aux informations requises dans le Résumé.

Le présent résumé doit être lu comme une introduction au présent Prospectus de Base et est fourni afin d'aider les investisseurs lorsqu'ils envisagent d'investir dans les Titres, mais ne remplace pas le Prospectus de Base. Toute décision d'investir dans des Titres doit être fondée sur un examen exhaustif du présent Prospectus de Base ainsi que de tout document incorporé par référence et tout supplément subséquent. Suite à la transposition des dispositions applicables de la Directive Prospectus (Directive 2003/71/CE, telle que modifiée par la Directive 2010/73/UE) dans tout Etat membre de l'Espace Economique Européen, aucune responsabilité civile ne pourra être attribuée à un Emetteur dans cet Etat Membre sur la base du seul résumé, y compris sa traduction, sauf si son contenu est trompeur, inexact ou contradictoire par rapport aux autres parties du prospectus, ou s'il ne fournit pas,

¹ Le présent Résumé est fourni dans le cadre de l'émission de Titres d'une Valeur Nominale inférieure à 50 000 euros dont la Date d'Emission intervient avant ou au 30 décembre 2010, date d'entrée en vigueur de la Directive 2010/73/UE (la "**Directive modifiant la Directive Prospectus de 2010**") et après cette date, dans la mesure où la Directive modifiant la Directive Prospectus 2010 n'a pas été transposée par l'Etat Membre concerné. Après le 30 décembre 2010 et dans la mesure où la Directive modifiant la Directive Prospectus 2010 a été transposée par l'Etat Membre concerné, ce Résumé s'appliquera à l'émission de Titres d'une Valeur Nominale inférieure à 100 000 euros.

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lu en combinaison avec les autres parties du prospectus, les informations essentielles permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans ces Titres. Lorsqu'une action concernant l'information contenue dans le présent Prospectus de Base est intentée devant un tribunal d'un Etat membre de l'Espace Economique Européen, l'investisseur plaignant peut, selon la législation nationale de l'Etat membre de la Communauté Européenne ou partie à l'accord sur l'Espace Economique Européen, avoir à supporter les frais de traduction de ce Prospectus de Base avant le début de toute procédure judiciaire.

Les références à "EDF" ou "EDF SA" dans la présente section sont des références à l'Emetteur et les références au "Groupe EDF" sont des références à l'Emetteur et à ses filiales par intégration globale.

1. Informations concernant l'Emetteur

Présentation générale du Groupe 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.

Le Groupe EDF est 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 au Royaume-Uni et en Italie, qui en font l'un des électriciens leader en Europe et un acteur gazier reconnu.

Avec une puissance installée de 133,9 GW¹ dans le monde au 31 décembre 2010 (129,8 GW en Europe) pour une production mondiale de 630,4 TWh, le Groupe EDF dispose, parmi les grands énergéticiens européens, du parc de production le plus important et le moins émetteur de CO₂ par kWh produit² 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 millions de comptes clients³ dans le monde (dont près de 27,7 millions en France).

Informations de base concernant les états financiers du Groupe EDF

¹ Chiffres calculés conformément aux règles de consolidations comptables. Les données Groupe figurant dans cette section n'intègrent pas EnBW, sauf indication contraire.

² Source : PriceWaterhouseCoopers : "Facteur carbone européen novembre 2010".

³ Un client peut avoir deux comptes clients : un pour l'électricité et un pour le gaz.

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Les informations financières sélectionnées présentées ci-dessous sont extraites des comptes consolidés du Groupe EDF pour l'exercice clos le 31 décembre 2010 qui ont été audités par les Commissaires aux comptes d'EDF.

Les informations financières sélectionnées ci-après doivent être lues conjointement avec (i) les comptes consolidés figurant à la section 20.1 ("Informations financières historiques") du Document de Référence 2010 et (ii) l'examen de la situation financière et du résultat du Groupe EDF figurant au chapitre 9 du Document de Référence 2010.

Exercices clos au 31 décembre <i>(en millions d'euros)</i>	2010	2009 (1)
Extraits des comptes de résultat consolidés :		
Résultat net part du Groupe EDF	1 020	3 905
Extraits des bilans consolidés :		
Total de l'actif	240 559	241 914
Total du passif	240 559	241 914
Extraits des tableaux de flux de trésorerie consolidés:		
Variation nette de la trésorerie et des équivalents de trésorerie	(1 512)	1 340
Informations relatives à l'endettement financier net		
Endettement financier net	34 389	42 496

(1) Données publiées en 2009 au titre de l'exercice 2009.

Se reporter à la section "Description de l'Emetteur" du Prospectus de Base.

2. Informations concernant le Programme:

Description	Euro Medium Term Note Programme pour l'émission de Titres à destination des investisseurs qualifiés et du public en France ou dans tout autre pays de l'Espace Economique Européen dans lequel le Prospectus de Base a été notifié à l'autorité compétente de cet Etat membre conformément à la Directive Prospectus, sous réserve des informations complémentaires mentionnées dans les Conditions Définitives.
Arrangeur	BNP Paribas.
Etablissements Placeurs	BNP Paribas, Crédit Agricole Corporate and Investment Bank et Société Générale. L'Emetteur pourra, à tout moment révoquer tout établissement placeur nommé au titre du Programme ou nommer un ou plusieurs autres établissements placeurs soit de manière permanente dans le cadre du Programme, soit dans le cadre d'une Tranche particulière de Titres (telle que définie ci-dessous). Dans le présent Prospectus, le terme " Etablissements Placeurs

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	<p>Permanents" désigne les établissements placeurs mentionnés ci-dessus et tout autre établissement placeur qui aura été nommé de manière permanente dans le cadre du Programme (et qui n'aura pas été révoqué) et "Etablissements Placeurs" désigne tous les Etablissements Placeurs Permanents et toutes les autres établissements placeurs nommés dans le cadre d'une ou plusieurs Tranches.</p>
Agent Financier, Agent Payeur Principal et Agent Payeur à Paris	Société Générale.
Agent de Calcul	L'Agent Financier sauf si un Agent de Calcul alternatif est nommé en rapport avec une émission particulière de Titres.
Montant Maximum du Programme	<p>Le montant nominal total des Titres en circulation ne pourra, à aucun moment, excéder la somme de 20 000 000 000 d'euros (ou sa contre-valeur dans une autre devise, calculée à la date d'émission).</p> <p>Toute augmentation du montant maximum du présent Programme donnera lieu à la publication d'un Supplément au Prospectus de Base.</p>
Méthode d'Emission	<p>L'émission des Titres fera l'objet d'une syndication ou non. Les Titres seront émis par série (chacune une "Série", à une même date d'émission ou à des dates d'émission différentes, et seront soumises pour leurs autres caractéristiques (à l'exception du premier paiement des intérêts) à des modalités identiques, les Titres de chaque Série étant supposés interchangeables entre eux. Chaque Série peut être émise par tranches (chacune une "Tranche") à une même date d'émission ou à des dates d'émission différentes. Les modalités spécifiques de chaque Tranche (qui seront complétées, si nécessaire par les termes et conditions concernés et, à l'exception de la date d'émission, du prix d'émission, du premier paiement d'intérêt et du montant nominal de la Tranche, seront soumises à des modalités identiques que celles des autres Tranches de la même Série) figureront dans les conditions définitives (les "Conditions Définitives").</p>
Forme des Titres	<p>Les Titres pourront être émis soit sous forme de titres dématérialisés ("Titres Dématérialisés"), soit sous forme de titres matérialisés ("Titres Matérialisés").</p> <p>Les Titres Dématérialisés pourront, au gré de l'Emetteur, être émis sous forme de titres au porteur ou sous forme de</p>

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titres au nominatif, et dans ce dernier cas, au gré du Porteur de Titre, soit au nominatif pur soit au nominatif administré. Aucun titre physique ne sera émis en relation avec les Titres Dématérialisés.

Les Titres Matérialisés seront uniquement au porteur. Un Certificat Global Temporaire relatif à chaque Tranche de Titres Matérialisés au porteur sera initialement émis. Les Titres Matérialisés pourront uniquement être émise hors de France.

Création Initiale des Titres Dématérialisés

Un jour ouvrable de Paris avant la date d'émission de chaque Tranche de Titres Dématérialisés, la lettre comptable relative à la Tranche concernée devra être déposée auprès d'Euroclear France en sa qualité de dépositaire centrale.

Création Initiale des Titres Matérialisés

Au plus tard à la date d'émission de chaque Tranche de Titres Matérialisés au porteur, le Certificat Global Temporaire émis dans le cadre de la Tranche concernée sera déposé auprès d'un dépositaire commun pour Euroclear et Clearstream, Luxembourg ou auprès de tout autre système de compensation ou en dehors de tout système de compensation sous réserve que cette méthode ait été convenue au préalable par l'Emetteur, l'Agent Financier et l'Etablissement Placeur concerné.

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 et Reçu constitueront des engagements directs, inconditionnels, non-subordonnés de l'Emetteur et (sous réserve de la clause de maintien de L'emprunt à son rang ci-dessous) non assortis de sûretés et viennent et viendront au minimum au même rang sans préférence entre eux et (sous réserve de certaines exceptions légales prévues par le droit français) au même rang que tous les autres engagements non-subordonnés et non assortis de sûretés, présents ou futurs, de l'Emetteur.

Maintien de l'Emprunt à son Rang

Une clause de maintien de l'emprunt à son rang (*Negative*

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	<i>Pledge</i>) sera prévue.
Cas de Défaut (y compris de défaut croisé)	Une clause portant sur les cas de défaut (y compris le cas de défaut croisé) sera prévue.
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 en totalité ou en partie (tel que précisé dans une formule ou autrement) tel qu'indiqué dans les Conditions Définitives concernées, à leur échéance ou par échelonnements, tel que spécifié 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 "Termes et Conditions des Titres — Remboursement et Achat", le remboursement anticipé des Titres au gré de l'Emetteur sera possible pour 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.
Périodes d'Intérêt et Taux d'Intérêt	La durée des périodes d'intérêt pour les Titres et le taux d'intérêt applicable ou sa méthode de calcul peuvent être modifiés de temps à autre ou être constants pour toutes les Séries. Les Titres pourront avoir soit un taux d'intérêt maximum soit un taux d'intérêt minimum ou les deux. Le recours à des périodes d'intérêts cumulées permettra aux Titres de porter des intérêts à des taux différents au cours de la même période d'intérêt. Ces informations seront décrites dans les Conditions Définitives concernées.
Valeur nominale	Les Titres seront émis à la valeur nominale indiquée dans les Conditions Définitives concernées, sous réserve de la législation et/ou de la réglementation applicable(s) et/ou des exigences des banques centrales et sous réserve que

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	<p>la valeur nominale de chaque Titres admis à la négociation sur un marché réglementé à l'intérieur de l'Espace Economique Européenne ou offert au public dans un Etat membre de l'Espace Economique Européenne dans des circonstances qui requièrent la publication d'un prospectus en application de la Directive Prospectus soit au minimum de 1000 euros (ou, si les Titres sont libellés dans une devise autre que l'euro, la contrevaletur de ce montant dans cette devise).</p>
Consolidation	<p>Les Titres d'une Série pourront être consolidés avec les Titres d'une autre Série.</p>
Redénomination	<p>Les Titres émis dans la devise de tout Etat Membre de l'UE qui adoptera la monnaie unique de l'Union Economique et Monétaire Européenne seront convertis en Euro.</p>
Emissions Assimilables	<p>De nouveaux Titres pourront être émis de manière à ce qu'ils forment qu'une seule Série avec les Titres de toute autre Série.</p>
Fiscalité des Titres	<p>Sauf mention contraire dans les Conditions Définitives concernées, les paiements dus en vertu des Titres ne seront pas soumis à la retenue à la source prévue à l'article 125 A III du Code général des impôts.</p>
Droit Applicable	<p>Droit français.</p>
Cotation et Admission aux Négociations	<p>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 Euronext Paris et/ou sur tout autre marché réglementé au sens de la Directive 2004/39/CE concernant les marchés d'instruments financiers (un "Marché Réglementé") ou bourse de valeurs.</p>
Mode de Publication du Prospectus de Base et des Conditions Définitives	<p>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) et (b) de l'Emetteur (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 qu'Euronext Paris, les Conditions Définitives préparées à l'occasion de l'émission</p>

indiqueront si d'autres modes de publications sont requis.

Systèmes de Compensation

Euroclear France en tant que dépositaire central pour les Titres Dématérialisés et, pour les Titres Matérialisés, Clearstream, Luxembourg, Euroclear ou tout autre système de compensation que l'Emetteur, l'Agent Financier et l'Etablissement Placeur concerné auraient convenu de désigner.

Restrictions de Vente

La vente de Titres et la diffusion des documents d'offre seront soumises à des restrictions dans plusieurs juridictions.

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.

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 décrit ci-dessous les risques significatifs auxquels il estime être exposé, tel que plus amplement détaillé dans "Facteurs de Risques" ci-dessous. 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 marchés européens de l'énergie;
- les activités du Groupe EDF;
- les activités nucléaires du Groupe EDF;
- la structure et à la transformation du Groupe EDF; et
- 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**

L'acquisition des Titres peut être sujette à des lois et règlements ou à un contrôle ou une régulation par certaines autorités.

- **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 la fiscalité**

Les acquéreurs et vendeurs de Titres doivent savoir qu'il est possible qu'ils aient à payer des droits de timbre ou toute autre taxe similaire en application des lois et pratiques de l'état dans lequel les Titres sont transférés et/ou dans lequel un quelconque actif est délivré.

- **les risques liés à la directive européenne sur la fiscalité de l'épargne**

La directive 2003/48/CE relative à l'imposition des revenus tirés de l'épargne prévoit que, pendant une période de transition, certains Etats membres doivent appliquer une retenue à la source sur tout paiement d'intérêt au sens de

ladite directive.

- **les risques relatifs à un changement législatif**

Les Titres sont régis par la loi française à la date du Prospectus de Base. Aucune assurance ne peut être donnée quant aux conséquences d'une décision judiciaire ou d'une modification de la législation ou de son interprétation postérieure à la date du Prospectus de Base.

- **les risques liés au marché secondaire des Titres**

Les Titres émis peuvent ne pas faire l'objet d'une distribution importante et il ne peut être garanti qu'un marché actif des Titres se développera.

- **les risques relatifs aux taux de change**

L'Emetteur paiera le principal et les intérêts des Titres dans la devise prévue par les Conditions Définitives, pouvant présenter notamment des risques relatifs à la conversion des devises si les activités financières d'un investisseur sont effectuées principalement dans une unité monétaire différente de la devise prévues par les Conditions Définitives.

- **les risques liés à la notation des Titres**

La notation des Titres ne reflète pas nécessairement tous les risques liés aux Titres et autres facteurs qui peuvent affecter la valeur des Titres.

- **les risques à la valeur des Titres sur le marché**

La valeur des Titres sur le marché peut être affectée par la solvabilité de l'Emetteur et un certain nombre de facteurs additionnels.

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 "Facteurs de Risques" ci-dessous.

RISK FACTORS
A. RISK FACTORS RELATING TO THE NOTES

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

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

1. General Risks Relating to the Notes

Independent review and advice

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes 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 Notes.

A prospective investor may not rely on the Issuer or the Dealers, the Arranger or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Provision of information

None of the Issuer, the Dealers, the Arranger or any of their respective affiliates makes any representation as to an index. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to an index that is or may be material in the context of index-linked Notes. The issue of index-linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or any other party such information (whether or not confidential).

Potential conflicts of interest

Each of the Issuer, the Dealers, the Arranger 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 Notes 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.

Risk Factors

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 Notes and which could be deemed to be adverse to the interests of the Noteholders.

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

Legality of purchase

Neither the Issuer, the Dealers, the Arranger nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, 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 Notes contain provisions for calling meetings of holders of the Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Notes including holders of the Notes who did not attend and vote at the relevant meeting and holders of the Notes 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 Notes.

Credit ratings

Electricité de France, and Electricité de France's debt, have credit ratings which are the subject of review from time to time by the independent credit rating agencies which assign such credit ratings.

In addition, one or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. Any such revision suspension or withdrawal of any such credit rating could adversely affect the value of the Notes.

Risk Factors

Taxation

Potential purchasers and sellers of the Notes 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 Notes 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 Notes. 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 Notes. 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 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Directive**"). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise and authorises the paying agent to disclose the above information (see "**Taxation - EU Taxation**").

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a paying agent, the Issuer will be required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

The European Commission has proposed a number of changes to the Directive which have been adopted by the European Parliament. The European Parliament adopted an amended version of this proposal on 24 April 2009. If any of these proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above. Investors who are in doubt as to their position should consult their professional advisors.

French insolvency law

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in the event of the opening in France of a preservation procedure (*procédure de sauvegarde*), accelerated financial safeguard (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests.

Risk Factors

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law.

The Assembly deliberates on the draft safeguard plan (*projet de plan de sauvegarde*), draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required on convocation of the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Base Prospectus will not be applicable in these circumstances.

No active secondary/trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although in relation to Notes to be admitted to trading on Euronext Paris and/or any other Regulated Market in the European Economic Area, the Final Terms of the Notes will be filed with the *Autorité des marchés financiers* and/or with the competent authority of the Regulated Market of the European Economic Area where the Notes will be admitted to trading, which, in the case of Notes to be admitted to trading on Euronext Paris shall be the *Autorité des marchés financiers*, there is no assurance that such filings will be accepted, that any particular Tranche will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche.

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

Risk Factors

Furthermore, the secondary market for securities is currently experiencing significantly reduced liquidity, which could limit investors' ability to resell Notes and adversely affect the price of Notes.

Exchange rate risks and exchange controls

The principal of, or any return on, Notes 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 Notes are denominated, or where principal or return in respect of Notes is payable by reference to the value of one or more specified currencies other than by reference solely to the investor's currency, an investment in such Notes 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 a Note 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 Note payable at maturity (if any) and generally in the investor's currency-equivalent market value of such Note. In addition, depending on the specific terms of a Note 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 Note and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of such Note 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 a Note is payable at the time of payment of the principal or return in respect of such Note.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. 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 Notes. 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 Notes

Risk Factors

The market value of the Notes 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 Notes, 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 Notes, the reference assets, the securities taken up in the index, or the index are traded. The price at which a holder of the Notes will be able to sell the Notes 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 Note.

Change of law

The Terms and Conditions of the Notes are based on French 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 French law or the official application or interpretation of French law after the date of this Base Prospectus.

2. Risks related to the structure of a particular issue of Notes

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

Optional redemption

Unless in the case of any particular Tranche the relevant Final Terms specify otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the country of domicile (or residence for tax purposes) by the Issuer, or on behalf of France, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Fixed Rate Notes

Risk Factors

Investment in Notes 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.

Floating Rate Notes

Investment in Notes 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 Notes 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 Notes 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 Notes upon the next periodic adjustment of the relevant reference rate.

Inverse Floating Rate Notes

Inverse floating rate Notes have an interest rate equal to a fixed base rate minus a rate based upon a reference rate. The market value of such Notes 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 Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed to Floating Rate Notes

Fixed/Floating Rate Notes 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 Notes 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 Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes 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 Notes

Index-linked Notes 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

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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 Notes and may even be zero in which case the Holder of the Notes may lose its entire investment.

Index-linked Notes 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 Notes. 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 Notes to be issued or in the determination or calculation of the equation by which the Notes 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 Notes. The index sponsor or licensor of an index has no responsibility for any calculation agency adjustment made for the index.

Partly Paid Notes

The Issuer may issue Notes 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 Notes with a multiplier or other leverage factor

Notes 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 Notes

An investment in Notes, 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 Notes.

The prices at which Zero Coupon Notes, as well as other Notes 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.

Risk Factors

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 Notes 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 Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes 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. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in Notes issued under the Programme.

References to sections in the factors described below are, where applicable, references to sections of the 2010 *Document de référence* of the Issuer (see "Documents Incorporated by Reference").

Risks related to the European energy markets

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

In France, since 1 July 2007, the electricity market has been totally open to competition. All of EDF's customers now have the option of choosing their electricity supplier and can therefore choose any of its competitors (see section 6.2.1.2 ("Sales and Marketing")) EDF has implemented measures to face the competition, but the changing competitive landscape (new regulations, emergence of new players, mergers between existing players, etc.) could cause EDF to lose market share. This loss of market share could 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.

Elsewhere in Europe, the EDF Group faces different contexts according to the competitive situations (more or less total opening of markets, position of competitors, regulations, etc.). In some countries, or in certain regions within a country, the EDF Group must therefore pursue a defensive strategy with respect to its market share, as in France. In other countries, in contrast, the EDF Group must pursue an offensive strategy to gain 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

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deregulation in the country in question and on various other factors over which the EDF Group has no control.

Within this context, even if the EDF Group considers that the European electricity market presents opportunities, the EDF Group may not be able to defend its market share or win expected market shares or may see its margins decrease, which would have a negative effect on its activities, its strategy and its financial results.

The legal 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 (see section 6.5 ("Legislative and regulatory environment")). Moreover, and even in the European Union where directives only define a general framework, laws may vary from one country to another.

This legal 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. Such future changes to the legal framework, whether in France or abroad, could lead to additional costs, be inconsistent with the EDF Group's growth model or change the competitive context in which the EDF Group operates.

For example, in the United Kingdom, the legal framework governing electricity producers' access to the main UK transportation and transmission network was amended in August 2010. The UK regulator (Ofgem) is currently reviewing a draft revision of tariffs for access to networks (electricity and gas) that may lead to higher costs for existing generating units and also impact the profitability of all new power plants. Ofgem's recommendations are expected by summer 2011.

Risks related to the importance of the EDF Group's position on the French electricity market.

Although it has seen a decrease in its market share, EDF should 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 ("RTE") and by ERDF 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.

Although EDF complies with and will continue to strictly comply with the applicable competition and non-discrimination rules, competitors have engaged and may engage in litigation for non-compliance with these rules, which could be decided against the EDF Group's interests.

In addition, the competent authorities or certain governments could, in order to maintain or enhance competition in certain energy markets, make decisions contrary to the EDF Group's economic or financial interests or to its model as an integrated and balanced operator (see in particular, section 6.5.1.1, ("European legislation" – "Investigations Concerning the Energy

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Sector”) and section 20.5.1(“Legal proceedings concerning EDF”), which could have a negative impact on the EDF Group’s model, activities and financial results.

In France, for example, a provision of the NOME law (New Organization of Electricity Markets), enacted on 7 December 2010, provides for a transition period (until the end of 2025) of regulated access to electricity from the existing nuclear fleet (“accès régulé à l’électricité nucléaire historique” or “ARENH”) for operators supplying end users and network operators purchasing power to cover network losses in mainland France (see section 6.5 (“Legislative and regulatory environment”). The impact of this reform is difficult to estimate and may be significant for EDF.

Finally, European countries may also 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.

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 management of its distribution network that is independent from its generation and supply activities and has transferred its distribution and transmission network activities to wholly-owned subsidiaries. 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, potential liabilities to third parties and factors that may affect the profitability of 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 related to the EDF Group’s activities

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

The risks specific to nuclear facilities are described separately in section 4.1.3 (“Specific risks related to the 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, the risk associated with flow or level variations due to the operation of the facilities as well as risks related to natural disasters, external attacks or malicious acts of any kind. During the construction and operation of hydroelectric facilities, the EDF Group takes measures for accident prevention and safety (see section 6.2.1.1.4.2 (“Hydropower safety”)) with the collaboration of public authorities. Nonetheless, the EDF Group cannot guarantee that such

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events will never occur or that the measures taken will be fully effective in all cases, in particular, to deal with external events (floods, negligence, natural disasters or malicious acts by 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 (EMFs), 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 (including the World Health Organization (WHO), the International Agency for Research on Cancer (IARC), the American Academy of Sciences, the American National Institute of Environmental Health Sciences, the English National Radiological Protection Board (NRPB)) consider, given currently available scientific information, that the existence of health risks as a result of exposure to EMFs has not been proven. Since 2002, the IARC has classified the low-frequency electromagnetic fields at level 2B (possible carcinogen) on its scale of scientific evidence. However, in a report published in June 2007, the World Health Organization considers that the health risks, if any, are low. In 2010, RTE EDF Transport, in conjunction with the French Mayor's Association (*l'Association des Maires de France*), launched an information and action campaign on the subject of very low-frequency (50Hz) electromagnetic fields for the mayors of 18,000 municipalities located near very high voltage power lines. This joint campaign reinforces existing communications on EMSs and aims to respond openly to the questions most frequently asked on the subject. Medical knowledge about health risks related to exposure to EMFs may evolve or public sensitivity about such risks could increase, or the principle of precaution could be applied very broadly. At the EU as well as national level, new regulations aimed at understanding the risks associated with EMFs are being developed. For example, in France, the Grenelle 2 law of 12 July 2010 provides that entities engaged in electricity transmission must regularly monitor electromagnetic fields generated by power transmission lines. The results of these actions will be submitted annually to the French agency for environmental and occupational health and safety ("Agence française de sécurité sanitaire de l'environnement et du travail"), which will publish them. This measure will be operational once the decree of 29 July 1927 governing the approval of the proposed installation of transmission lines will have been amended to clarify the procedures for monitoring EMFs for new and existing facilities (see section 6.5.4.5 ("Principal draft regulations likely to have an effect on the EDF Group's business")). All of the above could expose the EDF Group to risks of increased litigation or lead to the adoption of more stringent security measures for the operation or construction of 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 microorganisms, asbestos, polychlorobiphenyls ("PCBs"), etc.). In particular,

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large quantities of hazardous materials (mainly explosive or flammable, 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, such that the EDF Group's own facilities may be impacted by accidents occurring at neighbouring facilities owned by other operators and not subject to the EDF Group's control.

The EDF Group implements within the framework of ISO 14001 (see section 4.2.2.4 ("Management of the risks associated with the EDF Group's industrial accidents or with environment or sanitary impacts")) measures both for accident prevention and compensation 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 impact of such an accident occurring in a neighbouring facility owned by a third party. However, generally speaking the EDF Group cannot guarantee that the measures taken for the control of these risks will prove fully effective upon the occurrence of one of the events referred to above. An accident of the type described above would have serious consequences for persons, properties and business continuity, and the EDF Group could be found liable. Insurance policies for civil liability and damages taken out by the EDF Group could turn out to be significantly inadequate and the EDF Group cannot guarantee that it will always be able to maintain a level of coverage at least equal to the existing level of coverage and at the same cost. The frequency and magnitude of natural disasters seen over the past few years, in particular the accident that occurred in Japan in March 2011, could particularly have an impact on the capacities of the insurance and reinsurance market and the costs of civil liability and damages insurance coverage for the EDF Group. Such accidents could also lead to the shutdown of the facility in question and, potentially, of similar facilities that may be considered to present the same risks.

Finally, facilities or assets operated by the EDF Group may be targeted by external attacks or malicious acts of any kind. Safety measures were provided for during the design of the facilities and sites and protective measures were implemented by EDF. Moreover, safety measures to counter all forms of attack were implemented 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. An attack or malicious act committed on these facilities could have consequences such as damage to persons and property, the EDF Group's liability being sought on the basis of measures that are judged inadequate and interruptions to operations. Nor can the EDF Group guarantee that European and national legislation regarding the protection of sensitive sites and critical infrastructure will not become more restrictive, which could generate additional investments or costs for the EDF Group.

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

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

In France, a significant part of EDF's revenue depends on regulated tariffs. Such tariffs are set by joint order decree of the Minister of Economy and the Minister in charge of Energy,

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either upon proposal by or after consultation with the French Energy Regulation Commission (*Commission de Régulation de l'Énergie*, or “CRE”) (the integrated regulated sale tariff and the TURPE, see section 6.2.2.4 (“Tariffs for using the public electricity transmission and distribution networks (“TURPE”)”). Tariffs are also set with regulatory authorities’ intervention in other countries where the EDF Group operates, including Italy, China, Belgium, Hungary and Slovakia.

Public authorities and the regulator may decide to limit or even block tariff increases, with no change to the quality of service. These authorities may also change the conditions of access to such regulated tariffs. For example, the provisions of the law No. 2006-1537 of 7 December 2006 (see section 6.5.1.2 (“French legislation”)) established the transaction tariff system (*Tarif Réglementé et Transitoire d’Ajustement du Marché* or “TaRTAM”) for end users who applied in writing to their supplier before 1 July 2007 (see section 6.2.1.2.1.5 (“TaRTAM contracts”)). The expiration of this mechanism, which had been extended from 30 June 2010 to 31 December 2010, has been postponed until the ARENH system created under the NOME law takes effect, without changing the other provisions that currently govern TaRTAM. The NOME law provides regulated access to electricity from the existing nuclear fleet for EDF’s competitors at an initial price that is consistent with TaRTAM. Subsequent changes to ARENH prices will be decided by the Economy and Energy Ministers. The NOME law also stipulates that medium and large businesses will no longer benefit from the regulated tariffs as of 1 January 2016, while residential customers and small businesses will continue to qualify. Residential and small business customers are allowed to revert between market-based offerings and the regulated tariffs without time limit, and medium and large businesses until 31 December 2015.

The EDF Group cannot guarantee that the legal provisions and regulations concerning such reversion will not extend beyond what is currently anticipated, or that there will be no new tariff mechanisms put in place upon their expiration. Neither can the EDF Group guarantee that the regulated tariffs will always be set at a level which would allow it to preserve its short-, medium- or long-term investment capacity or its property interests, while ensuring a fair return on the capital invested by the EDF Group in its generation, transmission and supply assets.

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

The Public service contract entered into by the French state and EDF on 24 October 2005 outlines the objectives and terms for carrying out the public service commitments EDF is tasked with under Article 2 of law No. 2000-108 of 10 February 2000 and sets out compensation mechanisms for EDF in terms of support for these commitments (see section 6.4.3.5 (“Public service in France”)).

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

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compensation mechanisms will not be called into question or that existing mechanisms could fully cover potential additional costs to be incurred in relation with new obligations of EDF under its public service commitments.

If any of these events should occur, it may have a negative impact on EDF'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; furthermore, 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, 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 may change and are not always predictable. The EDF Group may accordingly incur significant expenses in order to comply with the requirements associated with obtaining or renewing these authorizations (for example, 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. In addition, 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.

In addition, 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, with negative consequences for the EDF Group's financial results.

In some cases, the EDF Group operates its generation, transmission or distribution activities within the context of public service concessions 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 in such case, frequently operates them under a concession of public service.

In France, for example, ERDF does not own all the assets of the distribution networks but operates them under concession agreements negotiated with local authorities (see section 6.2.2.2.4 ("Concessions")). Under the law, only ERDF 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, ERDF 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 be challenged because of changes in European law or by the Court of Justice of the European Union, or be viewed to be in

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violation of European law. In addition, the EDF Group may not obtain the renewal of these contracts under the same economic terms (see section 6.2.2.2.4 (“Concessions”)).

In France, RTE EDF Transport is both owner and operator of the public transmission system according to standard concession specifications signed by the Minister of Industry (decree No. 2006-1731 of 23 December 2006) (see section 6.2.2.1, “Transmission – RTE EDF Transport”, and section 6.5.2.2 (“French legislation”)).

Hydropower generation facilities of 4.5 MW or more are also operated under concessions awarded by the French state. Renewal of these concessions upon expiration is now subject to a competitive tender procedure (see section 6.2.1.1.4.4 (“Current and future hydropower generation issues”)). In addition, the law on water dated 30 December 2006 eliminated the preferential right of the outgoing licensee at the time of renewal and decree No. 2008-1009 of 26 September 2008 provides the conditions under which the concessions may be renewed. If an expired concession is not renewed, the outgoing licensee will not, under current rules, benefit from any indemnity. The rectifying 2006 Finance Act nonetheless provides either for reimbursement of non-amortized expenditure incurred for modernization work or those for increasing generation capacities when this work has been carried out during the second half of the concession.

In addition, in April 2010, the French state announced the scope of the concessions that will be renewed by 2015, thus confirming the decision to advance the expiration of certain concessions in order to make groupings by valley (see section 6.2.1.1.4.4 (“Current and future hydropower generation issues”)). The concessions for which the expiration has been advanced must be compensated by the French state, in order to offset the shortfall resulting from the early termination of the concession’s operation, for the outgoing holder of the concession, pursuant to the provisions of the concessions’ rules. Hydropower concessions, at the time of their renewal, are subject to an annual fee indexed to the revenue from sales of electricity produced by the licensed hydropower facilities, paid to the French state and allocated in part to the départements through which the watercourses used flow. The Grenelle 2 law of 12 July 2010 provides that the fee shall not exceed a limit set on a case-by-case basis by the licensing authority as part of each competitive tender.

The EDF Group cannot guarantee that it will win the renewal of each of the concessions that it currently operates, or that renewal of a concession will be obtained under the same economic terms as the initial concession. The EDF Group cannot guarantee either that the compensation paid by the Government in the case of early termination of the operation of a concession will be able to fully compensate for the EDF Group’s consequent loss of revenue, or that future regulations regarding the limitation of fees will not develop in a way that could negatively affect the EDF Group. These factors could have a negative impact on its activities and financial results.

Outside France, the EDF Group also operates under electricity distribution or generation concessions in other countries where it is present, particularly in Italy. Depending on the conditions in each country, the transmission, distribution or generation concessions may not be upheld or be renewed in its favour, with changes in the economic conditions in the concession specifications, which would have a negative impact on the EDF Group’s activities and its financial results.

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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 environmental protection and public health, which are increasingly numerous and restrictive. These regulations relate to the EDF Group's industrial activities of 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 (for a description of environmental, health and safety regulations applicable to the EDF Group, and future regulations likely to have an impact on its activity, see section 6.5.4.4 ("Other regulations relating to the environment, health, hygiene and safety")). Failure to follow these regulations could entail additional costs and/or expose the EDF Group to significant legal actions. The EDF Group may be found liable, even if it has not committed any fault or breached existing rules. The EDF Group may also be compelled to repair breaches, damages or injuries caused by entities which were not part of the EDF Group at the time they were committed, if the EDF Group has since taken over their facilities.

Furthermore, these regulations may be subject to significant reinforcement by the national or European authorities (see section 6.5.4.5 ("Principal draft regulations likely to have an impact on the EDF Group business")), which would have a negative impact on the EDF Group's activities and financial results.

Current rules, and future changes to such rules, have resulted and are likely to continue to result in an increasing level of operating costs and investments in order to comply with such regulations. The EDF Group may even be required to close facilities that could not be made compliant with new regulations. In addition, other regulations, which may be more restrictive or which may apply to new areas which are not currently foreseeable, may be adopted by the competent authorities and have a similar effect.

In addition, external perception by stakeholders of the EDF Group's policy on sustainable development may become distorted, resulting in a deterioration of the EDF Group's image and non-financial rating.

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, notably the capacity to rapidly adapt the supply to the demand ("blackout risk"), and allows the persistence of price differences between the different countries, which would be significantly reduced in an efficient integrated European market. It also impedes the emergence of efficient operators with a European dimension as it limits the options for synergies between companies within a same group located on different sides of a border. Although there are currently several projects to develop interconnections (investments are determined by transmission network managers independently from the producers), their construction has nonetheless been slowed down, mainly by environmental, regulatory and local acceptability considerations.

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Beyond the absence of adequate interconnections between countries where the EDF Group is based or their too-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 outlook.

Repeated and/or widespread blackouts in France or in an area served by a EDF Group subsidiary, particularly if they are attributable to the EDF Group, may have consequences for its activities, results and image.

The EDF Group could be the source of repeated or widespread blackouts or be involved in one, even if the causal event occurred in another network or was attributable to another player.

The causes of blackouts vary: local or regional imbalances 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 and difficulty in coordinating operators on an open market.

The main consequence of such power failures would be repair costs for reconnection or restoration of the network. They could also lead to capital expenditures if it were decided, for example, to install additional generation or network capacity. This could also cause a decline in the EDF Group's sales revenue. Finally, power failures would have a negative impact on the EDF Group's image with its customers, particularly if the blackouts were attributable to the EDF Group.

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

In France, the Klaus storm which crossed southwest France on 24 January 2009 and the Xynthia storm in late February 2010, led to additional costs for the EDF Group. 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-scale epidemics, etc.) could affect the EDF Group's activities.

Based on its experience with the above events, the EDF Group implements measures aimed at allowing it to limit the consequences should such events be repeated. After the Klaus storm, the EDF Group modified the program established after the 1999 storms 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 better anticipate and prevent the consequences of such situations (as was the case for the heat wave of summer 2006).

The adoption of such measures can incur 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.

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In December 2010, ERDF entered into a one-year contract covering its aerial distribution system against the consequences of exceptional events such as storms (see section 4.2.3.3.3 (“Storm coverage”). Neither RTE EDF Transport’s aerial distribution networks nor the Island Energy Systems are covered for property damage. Damages to these networks could have a negative impact on the EDF Group’s financial position in the absence of insurance coverage or inadequate coverage. In addition, the renewal or establishment of specific coverages on the alternative risk transfer market may be difficult or more costly due to the impact of frequency and magnitude of natural disasters in recent years.

Finally, in the event of a wide-spread health epidemic, in 2006, EDF created and tested a plan which aims to assure the continuity of electricity supply, depending on the intensity of the crisis while guaranteeing the safety of the facilities and reduce the health risks to which employees are exposed. In November 2008, this plan underwent a second crisis simulation exercise with the participation of EDF’s Asia Pacific Division and EDF Energy. Organizations such as those described in the plan were activated between May 2009 and February 2010 in order to cope with the H1N1 epidemic that affected virtually every country in which the EDF Group is present. The measures provided for in the EDF Group’s Pandemic plan, initially defined in the context of an H5N1-type epidemic, were adapted in the context of the H1N1 epidemic.

The EDF Group cannot guarantee, however, 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 income and its financial position.

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

Electricity consumption is seasonal and depends mainly on climatic conditions. Accordingly, in France, electricity consumption is generally higher during winter months. In addition, available generated electricity may also depend on climatic conditions such as low available water or heat waves which limit generation due to the obligation to respect certain temperature limits for rivers downstream of facilities.

The EDF Group’s income consequently reflects the seasonal character of the demand for electricity and may be adversely affected by significant climate variations since the EDF Group could have to compensate the reduction in the availability of economical generation means by using other means with a higher generation cost or by being required to access the wholesale markets at high prices.

The EDF Group’s activities are sensitive to economic cycles and to general economic conditions.

The EDF Group’s activities are sensitive to economic cycles and to general economic conditions within the geographical areas in which the EDF Group operates. Any economic slowdown in these areas would lead to a drop in energy consumption, investments and industrial production by the EDF Group’s customers and, consequently, would have a negative effect on the demand for electricity and the other services offered by the EDF Group.

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The EDF Group cannot guarantee that the effects of an economic downturn, such as the one observed since October 2008, in the geographical areas in which it operates, will not have a significant adverse impact on its activities, operating profits, financial position or outlook.

Technological choices implemented by the EDF Group may be outperformed by more efficient technologies.

The EDF Group's activities are based on a certain number of technological choices, which may be outperformed by other technologies that prove more efficient, more profitable, safer and even more relevant to possible future standardization and standards, than those used by the EDF Group. The use of such technologies by the EDF Group's competitors could have the effect of reducing or eliminating the competitive advantage that the EDF Group has through some of its technologies, and thus have a negative impact on its activities, financial results and outlook.

The EDF Group could be held responsible for the occurrence of occupational illnesses or accidents.

Although the EDF Group implements necessary means to comply with the laws and regulations concerning health and safety in the different countries in which it operates, and considers that it has taken measures to ensure the health and safety of its employees and those of its subcontractors, the risk of occupational illnesses or accidents cannot be excluded. The occurrence of such events may lead to lawsuits against the EDF Group and the payment for damages, which could be significant.

For a description of the measures taken by the EDF Group with regards to ionizing radiation, see section 6.2.1.1.3.3 ("Environment, safety and radiation protection").

Regarding asbestos, the EDF Group has taken measures to treat materials containing asbestos, provide information, and install protection, as described in section 17.3 ("Health and safety – quality of working life"). For a description of ongoing legal proceedings, see section 20.5 ("Legal and arbitration proceedings").

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

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

These fluctuations are particularly significant in the current context of major tensions and volatility on the energy markets.

The EDF Group manages its risk exposure mainly by buying and selling on the wholesale markets. Apart from the oil products markets, these are new markets that are still developing. Therefore, a shortage of products or lack of depth can limit the EDF Group's capacity to

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hedge its exposure to risk in the energy market. In addition, these markets remain in part partitioned by country, largely as a result of the lack of interconnections. They may thus experience significant increases or decreases in price movements and liquidity crises that are difficult to predict. Such fluctuations may have a significant unfavorable impact.

The management of energy market risks is consistent with the energy market risks policy adopted by the EDF Group (see section 4.2.1.2 (“Management and control of energy market risks”). 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 significant negative impact on its financial results.

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

In the event of a significant and sustained increase in raw materials prices, the EDF Group could face a sharp and sustained increase in the costs of certain critical products or services. Moreover, this increase could lead to a reduction of supply if certain suppliers were forced to reduce their profit margins. Certain products and services are increasingly in demand, which could have an effect on their availability, in particular, products used for gas-fired combined cycle power stations, wind turbines and nuclear products and services.

The EDF Group is exposed to financial market risks.

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

- Liquidity risk: the EDF Group must have, at any given time, adequate financial resources to fund its everyday business, the investments necessary for its future development, annual allocations to the dedicated assets portfolio to cover long-term commitments in the nuclear business, as well as to cope with any exceptional events. In addition, as is customary on organized energy and financial markets, a margin call system has been established by some EDF Group entities on certain over-the-counter transactions in order to limit counterparty risk. This system may require the EDF Group to mobilize liquid assets due to the current high volatility on the energy and financial markets (see section 4.2.1.3.3 (“Liquidity risk”));
- Currency risk: due to the diversity of its activities and geographical locations, the EDF Group is exposed to the risk of fluctuations in currency exchange rates, which may have an impact on translation adjustments, balance sheet items, the EDF Group’s financial expenses, its equity and income (see section 4.2.1.3.4 (“Currency risk”));
- Equity risk: the EDF Group is exposed to equity risk predominantly on securities held (i) as dedicated assets constituted to hedge the cost of long-term commitments associated with nuclear power, (ii) as part of externally managed pension funds, and, to a lesser extent, (iii) as part of its cash assets, and (iv) as direct investments (see section 4.2.1.3.5 (“Equity risk”));

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- Interest rate risk: the EDF Group's exposure to interest rate fluctuations involves two types of risk: (i) the risk of changes in the value of fixed-rate financial assets and liabilities, and (ii) the risk of changes in cash flows related to floating-rate financial assets and liabilities. Interest rate risk applies in particular to debt securities held as part of the management of dedicated assets set up to hedge EDF Group's long-term commitments in the nuclear sector and its obligations related to pensions and other employee benefits (see section 4.2.1.3.6 ("Interest rate risk")).

The organization and principles of management of these risks are described in section 4.2.1.3 ("Management and control of financial market risks") and the measures taken to control these risks are described in section 9.9.1 ("Management and control of financial risks"). However, the EDF Group cannot guarantee total protection, including in the event of continued significant fluctuations in exchange rates, interest rates and the equity markets such as those seen in 2008.

The default of the EDF Group's counterparties (partners, contractors, subcontractors, suppliers and customers) may have an impact on its activities and results.

Like all economic actors, the EDF Group faces the potential default of some counterparties (partners, contractors, subcontractors, suppliers or customers), especially in cases of financial hardship or bankruptcy. The default of these counterparties may affect the cost of projects undertaken by the EDF Group, the quality of work, completion time or the supply of certain critical products or services and expose the EDF Group to reputational risk, business continuity risk for some projects, and even the risk of loss of contracts, as well as to substantial additional costs, particularly in cases where EDF would have to find satisfactory alternatives or even to take over the activities concerned and/or pay contractual penalties, which would have a negative impact on its business and financial results.

The monitoring and reporting procedures applied by the EDF Group within the framework of its exposure to counterparty risk inherent in its contractual relations are described in section 4.2.1.4 ("Management and control of counterparty risk").

Specific risks related to the EDF Group's nuclear activity

The EDF Group is the world's leading nuclear operator¹. Nuclear electricity represents approximately 87% of its generation in France. Since 2009, EDF has operated nuclear power plants in the United Kingdom and the United States (through CENG): the nuclear share in the EDF Group's electricity mix is thus a major competitive advantage. The EDF Group also plays an active role in construction projects for new nuclear plants in France, the United Kingdom, the United States, and China and potentially in Italy. Any event negatively affecting the nuclear business is likely to have greater consequences for the EDF Group's image, activities, productivity, financial position and results, than for those of its competitors, which generate proportionally less electricity from this source of energy.

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

¹ Source : *Nuclear Power Reactors in the World*, International Atomic Energy Agency, 2010 edition.

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Although the EDF Group has implemented risk control strategies and procedures corresponding to high standards for its nuclear activities, such activities, by their nature, still present potential risks. Therefore, the EDF Group may face considerable liability as a result of, among other things, incidents and accidents, security breaches, malicious acts or terrorism, aircraft crashes, natural disasters (such as floods or earthquakes), malfunctions in equipment or in the storage, handling, transportation, processing and packaging of nuclear substances and materials. Such events could induce a significant tightening of the nuclear plants' operating constraints, or the partial or total disruption of the operation of the EDF Group's generation fleet, and 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, strategy, outlook and financial position.

A nuclear operator assumes liability for the nuclear safety of its facilities. The liability scheme that applies to European nuclear facilities operators, and the related insurance, are described in sections 6.5.4.2 ("Special regulations applicable to nuclear facilities"), and 4.2.3.4 ("Special insurance for nuclear facility operations"). This scheme is based on the principle of strict liability for the operator. Accordingly, if there is an event which causes damage, the EDF Group would be automatically liable within the limits of a financial ceiling established by applicable local 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 Protocols amending the Paris Convention and the Brussels Convention, currently being ratified (see section 6.5.4.2 "Special regulations applicable to nuclear facilities"), provide for these ceilings to be raised. The entry into force of the amending protocols could have a significant impact on the cost of insurance that the Company is not currently able to estimate and the EDF Group cannot guarantee that insurance covering this liability will always be available or that it will always be able to maintain such insurance.

Material damage to EDF's nuclear facilities is covered by an insurance policy (see section 4.1.3.4.2 ("Damage insurance for nuclear facilities")). Despite this coverage, any event that would cause significant damages to an EDF Group's nuclear facility could have a negative impact on the EDF Group's business, financial results and financial position.

Finally, the EDF Group cannot guarantee that the insurers covering both the liability of the nuclear operator and the material damage to its installations will always have available capacity or that the costs of coverage will not significantly increase, particularly with regard to the impacts on the insurance market of recent events, such as the nuclear accident in Japan following an earthquake and then a tsunami that devastated the north of the country on 11 March 2011.

A serious nuclear accident anywhere in the world may have significant consequences for the EDF Group.

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Despite the precautions taken during their design and operation, a serious accident at a facility cannot be excluded, such as the accident in Japan, following an earthquake and then a tsunami that devastated the north of the country on 11 March 2011. This type of accident could result in public rejection of the nuclear business and lead to the competent authorities deciding to substantially tighten conditions of power plant operation, to not authorize proposed extensions of the operating life of a power plant, leading to no longer allow, temporarily or permanently, the operation of one or more nuclear facilities, or to cease the generation of nuclear electricity (and therefore suspend or cancel any development of nuclear power plants underway), or to cease authorizing, temporarily or permanently, operation of one or more nuclear facilities. Such decisions might be made even in the absence of an accident taking place.

Such an accident, if occurring close to one or several facilities of the EDF Group, may also contaminate their environment, and thus jeopardize their operation.

Such events would have a material, negative impact on the business model, strategy, business, profit, financial position and outlook of the EDF Group.

The nuclear activity of the EDF Group is subject to particularly detailed and restrictive regulations that may increase in severity.

The nuclear activity of the EDF Group is subject to detailed and restrictive regulations, in particular in France, with a system for the monitoring and periodic re-examination of operating authorizations, which primarily take into account nuclear safety, environmental and public health protection, as well as 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 (“Special regulations applicable to nuclear facilities”)). Furthermore, a tightening of the regulations or a possible non-compliance with the current regulations could lead to having to shut down, temporarily or permanently, one or more of the EDF Group’s plants.

This could result a significant increase in the costs of the EDF Group’s nuclear fleet, which would have a negative impact on its financial position.

For its nuclear activities, 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 and suitably qualified and experienced contract personnel. This limits competition where EDF is a buyer and creates a risk of exposure for the EDF Group to the default of one or more of these suppliers or service providers with specific skills, which could have a negative impact on the EDF Group’s results and financial position (see section 4.3 (“Dependency factors”)).

The EDF Group is exposed to variations in uranium procurement conditions and conversion and enrichment services conditions.

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

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For its nuclear power fleet in France and the United Kingdom, EDF purchases uranium, conversion services and enrichment services through long-term contracts containing hedging mechanisms which allow it to mitigate and smooth the fluctuation of prices over time. The main supplier is the AREVA group, but EDF is pursuing a policy of diversification by buying supplies from other producers (see section 4.3 (“Dependency factors”) and section 6.2.1.1.3.4 (“The nuclear fuel cycle and related issues’’)). Prices and available quantities of uranium and conversion and enrichment services are subject to fluctuations resulting from factors, mainly political and economic, which the EDF Group cannot control (in particular, increased demand in the context of worldwide expansion of nuclear energy or shortages linked, for example, to an operating accident in a uranium mine or an internal or external event leading to political instability in a producing country).

In the United States, CENG purchases uranium as well as conversion, enrichment and assembly services from several suppliers. The current contracts with these providers allow a supply of fuel and conversion, enrichment and assembly services for years to come, for the three facilities of Calvert Cliffs, Nine Mile Point and Ginna.

However, the EDF Group cannot guarantee that its contracts, in France and abroad, 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, particularly at equivalent price conditions. This could have a negative impact on the EDF Group’s financial results.

Risks related to the transportation of nuclear fuel.

The transportation of new or spent nuclear fuel is an operation that requires special and restrictive safety and security measures. These constraints could increase further, generating additional difficulties and costs for the EDF Group. Furthermore, 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 nuclear material from being moved) may slow these operations. The operation may even be interrupted, in particular, in the event of an accident. As a result, the EDF Group may be required to slow or interrupt some or all of the generation on the affected sites, due to either the non-delivery 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 may require heavy and/or costly repairs or modifications.

The fleet of nuclear facilities currently operated by the EDF Group in France is highly standardized (see section 6.2.1.1.3.1 (“EDF’s nuclear fleet’’)). This enables 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. However, such standardization carries the risk of a malfunction that is common to several power plants or series of power plants. The EDF Group is currently addressing certain technical issues across its fleet of nuclear facilities that affect the availability factor (Kd) of the fleet (see

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section 6.2.1.1.3.2 (“Operation and performance of the nuclear fleet”). The EDF Group cannot guarantee that it will never again be confronted with other burdensome or costly repairs or modifications, to be carried out on all or part of the fleet, or that events will not occur which may have an impact on the operation of the fleet or its generation, bringing about a temporary outage or closure of all or part of the fleet.

The EDF Group also operates nuclear power plants elsewhere in Europe, in particular the United Kingdom, and in the United States, and it may also face costly repairing works or modifications to be made on these units or events which could have impacts on their performance, generation or availability.

Despite maintenance work carried out by the EDF Group on its power plants, it is possible that the output availability of certain units will be limited, particularly due to the ageing of equipment and component obsolescence.

Such events may have a negative impact on the EDF Group’s financial results and its activities.

The EDF Group may not be able to operate its nuclear power plants over a period at least equal to the period used in particular for the calculation of depreciation, amortization and provisions.

As part of the studies related to the third 10-year inspections for the 900 MW units, in early July 2009 the French Nuclear Safety Authority (*Autorité de Sûreté Nucléaire*, or “NSA”) publicly stated that it had not identified a generic problem calling into question EDF’s ability to control the safety of its 900 MW reactors for up to 40 years. As required by regulations, the NSA’s opinion will later be supplemented by an opinion on each reactor following each of the third 10-year inspections. In 2010, a first reactor (Tricastin 1) obtained a favourable opinion from the NSA for its operation for an additional 10 years until the fourth 10-year inspection. However, the EDF Group cannot guarantee that it will obtain the necessary authorizations at the appropriate time, or that such authorizations will be obtained, or that it will not be subject to conditions that entail significant expenditure or investments for the EDF Group.

Nonetheless, the EDF Group has based its assumptions for calculating accounting impacts linked to the operating life of its nuclear fleet in France on an operating life of 40 years (including amortization of fixed assets, provisions, etc.). If the safety authorities opted for the closure of some units or power plants before 40 years, this would require accelerated replacement of the corresponding generation capacity by additional investments or electricity purchases on the market. It would also be necessary to review the projected depreciable life and associated decommissioning provisions of the power plants in question. This would have a significant adverse impact on the EDF Group’s financial results and its financial position.

In the United Kingdom, the current projected operating life of the power plants in EDF Energy’s existing nuclear fleet ranges between 30 to 40 years, depending on the power plant (see section 6.3.1.2.3 (“Existing Nuclear business unit”). However, taking into account the safety rules applicable in the United Kingdom, the EDF Group cannot guarantee that EDF Energy will obtain the necessary authorizations at the relevant time to operate its existing

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nuclear power plants until the end of the current operating life, or that these authorizations will not be obtained subject to conditions that entail significant expenditure or investments for the EDF Group.

EDF Energy has nevertheless used the current operating lives as assumptions for calculating accounting impacts (depreciation of fixed assets, provisions, etc.) related to the operating life of the nuclear fleet in the United Kingdom (see section 6.3.1.2.3 (“Existing Nuclear business unit”)).

In the United States, an operating life of 60 years¹ was granted by the Nuclear Regulatory Commission (“NRC”) for all CENG nuclear plants (the commissioning of which ranged between 1970 and 1988 (see section 6.3.2.2.2 (“Operations of CENG (nuclear generation and operation business)”)), the joint venture created by EDF and Constellation Energy Group (“CEG”) to which were transferred the nuclear assets previously held by CEG. However, the EDF Group cannot guarantee, notably in the case of an incident affecting the safety or availability of facilities, that these power plants will actually be operated for such period.

If any power plants had to be closed before the end of their accounting operating lives, this may require accelerated replacement of the corresponding generation capacity by additional investments or electricity purchases on the market. It would also be necessary to review the projected depreciable life of the power plants and associated decommissioning provisions for the plants in question. This would have a significant adverse impact on the EDF Group’s financial results and financial position.

The EDF Group might not obtain the authorizations necessary in order to extend the operating life of its power plants beyond the terms currently provided for.

In order to postpone the commissioning of replacement units and the related investments, and to continue to benefit from the cash flows from its existing fleet, the EDF Group aims to lengthen the operating life of its nuclear fleet beyond 40 years in France. In 2009, EDF forwarded to the NSA the intended safety improvements for operating the fleet beyond 40 years. The corresponding investments are staggered over a period of about 20 years starting from the current decade. The NSA plans to issue an opinion on these modifications in early 2012, on the basis of their review in October and November 2011 by the Standing Expert Group composed of individual experts appointed by the NSA. In the United Kingdom, EDF Energy is also attempting to extend the operating life of its nuclear fleet beyond the declared period, and has already announced and taken into account the extension of the operating life of certain power plants (see section 6.3.1.2.3 (“Existing Nuclear business unit”)).

The EDF Group cannot guarantee that it will obtain such extensions. These extensions might also be obtained under certain conditions, the financial impact of which, particularly in terms of investment, might affect the EDF Group’s strategy with regard to extending the operating duration of its plants, or the EDF Group’s capacity to pursue its global investment strategy.

Construction of the EPRs could encounter problems or not be completed.

¹ Except for Nine Mile Point 2, which has an operational life of 58 years.

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The EDF Group has launched the construction of the European Pressurized Water Reactor (EPR) in Flamanville (see section 6.2.1.1.3.5 (“Preparing for the future of the nuclear fleet in France”)) in order to renew its fleet of nuclear generating facilities in France and to serve as a model for the construction of new facilities abroad.

The EDF Group may not obtain, or see challenged by court rulings, the authorizations required for the construction, commissioning and operation of the EPR. With regards, in particular for the Flamanville EPR, to a first-of-a-kind reactor, technical difficulties or other difficulties could occur during the development and construction and during the early stages of the operation of the EPR. These difficulties could slow or hinder the construction of EPRs and their commissioning or affect their performance. In addition, the global construction cost and the total cost of production of the EPR reactors could be higher than estimated by EDF, particularly due to increased raw materials prices, changes in exchange rates, the impact of price indexes provided in the contracts, technical and regulatory developments and the adjustment of provisions for risks. At the end of June 2010, the cost of the project was re-estimated at €5 billion, consistent with the new objective of first marketable generation now set for 2014.

The EPR program for renewal of the fleet of generation facilities is strategic for the EDF Group’s future. Any event leading to a 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 adverse impact on the EDF Group’s activity and financial position.

The EDF Group remains responsible for most spent fuel and radioactive waste from its nuclear power plants, especially long life, medium- and high-level waste from spent fuel.

The nuclear fuel cycle is described in section 6.2.1.1.3.4 (“The nuclear fuel cycle and related issues”). In France, as an operator and producer of waste, EDF is legally responsible for spent fuel 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 guidelines set forth by public authorities and under their control.

The EDF Group’s responsibility may be sought in particular as a nuclear operator or producer within the meaning of applicable legislation on waste, in the event of an accident and any damage to third parties or the environment from spent fuel or waste, even if these are handled, transported, kept, stored or disposed by operators other than the EDF Group (especially, in France, the AREVA group and ANDRA), in particular in the event of failure of such operators. If the EDF Group were held responsible for damage to third parties, the specific strict liability scheme applicable to nuclear operators would apply within the limits specified by this scheme (see section 6.5.4.2 (“Special regulations applicable to nuclear facilities”)).

In France, the long-term management of radioactive waste has been the subject of various initiatives under the program laws of 30 December 1991 and 28 June 2006 on the sustainable management of radioactive materials and waste (see section 6.2.1.1.3.4 (“The nuclear fuel cycle and related issues”)). The EDF Group cannot guarantee that all long-life, high- and medium-level waste will constitute “ultimate radioactive waste” within the meaning

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of Article 6 of law No. 2006-739 of 28 June 2006, and that as a consequence this waste may be directly stored in deep geological layers. The EDF Group also cannot guarantee the time frame in which the public authorities will authorize such storage, or predict the technical guidance related to these authorizations, and this is likely to pose some uncertainties with respect to the waste and the responsibility and costs that would result for EDF.

In the United Kingdom, British Energy has entered into agreements with the authorities concerning the management of certain radioactive waste from the nuclear power plants that it operates (see section 6.3.1.2.3 (“Existing Nuclear business unit – Restructuring Agreements – costs related to radioactive waste management and decommissioning”)). According to the terms of these agreements, the responsibility and certain costs related to the management of certain radioactive waste is transferred to the British Government. However, British Energy retains financial responsibility, and also technical and legal responsibility for the management, storage and elimination of waste that does not fall within the scope of the aforementioned agreements.

In the United States, in accordance with the Nuclear Waste Policy Act (NWPA), CENG is a party to the contracts entered into with the Department of Energy (DoE). As such, CENG has since November 2009 paid the contributions stipulated by the NWPA to fund the cost of construction by the DoE of a federal storage for final disposal of spent fuel (CEG having paid these contributions until November 2009). Since the DoE stated that it could not take possession of spent fuel before 2020 (instead of 1998 as originally planned), CEG has been forced to undertake additional actions and incur costs to provide on-site fuel storage, allowing the operation of its plants until the availability of a federal storage. The sums reimbursed by the DoE until the close of the transaction with EDF were received by CEG. CENG will receive the subsequent reimbursements (see section 6.3.4.6.2 (“Constellation Energy Nuclear Group (CENG)” – “Nuclear Fuel”).

The EDF Group cannot guarantee that it will have at its disposal, in due course and under acceptable financial conditions, long term storage and treatment solutions for the radioactive waste resulting from the operation of power plants located in the relevant countries, which could have a negative impact on the EDF Group’s financial results and its financial position.

See the draft guideline of 3 November 2010 on the management of spent fuel and radioactive waste in section 6.5.4.2 (“Special regulations applicable to nuclear facilities”).

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

In France, EDF has made provisions for management operations (transportation, processing, conditioning for recycling) of spent nuclear fuel (see Note 30 to the 2010 Consolidated Financial Statements) using the price and volume conditions in the framework agreement signed with AREVA in December 2008 and specified in a related agreement signed on 12 July 2010, which covers the period from 2008 to 2012. The amount of provisions to cover the period beyond 2012 could prove insufficient if the renewal conditions of this agreement for such future period proved more onerous than those currently applicable.

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EDF made provisions for long-term waste management based on an assumption of geological storage, and on the conclusions reached in 2006 by the working group comprising ANDRA, public authorities and producers of nuclear waste (see Note 30 to the 2010 Consolidated Financial Statements, and section 6.2.1.1.3.4 (“The nuclear fuel cycle and related issues” of this document)). While the program law No. 2006-739 of 28 June 2006 on the sustainable management of radioactive materials and waste confirms, without excluding other fields of complementary research, that “Ultimate radioactive waste” must be stored in deep geological layers, the EDF Group cannot guarantee that all long-life, high- and medium-level waste will be considered as such and nor the length of time in which this type of storage, if it was selected, could be carried out. Consequently, the final cost of long-term waste management of the EDF Group could exceed the provisions made in its financial statements.

In the United States, CENG has also made provisions for its long-term nuclear waste management commitments.

The EDF Group cannot guarantee that the amount of these provisions will be sufficient. In effect, 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, the modification of some parameters may lead to a significant adjustment of the provisions booked. If such was the case, the inadequacy of the provisions for these commitments may have a significant negative impact on the EDF Group’s financial results and financial position.

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

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, in particular technical, which this decommissioning brings (particularly the decommissioning of first generation power plants in France) and has identified the solutions to be developed, it has never dismantled nuclear power plants similar to those currently in service.

In France and the United States, the EDF Group has made provisions to cover the forecasted costs associated with decommissioning and last cores. 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, the modification of some parameters may lead to significant adjustment of the provisions booked. The EDF Group therefore cannot guarantee that the provisions made will be equivalent to the costs actually recorded at the appropriate time, which may have a negative impact on the EDF Group’s financial results and financial position.

In the United Kingdom, under British Energy’s restructuring arrangements, the decommissioning costs for British Energy’s existing nuclear power plants will be paid for from the Nuclear Liabilities Fund. Should the Fund be insufficient, these costs will be borne by UK Government (see section 6.3.1.2.3 (“Existing Nuclear business unit –Restructuring Agreements – costs related to radioactive waste management and decommissioning”)).

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

In France, as of 31 December 2010, the market value of the EDF's portfolio of dedicated assets was approximately €15.8 billion, versus €11.4 billion on 31 December 2009 (see section 6.2.1.1.3.7 ("Assets available to cover long-term nuclear power-related commitments (outside the operating cycle)")). These assets are built up gradually on the basis of spending estimates and the timeframe which the EDF Group will have to meet. In this context, on 31 December 2010, EDF allocated 50% of the shares of its subsidiary RTE EDF Transport to this portfolio.

Subject to meeting various criteria, including one regarding the level of coverage in provisions as of 29 June 2011, the NOME law¹ allows a five-year deferral (from 29 June 2011 to 29 June 2016) of the deadline by which the portfolio of dedicated assets must cover all long-term commitments in the nuclear business as stipulated by the law of 28 June 2006 (see section 6.5.4.2 ("Special regulations applicable to nuclear facilities", and Note 46 to the 2010 Consolidated Financial Statements)).

These dedicated assets may prove to be insufficient at the moment of actual payment, if actual costs are different or if the decommissioning and storage costs schedule is modified, which could have a significant negative impact on EDF's financial position. Moreover, stricter regulatory constraints in France (in particular those which could have an impact of the basis of the dedicated assets to be constituted by EDF) or Europe may lead to increasing demands for the constitution of dedicated assets and have an effect on EDF's financial position.

Finally, although these assets are constituted and managed in accordance with strict prudential rules (see section 6.2.1.1.3.7 ("Assets available to cover long-term nuclear power-related commitments (outside the operating cycle)")), the EDF Group cannot guarantee that price movements in the financial markets will not have a significant negative impact on the value of these assets (see section 9.9.1.6 ("Management of financial risk on EDF's dedicated asset portfolio") for a sensitivity analysis) which could lead EDF to make further disbursements in order to restore the value of these assets.

In the United States, in accordance with the NRC regulations and conditions imposed by the states concerned, CENG has established funds strictly dedicated to covering the costs of power plant decommissioning. The strategy of establishing these funds is based on the estimated costs necessary for decommissioning and related disbursement deadlines. CENG's estimate of the revenue generated by these funds was based on various factors including the asset allocation strategy for the investments, the historical rate of return, and market conditions. It is anticipated at this time that decommissioning activities will continue until 2083. Any changes affecting costs or deadlines for decommissioning, or any changes affecting the revenues generated by the funds, are likely to have an impact on the ability of

¹ *Amended Article 20 of Law No. 2006-739 of June 28, 2006.*

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the funds to cover the decommissioning costs of power plants, which could lead CENG to make further disbursements.

Such events could have a negative impact on the EDF Group's financial position.

Risks related to the structure and changes within the EDF Group

It is possible that the EDF Group's development strategy may not be implemented in accordance with the goals defined by the EDF Group.

The EDF Group intends to continue its development in the electricity, gas and energy services industries, both 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 of renewable energy sources or in other production methods, such as nuclear, hydropower, coal, gas combined-cycle power plants, etc.). It is thus implementing programs for new development, reorganization, increasing profitability, (see risk factor below entitled "The EDF Group has implemented programs to improve its operating and financial performance and to reinforce its financial flexibility") and disposals.

The EDF Group may fail to develop or to implement international nuclear generation projects to which it is committed or it may not be able to implement such projects under satisfactory economic, financial and legal conditions.

Indeed, the EDF Group is committed through partnerships or equity investments to international projects for the construction and operation of nuclear power plants (in China, the United Kingdom, and, probably with a more distant schedule, in the United States and Italy). During the development phase, these projects require obtaining administrative authorizations, licenses, permits and, in certain cases, the setting up of additional partnerships. These are major projects involving significant investment, and their funding conditions are still to be confirmed. Given the current economic climate, the establishment of such funding may be delayed. Furthermore, the regulatory framework in some countries is in the process of being updated, which could have an impact on the EDF Group's commitments and responsibility. Even with the benefit of protective contractual arrangements, the EDF Group cannot guarantee that any or all of these projects will be implemented in accordance with scheduled timeframes, under satisfactory economic, financial or legal conditions or that they will, in the long term, generate the profitability initially anticipated, which could have a significant negative impact on the EDF Group and its financial position.

Furthermore, the development of the EDF Group's gas business is an important issue, both with respect to the use of gas in electricity generation and the development of dual gas/electricity offers. The outlook in terms of global supply and demand for gas is changing (the boom in unconventional gas – particularly in the United States, rising demand from emerging countries, etc.). The competitive environment of the gas segment is evolving in France and in Europe with the emergence of new players and mergers of energy companies. The dependence of European countries on imports of natural gas is already high and continues to increase, mainly due to the depletion of local resources and increasingly remote sources of supply. To implement its gas strategy, the EDF Group must not only have access

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to competitive sources of supply, but also to logistical infrastructures (such as storage, gas pipelines and LNG terminals) that allow it to transport its gas to areas close to points of consumption. It must also have the flexibility it requires and leverage synergies between its various entities (including those which it does not control). The EDF Group cannot guarantee that it will always have sources of gas supply (through its long-term contracts or the acquisition of gas fields, for example) or access to gas infrastructure, or otherwise be able to generate the expected synergies, under competitive 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 outlook.

Finally, the EDF Group also intends to develop and strengthen its offering of integrated services, including eco-efficiency energy services as part of a sustainable development approach. The energy services market is very competitive, and the energy efficiency market has strong potential for development. The EDF Group cannot guarantee that its service offering will be successful, or that it will always be able to implement its development policy in this area, which may have a negative impact on its financial results and outlook.

More generally, the EDF Group may be confronted with an unexpected change in the regulatory, economic and competition framework which may render its decisions inadequate or it may encounter difficulties in implementing or changing its strategy, which could have a negative impact on the EDF Group's financial results and outlook.

Risks related to acquisitions and disposals.

As part of its development strategy, the EDF Group has carried out and could be led to carry out transactions involving the acquisition of assets or interests, as well as mergers or the creation of joint venture companies, and more generally all types of mergers and acquisitions.

Mergers and acquisitions involve in particular the following risks: (i) the assumptions used by the EDF Group in the valuation of the acquisition may not be borne out, particularly concerning expected market prices, cost savings, profits, synergies and profitability; (ii) difficulties concerning the quality and performance of the acquired assets or the understatement of the liabilities of acquired companies may occur; (iii) difficulties with integrating the acquired businesses or companies may occur; (iv) the EDF Group may not be able to retain certain key employees, customers or suppliers of the acquired companies; (v) the EDF Group may be required or wish to terminate certain preexisting contractual relationships under costly and/or unfavorable financial terms; (vi) the EDF Group could increase its debt to finance these acquisitions, limiting its financial flexibility and opportunities to contract new borrowing in the future; and (vii) with respect to the anti-trust authorities, the EDF Group could be required to make commitments that would be implemented under terms that are less favorable than those anticipated by the EDF Group.

Consequently, the benefits from future or completed acquisitions could be lower or less rapidly achieved than expected, which could have a negative impact on the EDF Group's financial results, financial position and outlook.

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The EDF Group has also carried out and could be led to carry out transactions involving the disposal of assets or equity investments. In the context of these disposals, the EDF Group may provide guarantees concerning the assets sold, and consequently have to pay indemnities or price adjustments to the purchaser, which could have a negative impact on the EDF Group's financial results, financial position and outlook.

The EDF Group could also be led to not make the acquisitions or disposals it has planned, or to realize them at a value other than the desired value due, among other things, to contractual, financial or regulatory limitations, or to policy interventions outside of France. This may have a negative impact on the EDF Group's financial results, financial position and outlook.

The various reorganizations made necessary by opening up the market could have operational and financial consequences for EDF.

Opening up the market has in particular resulted in a transfer of mainly distribution activities to subsidiaries and the reorganization of the joint entities through which EDF and mainly GDF Suez (formerly Gaz de France) used to manage sales, billing, customer services and distribution networks. The various reorganizations could have an impact on the operation of marketing and distribution activities and on the relationships with local authorities. Furthermore, they could generate substantial costs, associated in particular with adapting organizational structures and support functions, including information systems.

Risks relating to information systems.

The EDF Group operates multiple and highly complex information systems (such as servers, networks, applications, databases, etc.), which are essential for the conduct of its commercial and industrial business, and which must adapt to a rapidly changing environment. A failure of one of these systems could have significant adverse consequences for the EDF Group. In particular, if the information systems put in place, to be put in place or still to be adapted following the full opening of the market are lacking in terms of reliability or performance, this could have significant adverse consequences for the EDF Group.

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 significant adverse 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 retain ownership of more than 70% of its share capital. Under French law, a majority shareholder controls most corporate 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 limit of dilution of the French state's holding may limit EDF's capacity to access capital markets or carry out mergers or acquisitions.

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A significant share of the EDF Group's workforce belongs to organizations common to EDF and GDF Suez; the EDF Group therefore depends in part on management mechanisms implemented in these shared structures.

Many of the people employed by the EDF Group belong to organizations common to EDF and GDF Suez (almost to all to the shared services department of ERDF and GrDF, the two distribution subsidiaries of the EDF and GDF Suez groups). Some decisions made in the context of these shared organizations can therefore have an impact on EDF, in particular on costs and on the conditions of management of its resources. It also follows that EDF and GDF Suez may have divergent interests or views concerning these shared organizations, which may have a negative impact on the EDF Group's labor relations, financial results and financial position (see section 6.2.2.2.5 ("Relations between ERDF and GrDF within the Shared Services Department")).

The EDF Group does not hold majority control, or shares control of some of its subsidiaries and affiliates.

For example, EDF and A2A (formerly AEM Milan) and its partners exercise joint control of Edison. Their relations are governed by a shareholders' agreement (see section 6.3.3.1.2 ("Joint takeover of Edison by EDF and A2A")), but the EDF Group cannot guarantee that it will always agree with its co-shareholders on policy decisions within the company. In addition, the benefits that should derive from the joint takeover of Edison by EDF and A2A, particularly with regard to the EDF Group's gas strategy, depend in part on the possibility of efficiently and effectively combining Edison's activities with those of the EDF Group.

Also, in November 2009, the EDF Group acquired almost half of CEG's nuclear power generation and operation activities, through an equity stake of 49.99% in CENG (see section 6.3.4.6.2 ("Constellation Energy Nuclear Group (CENG)")). The EDF Group shares the control of CENG with CEG, and this control is exercised under a shareholders' agreement. The EDF Group cannot guarantee that it will always be in agreement with CEG, particularly with respect to the strategy to be implemented concerning CENG, which could notably limit the benefits expected from the transaction.

Other EDF Group activities 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 be confronted with situations of deadlock when partners disagree, or decisions contrary to its interests could be made, which could limit the EDF Group's ability to implement its defined strategies and thus have a significant adverse effect on its activities, financial results, financial position and outlook.

Shareholders in some of the EDF Group's subsidiaries and affiliates hold or may acquire put options allowing them to redeem their shares or assets in the EDF Group, which may then be required to carry out such redemptions at an unfavorable time or under unfavorable conditions.

If put options are exercised by the shareholders of some of its subsidiaries and affiliates, the EDF Group may be forced to purchase the assets or underlying securities at prices set by the terms of the agreements in force, which could be greater than their market value. In

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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 favourable conditions, which could have a negative financial impact on the EDF Group.

The structure and terms of the put options held by shareholders of EDF Energies Nouvelles on the EDF Group are described in Section 6.4.1.1.2 (“EDF Energies Nouvelles”).

The EDF Group could be forced to launch a tender offer on listed companies in which it holds an equity interest.

The EDF Group holds or may acquire interests in listed companies for which applicable law may under certain conditions compel anyone exceeding certain thresholds of capital ownership to launch a tender offer on all outstanding shares. The EDF Group could therefore be forced to launch such an offer under unfavourable conditions, especially with respect to price, which may have a negative impact on its financial position.

Risks related 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 regulations that are less advanced and less protective; practice or could initiate controls or restrictions on repatriation of profits and capital invested; levy or could levy taxes 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 and other considerations; this could affect the operations or financial position of EDF Group subsidiaries in a way that is contrary to its interests. The occurrence of any of these events may have a negative impact on the EDF Group’s activities, financial results and financial position.

Finally, the EDF Group has developed or built a portfolio of “Independent Power Plants” (“IPP”) in different parts of the world, including in Brazil, Vietnam, Laos and China, in which it plays one or more roles (engineering, project management, project manager, investor and/or operator). In these different capacities, the EDF Group may incur liability or its 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 challenged, or in the event of major changes to electricity market rules in the country concerned.

The EDF Group must continually adapt its skills in a rapidly changing environment and renew much of its workforce while transferring experience and skills to new employees.

The challenges associated with achieving the EDF Group’s strategic objectives in a rapidly changing environment (in particular, the full opening of markets to competition, the international development of nuclear power and clean coal, development of renewable energy, etc.) require a continuous adaptation and anticipation of the necessary skills, especially in functional and geographic areas.

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In France, a large number of EDF employees reaches retirement age each year, despite the impact of the reform of the special pension system for Electricity and Gas Industry employees on the average retirement age. For example, in nuclear generation and network maintenance, approximately 40% to 45% of the workforce will be eligible to retire during the next ten years. Although this situation may represent an opportunity to adapt the expertise of employees to the EDF Group's new challenges, the renewal of this workforce requires anticipating the knowledge transfer and managing competition to recruit best people.

The EDF Group considers the development of skills to be a major challenge and will therefore do its utmost to recruit, retain, redeploy or renew such skills in a timely manner and under satisfactory conditions. However, it cannot guarantee that measures adopted will always prove totally sufficient, which may have an impact on its activities and financial results.

The EDF Group may be required to meet significant commitments related to pensions and other employee benefits.

The pension plans applicable in the various countries in which the EDF Group operates involve long-term commitments to pay out benefits to the EDF Group's employees (see Note 31 to the 2010 Consolidated Financial Statements). In France, in addition to these pension commitments, there are also commitments related to post-employment benefits and long-term benefits for employees currently in service.

To cover these commitments, the EDF Group has set up plan assets and pension funds, as appropriate. At the end of 2010, such assets only partially covered these commitments, which have, however relatively staggered maturities.

The amounts of these commitments, the provisions set aside, plan assets and pension funds set up, and the additional contributions which aim to compensate for the insufficiency of funds are calculated based on (i) certain actuarial assumptions, including a discount rate that may be adjusted depending on market conditions; (ii) the rules governing retirement benefits paid out by the general system; and (iii) amounts paid out by the EDF Group. These assumptions and rules may be adjusted in the future which could increase the EDF Group's current commitments on pensions and other employees benefits and therefore require a corresponding increase in provisions.

Furthermore, if the value of the plan assets or the pension funds were to prove insufficient with regard to the corresponding commitments, especially in the United Kingdom and the United States, due mainly to calculation assumptions or developments in the financial markets, the EDF Group could be obligated to make additional contributions to the relevant funds which may have a negative impact on its financial position and financial results.

Labor disputes could have a negative impact on the EDF Group's activity.

The EDF Group cannot ensure that its labor relations will not deteriorate or that labor unrest will not occur. Strikes, walkouts, claims or other labor unrest may harm its business. The EDF Group has not taken out any insurance for losses resulting from business disruptions caused by labor movements. Consequently, its financial position and operating results may be adversely affected by labor unrest.

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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 and is likely to implement programs to improve its operating and financial performance and to reinforce its financial flexibility. After completion of the Altitude program in 2007, the EDF Group had initiated a program for 2008-2010, called "Operational Excellence", to improve the EDF Group's results in achieving synergies and continued progress on its operating and support processes, its procurement methods and its plans for change and development. This program, which ended in 2010, resulted in cumulative savings of €1,256 million, surpassing the original target of €1,000 million. A new synergy program is currently being developed.

The EDF Group cannot guarantee that the programs to improve performance that it decides to implement will have the expected results or that those results will be achieved on schedule.

Risks due to changes to the IFRS standards applicable to the EDF Group.

The 2010 Consolidated Financial Statements of the EDF Group have been prepared in accordance with international accounting standards published by the International Accounting Standards Board (IASB) as approved by the European Union on 31 December 2010 (see Note 1 to the 2010 Consolidated Financial Statements).

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 these standards and interpretations, but cannot prejudge their development or their potential impact on its consolidated financial statements.

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

Significant volatility in share price.

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 significantly affect the EDF share price.

The EDF share price may also be significantly 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.

EDF shares are 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.

Risk Factors

Risks related to future sales of EDF shares by the French state.

As of 31 December 2010, the French state held 84.48% of EDF's share capital. If the French state decided to further reduce its equity interest in EDF, such sales by the French state, or the perception that such sales could occur, could adversely affect EDF share price.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (in French language only) which have previously been published and/or have been approved by the AMF or filed with it (i) are hereby incorporated by reference in, and forms part of, this Base Prospectus, (ii) with the exception of the items mentioned below as being excluded from this Base Prospectus:

- (a) the *Document de Référence* filed with the AMF under No. D.11-0320 on 18 April 2011 prepared by the Issuer (hereafter the "**Document de Référence**") which contains, *inter alia*, the audited annual consolidated financial statements of the Issuer for the period ended 31 December 2010 and which incorporates by reference the annual consolidated financial statements of the Issuer for the periods ended 31 December 2008 and 2009, 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 financial outlook announced for 2011;
- (b) the Issuer's half-year management report as at 30 June 2011 (*rapport semestriel d'activité au 30 juin 2011*) with the exception of Chapter 9 relating to the financial outlook for 2011 which is hereby explicitly excluded from the scope of incorporation to this Base Prospectus (the "**2011 Half-Year Management Report**"); and
- (c) the condensed consolidated half year financial statements of the Issuer as at, and for the period ending on 30 June 2011 and the related auditors' limited review report.

The attention of international investors is drawn to the fact that the *Document de Référence* filed with the AMF on 18 April 2011 under No. D.11-0320 includes (i) the statutory auditors' special report on agreements involving members of the Board of Directors for the financial year ended 31 December 2010 in Appendix D and (ii) the statutory auditors' report prepared in accordance with article L.225-235 of the French commercial code in Appendix B.

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* and the auditors' limited review report relating to the condensed consolidated half year financial statements as at and for the period ending on 30 June 2011. These statutory auditors' reports include for the information of the reader explanatory

Documents incorporated by reference

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 reports 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 a supplement prepared in accordance with Article 16 of the Prospectus Directive.

For as long as the Programme remains in effect or any Notes are outstanding, copies of this Base Prospectus, documents incorporated by reference in this Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Notes will be available for viewing on the website of the AMF (www.amf-france.org), on the Issuer's website (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.

English translations of the *Document de Référence*, the 2011 Half-Year Management Report, the condensed consolidated half year financial statements as at, and for the period ending on 30 June 2011 and the related auditors' limited review report are available on the website of the Issuer for information purposes only.

In addition, if the Notes are listed and admitted to trading on a Regulated Market other than the Paris Stock Exchange (Euronext Paris), 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 9).

Selected Financial Information

Please refer to Chapter 3 of the *Document de Référence* (pages 11-12) and Chapter 1 (pages 7-8) of the 2011 Half-Year Management Report for details of selected financial information of the Issuer for respectively the year ended 31 December 2010 and the half year ending on 30 June 2011.

Information about the Issuer

Please refer (i) to Chapter 5 (pages 39-41), Chapter 7 (pages 158-160) and Chapter 21 (pages 397-406) of the *Document de Référence*, (ii) to Chapter 18 (pages 261-262), Chapter 19 (pages 263-265) of the *Document de Référence* and Chapter 6 (page 44) of the 2011 Half-Year Management Report, (iii) to Chapter 20, Section 20.4 (page 387-388) of the *Document de Référence*, and (iv) to Chapter 24 (page 411) of the *Document de Référence* for details of the history and development of the Issuer.

Please refer also (i) to Chapter 9, Section 2 Paragraph 9.2.2 (pages 172-176) and to

Documents incorporated by reference

Chapter 20, Section 20.1 (page 269) of the *Document de Référence*, (ii) to Chapter 20, Section 20.5 (pages 388-395) and Section 20.6 (page 395) of the *Document de Référence* and (iii) Chapter 2 (pages 9-20) of the 2011 Half-Year Management Report, 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 43-157) for details of the Issuer's investments.

Business Overview

Please refer to Chapter 6 of the *Document de Référence* (pages 43-157) for details of the Issuer's principal activities and the principal markets in which the Issuer competes. Please also refer to Chapter 4, Section 4.2 Paragraph 4.2.3 of the *Document de Référence* (pages 34-36) for a complete description of Insurance issues relating to the Issuer's activity.

Organisational Structure

Please refer to Chapter 7 of the *Document de Référence* (pages 158-160) for details of the Issuer's organisational structure.

Administrative, Management and Supervisory Bodies

Please refer to Chapter 14 (pages 221-233) and Chapter 16 (pages 239-247) 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 221-233) and Chapter 16 (pages 239-247) of the *Document de Référence* for details of the Issuer's board practices, as well as Appendixes A, B, C, and E 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 163-206) of the *Document de Référence* and Chapter 20 (pages 267-395) of the *Document de Référence* for details of selected financial information relating to the Issuer.

Please refer to Chapter 20 (pages 240-380) of the *Document de Référence* filed with the AMF under No. D.10-0227 on 8 April 2010 for the annual consolidated financial statements of the Issuer for the year ended 31 December 2009.

Please refer the condensed consolidated half year financial statements of the Issuer as at, and for the period ending on 30 June 2011 and the related auditors' limited review report.

Please refer to Chapter 3 (pages 21-32), Chapter 4 (pages 33-37) and Chapter 5 (pages 38-43) of the 2011 Half-Year Management Report for details of financial information relating to the Issuer for the half year ending on 30 June 2011.

In respect of legal arbitration and proceedings relating to the Issuer, please refer to Chapter 20, Section 20.5 (pages 388-395) of the *Document de Référence* and Chapter 8 (pages 44-

Documents incorporated by reference

47) of the 2011 Half-Year Management Report.

Additional Information

Please refer (i) to Chapter 21, Sections 21.1 (pages 398-403) and 21.2 Paragraph 21.2.1 (page 403) of the *Document de Référence* for details of the Issuer's share capital and constitutional documents.

Material Contracts

Apart from the agreements described in Chapter 6 of the *Document de Référence*, the public service contract described in Section 6.4.3.5 "*Public service in France*" of the *Document de Référence*, the contracts entered into with AEM Milan (now A2A) relating to the joint takeover of Edison mentioned in Section 6.3.3.1.2 ("*Joint takeover of Edison by EDF and AEM Milan (now A2A)*") of the *Document de Référence*, the industrial partnership agreement entered into with Exeltium and detailed in Section 6.2.1.2.2 ("*Activity by market*") of the *Document de Référence*, the cooperation agreement entered into with Enel relating to the nuclear field mentioned in Section 6.2.1.1.3.5 ("*Preparing for the future of the nuclear fleet*") of the *Document de Référence* and the Memorandum of Understanding relating to fossil-fixed generation means mentioned in Section 6.2.1.1.5 ("*Fossil-fired generation (THF)*") of the *Document de Référence*, the partnership agreement entered into with Constellation Energy mentioned in Section 6.3.4.6.3 ("*UniStar Nuclear Energy*") of the *Document de Référence*, the agreement entered into with Constellation Energy in respect of the acquisition of 49.99% of the nuclear activities of Constellation Energy described in Section 6.3.4.6.2 ("*Constellation Energy Nuclear Group (CENG)*") of the *Document de Référence*, and the joint-venture agreement entered into with China Guangdong Nuclear Power Holding Co., Ltd mentioned in Section 6.3.4.7.1 ("*The EDF Group's activities in China*") 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 2010 financial year, see notes 42 and 47 to the consolidated financial statements for the year ended 31 December 2010 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 (*Règlement général*) of the AMF 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 Notes shall amend or supplement this Base Prospectus. Such supplement to this Base Prospectus will be submitted to the AMF for the purposes of obtaining its visa thereon.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED BEARER NOTES

Temporary Global Certificates

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream, Luxembourg (the "**Common Depository**"), Euroclear or Clearstream, Luxembourg will credit the accounts of each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicate that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Summary — Selling Restrictions"), in whole, but not in part, for the Definitive Materialised Bearer Notes; and
- (ii) otherwise, in whole but not in part upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised Bearer Notes.

Delivery of Definitive Materialised Bearer Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes.

In this Base Prospectus, "**Definitive Materialised Bearer Notes**" means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal and Regulated Market requirements. Forms of such Definitive Bearer Materialised Notes shall be available at the specified offices of any of the Paying Agent(s).

Temporary Global Certificates issued in respect of Material Bearer Notes

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and as supplemented in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by Part A of the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed or supplemented (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed or attached on Definitive Materialised Bearer Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued by Electricité de France (the "**Issuer**") with the benefit of an amended and restated agency agreement dated 6 September 2011, between the Issuer, Société Générale as fiscal agent and the other agents named in it (as amended or supplemented from time to time, the "**Amended and Restated Agency Agreement**"). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Redenomination Agent**", the "**Consolidation Agent**" and the "**Calculation Agent(s)**".

References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.

A copy of the Amended and Restated Agency Agreement is available for inspection during normal business hours at the specified offices of each of the Paying Agents.

For the purpose of these Conditions, "**Regulated Market**" means any regulated market situated in a Member State of the European Economic Area ("**EEA**") as defined in the Markets in Financial Instruments Directive 2004/39/EC and as listed on the website of Europa (http://ec.europa.eu/internal_market/securities/isd/mifid_fr.htm#reg_markets).

1. **Form, Denomination(s), Title, Redenomination**

- (a) **Form:** Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").
 - (i) Title to Dematerialised Notes will be evidenced in accordance with Article L.211-3 of the French *Code monétaire et financier* by book entries (*inscriptions en compte-titres*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer and as specified in the relevant final terms ("**Final Terms**"), in either bearer dematerialised form (*au porteur*), which will be inscribed in the books

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of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these Conditions, "**Account Holder**" means any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

- (ii) Materialised Notes are issued in bearer form ("**Materialised Bearer Notes**"). Materialised Bearer Notes are serially numbered and are issued with coupons (each, a "**Coupon**") and, where appropriate, a talon (a "**Talon**") attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more receipts attached (the "**Receipt**").

In accordance with Article L.211-3 of the French Code monétaire et financier, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

- (b) **Denomination(s)**: Notes shall be issued in the specified denomination(s) set out in the relevant Final Terms (the "**Specified Denomination(s)**") subject to compliance with the regulations of the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note listed and admitted to trading on a regulated market, or offered to the public, in a Member State of the European Economic Area ("**EEA**") in circumstances which require the publication of a prospectus under the Prospectus Directive will be Euro 1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date). Dematerialised Notes shall be issued in one Specified Denomination only.
- (c) **Title**:
- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered

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form (*au nominatif pur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or of the Registration Agent.

- (ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons, Receipt(s) and/or a Talon attached thereto on issue ("**Definitive Materialised Bearer Notes**"), shall pass by delivery.
 - (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
 - (iv) In these Conditions, "**holder of Notes**" or "**holder of any Note**", or "**Noteholder**" means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Receipts, Coupons ("**Receiptholder**" and "**Couponholder**" being construed accordingly), or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.
- (d) **Redenomination**
- (i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holder of any Note, Receipt, Coupon or Talon, by giving at least 30 days' notice in accordance with Condition 15 (*Notices*) and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "**EC**"), as amended from time to time (the "**Treaty**")), or events have occurred which have substantially the same effect, redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".
 - (ii) Unless otherwise specified in the relevant Final Terms, the redenomination of the Notes pursuant to Condition 1(d)(i)

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(*Redenomination*) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 15 (*Notices*). Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.

- (iii) Upon redenomination of the Notes, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.
 - (iv) Unless otherwise specified in the relevant Final Terms, the Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14 (*Further Issues and Consolidation*), without the consent of the holder of any Note, Receipt, Coupon or Talon, make any changes or additions to these Conditions or Condition 14 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Receipts, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.
 - (v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Receipt, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.
- (e) **Method of Issue:** The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each

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Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.

2. Conversion and Exchanges of Notes

(a) **Dematerialised Notes**

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such Noteholder.

(b) **Materialised Notes**

Materialised Bearer Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

3. Status of the Notes

The Notes and, where applicable, any related Coupons and Receipts, constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

4. Negative Pledge

- (a) So long as any of the Notes remains outstanding, the Issuer has agreed that it 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 (as defined

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below), or any guarantee or indemnity in respect of any Indebtedness, without at the same time according to the Notes the same security.

- (b) For the purposes of this Condition 4 and Condition 9 (*Events of Default*), "**Indebtedness**" means 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, 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).

For the avoidance of doubt, the Indebtedness shall include any obligations of the Issuer under dematerialised debt securities that may be issued from time to time by the Issuer and are traded under a book-entry transfer system.

5. Interest and other Calculations

- (a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below. Certain defined terms contained in the 2007 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules published by the *Fédération Bancaire Française* ("**FBF**") (together the "**FBF Master Agreement**") and in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), have either been used or reproduced in this Condition 5.

"Business Day" means:

- (i) in the case of Euro, a day on which TARGET2 (as defined below) is operating (a "**TARGET Business Day**"); and/or
- (ii) in the case of a specified currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; and/or
- (iii) in the case of a specified currency and/or one or more Business Centre(s) specified in the relevant Final Terms (the "**Business Centre(s)**"), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Accrual Period or Interest Period, the "**Calculation Period**"):

- (i) if "**Actual/365 – FBF**" is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during the Calculation Period and whose denominator is 365. If part

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of that Calculation Period falls in a leap year, Actual /365 – FBF shall mean the sum of (i) the fraction whose numerator is the actual number of days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual days elapsed during the leap year and whose denominator is 366;

- (ii) if "**Actual/Actual – FBF**" is specified in the relevant Final Terms in respect of each calculation, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period);
- (iii) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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);
- (iv) if "**Actual/Actual – ICMA**" is specified in the relevant Final Terms:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in 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:
 - 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
 - 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;

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in each case where:

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

"Determination Date" means the date specified in the relevant Final Terms or, if none is so specified, the Interest Payment Date;

- (v) if **"Actual/365 (Fixed)"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (vi) if **"Actual/360"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (vii) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.

- (viii) if **"30E/360"** or **"Eurobond Basis"** is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30.

- (ix) if "**30E/360 (ISDA)**" is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

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"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"**Euro-zone**" means the region comprised of member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**FBF Definitions**" means the definitions set out in the FBF Master Agreement, (a copy of which may be obtained at the registered office of the Issuer during usual business hours), unless otherwise specified in the relevant Final Terms.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

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

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

"**Interest Payment Date**" means the date(s) specified in the relevant Final Terms.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

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"Interest Period Date" means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

"ISDA Definitions" means the 2006 ISDA Definitions (a copy of which may be obtained at the registered office of the Issuer during usual business hours), as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms.

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 ("**Reuters**") and Telerate ("**Telerate**")) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

"Rate of Interest" means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions of the relevant Final Terms.

"Reference Banks" means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone).

"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, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, Paris.

"Relevant Rate" means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant 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 the Specified Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 am in the Relevant Financial Centre and for the purpose of this definition, "**local time**" means, with respect to Europe and the Euro zone as a Relevant Financial Centre, Brussels time.

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"Representative Amount" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

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

"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 relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii) (*Business Day Convention*).

"TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.

- (b) **Interest on Fixed Rate Notes:** Each Fixed Rate Note 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 except as otherwise provided in the relevant Final Terms. The amount of interest payable shall be determined in accordance with Condition 5(i) (*Calculations*).

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant 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 relevant Final Terms.

- (c) **Interest on Floating Rate Notes and Index Linked Interest Notes**

- (i) **Interest Payment Dates:** Each Floating Rate Note and Index Linked Interest Note 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 (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(i) (*Calculations*). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment

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Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

(A) the "**Floating Rate Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;

(B) the "**Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day;

(C) the "**Modified Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(D) the "**Preceding Business Day Convention**", such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and, unless otherwise specified in the relevant Final Terms, the provisions below relating to either FBF Determination or ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) **FBF Determination for Floating Rate Notes**

Where FBF Determination is specified in the relevant 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 FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction

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under the terms of an agreement incorporating the FBF Definitions and under which:

- (a) the Floating Rate is as specified in the relevant Final Terms; and
- (b) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**" (*Taux Variable*), "**Calculation Agent**" (*Agent*), "**Floating Rate Determination Date**" (*Date de Détermination du Taux Variable*) and "**Transaction**" (*Transaction*) have the meanings given to those terms in the FBF Definitions, provided that "**Euribor**" means the rate calculated for deposits in euro which appears on Reuters Page EURIBOR 01, as more fully described in the relevant Final Terms.

(B) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the relevant 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 ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub paragraph (B), "**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:

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

For the purposes of this sub-paragraph (B), "**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.

(C) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant 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:

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
 - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub paragraph (a)(i) or (a)(ii) applies and the Page is not available at the Relevant Time on the Interest Determination Date, or if sub paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant time on the Interest Determination Date, as determined by the Calculation Agent; and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of

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the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-Zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

- (iv) **Rate of Interest for Index Linked Interest Notes:** The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to an Index or Formula as specified in the relevant Final Terms.
- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon and is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(e)(i) (*Zero Coupon Notes*)).
- (e) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.
- (f) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.

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- (g) **Accrual of interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8(b) (*Additional Amounts*)).
- (h) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**
- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (i) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

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- (j) ***Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Instalment Amounts:*** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation 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 and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Issuer, the Fiscal Agent, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii) (*Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (k) ***Calculation Agent:*** The Issuer shall use its best efforts to procure that there shall at all times one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined below). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely

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connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 15 (*Notices*).

For the purpose of these Conditions:

"outstanding" means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form and in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 7(a) (*Dematerialised Notes*), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the relevant account with, or, by check drawn on, a Bank as provided in Condition 7(b) (*Materialised Bearer Notes*) and remain available for payment against presentation and surrender of Bearer Materialised Notes, Receipts and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Bearer Materialised Notes that have been surrendered in exchange for replacement Bearer Materialised Notes, (ii) (for the purpose only of determining how many such Bearer Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Bearer Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Bearer Materialised Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Bearer Materialised Notes, pursuant to its provisions.

6. Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.
- (b) **Redemption by Instalments:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on

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each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- (c) ***Redemption at the Option of the Issuer and Partial Redemption:*** If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 (*Notices*) to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), redeem all, or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market requirements.

In the case of a partial redemption in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the *French Code monétaire et financier* and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and Regulated Market requirements.

So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General

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Regulations (*Règlement Général*) of the *Autorité des marchés financiers* and on the website of any other competent authority and/or Regulated Market of the EEA Member State where the Notes are admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

- (d) **Redemption at the Option of Noteholders:** If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the Noteholder must deposit with any Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the "**Exercise Notice**") in the form obtainable during usual business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. Such notice shall, in the case of Materialised Bearer Notes, have attached to it such Note (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paris Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

- (e) **Early Redemption:**

(i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(f) (*Redemption for Taxation Reasons*) or Condition 6(j) (*Illegality*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) shall be the Amortised Nominal Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue

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price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or Condition 6(j) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d) (*Zero Coupon Notes*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

- (ii) *Other Notes:*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(f) or Condition 6(j), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption unless otherwise provided in the relevant Final Terms.

- (f) ***Redemption for Taxation Reasons:***

- (i) If, by reason of any change in French law or published regulations becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8(b) (*Additional Amounts*) below, the Issuer may, at its option, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index-Linked Note) or, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note), subject to having given not more than 60 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption

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provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.
- (g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Final Terms.
- (h) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price, subject to the applicable laws and/or regulations.

Unless otherwise specified in the Final Terms, Notes purchased by the Issuer may be held and resold in such amount as may be permitted by and in accordance with Article L.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes.

- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer, to the extent that the Issuer is not permitted to hold and resell such Notes in accordance with Article L.213-1 A of the French *Code monétaire et financier*, and all Notes cancelled at the option the Issuer, shall be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with

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the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering to the Fiscal Agent the Temporary Global Certificate and the Definitive Materialised Bearer Notes in question together with all unmatured Receipts and Coupons and all unexchanged Talons and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

- (j) **Illegality:** If, by reason of any change in French law or published regulations becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

7. Payments and Talons

- (a) **Dematerialised Notes:** Payments of principal and interest in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank (as defined below) designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.
- (b) **Materialised Bearer Notes:** Payments of principal and interest in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi) (*Unmatured Coupons and Receipts and unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a bank in the principal financial

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centre for such currency or, in the case of Euro, in a city in which banks have access to TARGET2 (a "Bank").

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain:
 - (i) a Fiscal Agent;
 - (ii) one or more Calculation Agent(s) where the Conditions so require;
 - (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require;
 - (iv) Paying Agents having specified offices in at least two major European cities (including Paris so long as Notes are admitted to trading on Euronext Paris and, in either case, so long as the rules of, or applicable to, the relevant Regulated Market so require);
 - (v) in the case of Materialised Notes, a Paying Agent with a specified office in a European Union Member State (which may be any of the

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Paying Agents referred to in (iv) above) that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income;

- (vi) in the case of Dematerialised Notes, in fully registered form, a Registration Agent; and
- (vii) such other agents as may be required by any other Regulated Market on which the Notes may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer Notes denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) (*Redenomination*) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 14 (*Further Issues and Consolidation*), the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15 (*Notices*).

(f) ***Unmatured Coupons and Receipts and unexchanged Talons***

- (i) Upon the due date for redemption, Materialised Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index-Linked Notes) should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10 (*Prescription*)).
- (ii) Upon the due date for redemption of any such Materialised Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index-Linked Note, unexpired Coupons relating to such Note (whether or

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- not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
 - (iv) Upon the due date for redemption of any Materialised Bearer Note that is redeemable in instalments, all Receipts relating to such Materialised Bearer Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (v) Where any Materialised Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
 - (vi) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10), provided that, in respect of Notes listed and admitted to trading on Euronext Paris, such exchange shall always take place at the specified office of the Fiscal Agent or of the Paying Agent, as a case may be, in Paris.
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange

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markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" in the relevant Final Terms and (B) (i) (in the case of a payment in a currency other than Euro), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro), which is a TARGET Business Day.

8. Taxation

- (a) **Tax exemption:** unless otherwise specified in the Final Terms, all payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- (b) **Additional Amounts:** If French law should require that payments of principal or interest in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:
 - (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or, if applicable, a Receiptholder or Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or
 - (ii) **Presentation more than 30 days after the Relevant Date:** in the case of Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder or, if applicable, a Receiptholder or Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
 - (iii) **Payment to individuals:** 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 of 3 June 2003 or any EU Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings

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income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (iv) *Payment by another Paying Agent:* in respect of Definitive Materialised Notes in bearer form, presented for payment by or on behalf of a holder of any Note, Receipt or Coupon, as the case may be, who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the EU.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

- (c) *Supply of Information:* Each Noteholder shall be responsible for supplying to the relevant Paying Agent, in a reasonable and timely manner, any information as may be required in a reasonable and timely manner in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any European 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.

9. Events of Default

The Representative (as defined in Condition 11 (*Representation of Noteholders*)), upon request of any Noteholder, may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause all the Notes (but not some only) to become immediately due and payable at their principal amount, together with any accrued interest thereon, as of the date on which such notice for

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payment is received by the Fiscal Agent without further formality, if any of the following events (each an "**Event of Default**") shall occur:

- (i) the Issuer (a) fails to pay principal in respect of the Notes of the relevant Series or any of them within 15 days following the Maturity Date or date of redemption thereof or (b) fails to pay interest in respect of the Notes 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 Notes of the relevant Series which default is continuing (except in any case where such default is incapable of remedy when no such continuation or notice, as is hereinafter mentioned, will be required) for a period of 30 days after the Issuer receives written notice specifying such default at the specified office of the Fiscal Agent by the Holder of any such Note; or
- (iii) (a) any Indebtedness (as defined in Condition 4 (*Negative Pledge*)) 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 within 30 days after its stated maturity or earlier redemption date, as the case may be, or within any longer applicable grace period, as the case may be, (b) any Indebtedness of the Issuer (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) unless, in each case, the Issuer is contesting in good faith its obligations to make payment or repayment of any such amount; or
- (iv) the Issuer enters into a conciliation (*procédure de conciliation* in accordance with Articles L. 611-4 to L. 611-15 of the French *Code de commerce*) 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 à la suite d'un plan de cession*) pursuant to a judicial reorganisation (*redressement judiciaire*), or the Issuer is subject to equivalent legal proceedings, or in the absence of legal proceedings the Issuer makes a voluntary conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors or the Issuer is voluntarily wound up or dissolved (*dissolution* or *liquidation amiable*).

10. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void

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unless made within five years (in the case of both principal and interest) from the appropriate Relevant Date in respect of them.

11. Representation of Noteholders

Except as otherwise provided by the relevant Final Terms, Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the "**Masse**").

The Masse will be governed by the provisions of the French *Code de commerce* and, in the case only of Notes which are issued outside the Republic of France, with the exception of Articles L.228-48, L.228-59, the second sentence of Articles L.228-65 II, R.228-63, R.228-67 and R.228-69, subject to the following provisions:

(a) **Legal Personality**

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the Noteholders (the "**General Meeting**").

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(b) **Representative**

The office of Representative may be conferred on a person of any nationality who agrees to perform such function. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Executive Board (*Directoire*), the members of its Supervisory Board (*Conseil de surveillance*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Executive Board (*Directoire*), or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

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The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(c) ***Powers of Representative***

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

(d) ***General Meeting***

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 15 (*Notices*).

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence, or if the *statuts* of the Issuer so specify, by videoconference or by any other means of telecommunications allowing the

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identification of participating Noteholders¹. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(e) ***Powers of the General Meetings***

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the obligations (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R. 228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in the General Meetings must be evidenced by entries in the books of the relevant Account Holder of the name of such Noteholder on the third business day in Paris preceding the date set for the relevant General Meeting at 0.00, Paris time.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15 (*Notices*).

(f) ***Information to Noteholders***

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of

¹ At the date of this Base Prospectus, the *statuts* of the Issuer do not contemplate the right for a Noteholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Noteholders.

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the Issuer, at the specified offices of any of the Paying Agents during usual business hours and at any other place specified in the notice of the General Meeting.

(g) **Expenses**

The Issuer will pay all the reasonable and duly documented expenses relating to the operation of the Masse, including the reasonable and duly documented expenses relating to the calling and holding of General Meetings and, more generally, all reasonable and duly documented administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(h) **Single Masse**

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14 (*Further Issues and Consolidation*), shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

For the avoidance of doubt, in this Condition 11 "outstanding" shall not include those Notes purchased by the Issuer pursuant to Article L.213-1 A of the French *Code monétaire et financier* that are held by it and not cancelled.

12. **Modifications**

These Conditions may be completed in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

13. **Replacement of definitive Notes, Receipts, Coupons and Talons**

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Bearer Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

Terms and Conditions of the Notes

14. Further Issues and Consolidation

- (a) **Further Issues:** Unless otherwise specified in the relevant Final Terms, the Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest in the relevant Final Terms) and that the terms of such further notes provide for such assimilation and references in these Conditions to "Notes" shall be construed accordingly.
- (b) **Consolidation:** The Issuer may, with the prior approval (which shall not be unreasonably withheld) of the Redenomination and Consolidation Agent, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

15. Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the mailing, or (ii) at the option of the Issuer, they are published in a leading daily newspaper with general circulation in Europe (which is expected to be the *Financial Times*) and, so long as such Notes are listed and admitted to trading on any Regulated Market and the rules of, or applicable to, such Regulated Market so require, in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located, which in the case of Euronext Paris is expected to be *La Tribune* or *Les Echos*.
- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a daily leading newspaper with general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed and admitted to trading on any Regulated Market, in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located, which in the case of Euronext Paris is expected to be *La Tribune* or *Les Echos*.

Terms and Conditions of the Notes

- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 15(a), (b) and (c) above; except that notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11 (*Representation of Noteholders*) shall also be published in a leading daily newspaper of general circulation in Europe.

16. Governing Law and Jurisdiction

16.1 Governing Law

The Notes (and, where applicable, the Receipts, the Coupons and the Talons) and any non-contractual obligations arising out of or in connection with the Notes (and, where applicable, the Receipts, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.

16.2 Jurisdiction

- (a) The Paris Commercial Court (*Tribunal de Commerce de Paris*) has jurisdiction to settle any disputes arising out of or in connection with the Notes (and, where applicable, the Receipts, the Coupons and the Talons) (including a dispute relating to the existence, validity or termination of the Notes (and, where applicable, the Receipts, the Coupons and the Talons) or any non-contractual obligation arising out of or in connection with the Notes (and, where applicable, the Receipts, the Coupons and the Talons)) and accordingly, any legal action or proceedings arising out of or in connection therewith may be brought in such courts.
- (b) Any claim against the Issuer in connection with the Notes (and, where applicable, the Receipts, the Coupons and the Talons) will be brought before the said Paris Commercial Court (*Tribunal de Commerce de Paris*).

USE OF PROCEEDS

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

DESCRIPTION OF THE ISSUER

Detailed information in relation to the Issuer is contained in the documents referred to in the section headed "Documents incorporated by reference" in this Base Prospectus.

Information regarding the EDF Group's activities

General introduction to the EDF Group

The EDF Group is an integrated energy company with a presence in a wide range of electricity-related businesses: generation, transmission, distribution, supply and energy trading. It is France's leading electricity operator and has strong positions in the United Kingdom and Italy, making it one of Europe's leading electrical players as well as a recognized player in the gas industry.

With worldwide installed capacity of 133.9 GW¹ as of 31 December 2010 (129.8 GW in Europe) and global energy generation of 630.4 TWh, it has the largest generating capacity of all the major European energy corporations with the lowest level of CO₂ emissions per KWh generated² due to the significant proportion of nuclear and hydroelectric power in its generation mix.

The EDF Group supplies electricity, gas and associated services to more than 37 million customer accounts³ worldwide (including approximately 27.7 million in France).

The EDF Group's businesses reflect its adoption of a model aimed at finding the best balance between French and international activities, competitive and regulated operations and based on an upstream-downstream integration. In 2010, the EDF Group's consolidated revenues were €65.2 billion, net income excluding non-recurring items stood at €4 billion, and earnings before interest, tax, depreciation and amortization came to €16.6 billion.

The table below presents the breakdown of the EDF Group's fleet and electricity generation for France in 2010:

	Installed Capacity: 97,176MW⁽¹⁾⁽⁶⁾	Electricity Generated: 470.2TWh⁽⁵⁾
Nuclear power	65%	86.7%
Hydropower (2) (4)	21%	9.7%
Fossil-fired (3)	14%	3.6%

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

(2) Excluding Corsica and the French overseas departments: 400 MW of installed capacity and 1.5 TWh generated in 2010.

(3) Excluding Corsica and the French Overseas departments, 1.482 MW in 2010 and including 2.195 MW of units under guaranteed multi-year shutdown.

(4) Total hydraulic generation: the electricity consumption needed for the operation of pumped storage plants amounted to 6.6 TWh in 2010, resulting to a net hydraulic generation (given the pumped storage consumption) of

¹ Figures calculated according to the rules of accounting consolidation. Group data in this section do not include EnBW, unless otherwise indicated.

² Source: PricewaterhouseCoopers: "European Carbon Factor in November 2010".

³ One customer may have two accounts: one for electricity and one for gas.

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38.8 TWh.

(5) These values correspond to the sum of the precise values, corrected to one decimal place.

(6) This value also includes 12 MW of capacity of wind generation.

Deregulated and regulated operations in France

Deregulated activities of EDF in France (activities open to competition), include electricity generation and the sale of electricity and natural gas. 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 margin.

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

- transmission, managed by RTE EDF Transport (RTE);
- distribution, managed by ERDF;
- 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 "TURPE") 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

The EDF Group is positioned as an energy leader, prioritizing sustainable and profitable industrial growth investments based on knowledge development and promoting our technical expertise. The EDF Group intends to continue to strengthen its international businesses, as a complement to its activities in France.

The international activities of the EDF Group develop the core strategies of the EDF Group on an operational level. These strategies involve the reinforcement of our European positions, and the international deployment of our nuclear activities and projects and other key projects.

European Positions

The EDF Group has consolidated its European presence, the mature market of its industrial base.

The EDF Group activity in Europe is based upon: building unique electricity and gas markets; encouraging new technologies and innovative and customized solutions to environmental, social and economic challenges; and respecting natural and human resources, and local stakeholder priorities regarding energy challenges and associated services.

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The principal events of the year illustrating this strategy were:

- In the United Kingdom: pursuing studies and investments to diversify local generating facilities;
- In Germany: the political authorities from the federated state of Baden- Württemberg having made their request to give EnBW a strong regional shareholder to refocus the company's business on Baden-Wurtemberg, the EDF Group accepted the state's offer to buyback the equity interest of EDF International's in EnBW, completed February 17, 2011;
- In Italy: discussions with Italian partners to refurbish the shareholders' agreement;
- In Poland: integrating Polish subsidiaries through creating shared services for all companies;
- In Belgium: signing a new shareholders' agreement, buyback of certain minority stakes and finally implementation of a synergy program marked notably by the transfer of EDF Belgium customer portfolio to SPE.

The EDF Group's ambitions in Europe

The EDF Group's ambition is to consolidate a coherent industrial group with its current main positions in Europe and it will review any new opportunity of profitable development in Europe which is its core market.

In addition, the EDF Group intends to continue building its gas assets, which are necessary to its ambition of becoming an active utility in the gas and electricity sector in Europe, in order to secure its offer, to provide its customers with a multi-energy offer and to ensure a competitive supply of means of EDF Group's electricity generation through gas.

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

- to improve operational performance by sharing best practices observed within the EDF Group;
- to use the opportunity of construction projects of generation assets in various subsidiaries in order to standardize the conception and to group the purchase orders to equipment manufacturers;
- to coordinate gas supplies and investments to further the EDF Group's ambitions in the gas market;
- to develop on an European scale upstream-downstream optimization.

Key information regarding the EDF Group's annual financial data

Preamble

Pursuant to European regulation No. 1606/2002/EC of 19 July 2002 on the adoption of international accounting standards, the EDF Group's consolidated financial statements for

Description of the Issuer

the year ended 31 December 2010 are prepared under the international accounting standards published by the IASB and approved by the European Union for application as of 31 December 2010. These international standards are the IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and their interpretations (SIC and IFRIC).

Key financial information

The selected financial information presented below is taken from the EDF Group's consolidated financial statements as of 31 December 2010, which have been audited by EDF's Statutory Auditors.

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 this reference document, and (ii) the operating and financial review contained in Chapter 9 of this reference document.

Extracts from the consolidated income statements

<i>(in millions of Euros)</i>	2010	2009	⁽¹⁾ 2009	⁽²⁾
Sales	65,165	59,140		66,336
Operating profit before depreciation and amortization (EBITDA)	16,623	15,929		17,466
Operating profit (EBIT)	6,240	9,306		10,107
Income before taxes of consolidated companies ⁽³⁾	1,814	5,102		5,582
EDF NET INCOME	1,020	3,902		3,905

(1) Data published in 2010 for the 2009 fiscal year have been restated for the impact of the application of IFRIC 18, "Transfers of Assets From Customers," IFRIC 12, "Service Concession Arrangements", IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations", and for the change in presentation of the net change in fair value of Energy and Commodities derivatives, excluding trading activities.

(2) Data published in 2009 for the 2009 fiscal year.

(3) Income before taxes of consolidated companies corresponds to the EDF 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

<i>(in millions of Euros)</i>	31 December 2010	31 December 2009 ⁽¹⁾	31 December 2009 ⁽²⁾
Non-current assets	158,744	178,556	180,435
Current assets	63,670	60,214	60,214
Assets classified as held for sale	18,145	1,265	1,265
TOTAL ASSETS	240,559	240,035	241,914
Equity (Group share)	31,317	29,891	27,952
Non controlling interests	5,586	4,776	4,773
Non-current provisions	49,465	52,134	52,134
Other non-current liabilities	91,666	95,646	98,016
Current liabilities	49,651	57,177	58,628
Liabilities related to assets classified as held for sale	12,874	411	411
TOTAL EQUITY AND LIABILITIES	240,559	240,035	241,914

(1) Data published in 2010 for the 2009 fiscal year have been restated for the impact of application of IFRIC 18 and IFRIC 12.

(2) Data published in 2009 for the 2009 fiscal year.

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Extracts from the consolidated cash flow statements

<i>(in millions of Euros)</i>	2010	2009⁽¹⁾	2009⁽²⁾
Net cash flow from operating activities	11,110	11,213	12,374
Net cash flow used in investing activities	(14,927)	(25,234)	(24,944)
Net cash flow from financing activities	1,948	15,567	13,910
Cash flow from discontinued operations	357	(206)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,512)	1,340	1,340

(1) Data published in 2010 for the 2009 fiscal year have been restated for the impact of application of IFRIC 18, IFRIC 12, IFRS 5 and Revised IAS 27 "Consolidated and Separate Financial Statements".

(2) Data published in 2009 for the 2009 fiscal year.

Information concerning net indebtedness

The definition of net indebtedness was revised in 2010 to take into account the EDF Group's lending to RTE EDF Transport, an entity consolidated by the equity method as of 31 December 2010.

<i>(in millions of Euros)</i>	31 December 2010	31 December 2009
Loans and other financial liabilities	47,777	53,868
Derivatives used to hedge liabilities	49	373
Cash and cash equivalents	(4,829)	(6,982)
Liquid assets	(9,285)	(4,735)
Loans to RTE EDF Transport	(1,914)	-
Net indebtedness from assets held for sale	2,591	(28)
NET INDEBTEDNESS	34,389	42,496

Key figures as at 30 June 2011

Pursuant to European regulation 1606/2002 of July 19, 2002 on the adoption of international accounting standards, the EDF Group's condensed consolidated financial statements at 30 June 2011 are prepared using the presentation, recognition and measurement rules prescribed by the international accounting standards published by the IASB and approved by the European Union for application at 30 June 2011. These international standards are IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and interpretations issued by the SIC and IFRIC.

The accounting and valuation methods applied by the EDF Group are presented in note 1 to the condensed consolidated half-year financial statements at 30 June 2011.

Restatements

The figures presented below are taken from the EDF Group's condensed consolidated half-year financial statements at 30 June 2011.

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In compliance with accounting principles, the previously published figures for first-half 2010 have been restated for the effect of the following:

- application of IFRS 5, “Non-current assets held for sale and discontinued operations”, and
- the change in presentation of SPE’s energy purchase and sales optimization, which has no impact on EBITDA.

Adjustments

For analysis of the EDF Group results, organic growth in 2011 is measured against adjusted 2010 figures, i.e. on a comparable scope of consolidation that does not include RTE, EnBW, the networks and Eggborough plant in the UK.

The table below shows details of restated and adjusted figures.

In millions of Euros	H1 2010 (restated)	Impact of equity method for RTE	Impact of sale of EnBW ⁽¹⁾	Impact of disposals in the UK ⁽¹⁾	Total impacts	H1 2010 (adjusted)
Sales	33,538	(119)	-	(779)	(898)	32,640
Operating profit before depreciation and amortization (EBITDA)	9,557	(791)	-	(625)	(1,416)	8,141
Operating profit (EBIT)	4,685	(493)	-	(399)	(892)	3,793
Income before taxes of consolidated companies ⁽²⁾	2,458	(328)	14	(303)	(617)	1,841
EDF net income	1,659	-	(359)	(222)	(581)	1,078
Net income excluding non- recurring items ⁽³⁾	2,969	-	(387)	(222)	(609)	2,360

(1) Including interest on net proceeds of disposals, set by convention at 1% before taxes.

(2) The income before taxes of consolidated companies corresponds to the EDF group’s net income before income taxes, the share in net income of associates, net income attributable to non-controlling interests and the net income of discontinued operations.

(3) Net income excluding non-recurring items is not defined by IFRS, and is not directly visible in the consolidated income statements. It corresponds to the Group’s share of net income excluding non-recurring items and the net change in fair value on Energy and Commodity derivatives, excluding trading activities, net of tax (see section 3.9).

Key figures at 30 June 2011 are shown in the following table. Variations in value and percentage are calculated with reference to adjusted first-half 2010 figures.

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Extract from the consolidated income statements

	H1 2011	H1 2010 (adjusted)	Variation	Variation (%)	Organic growth (%)
In millions of Euros					
Sales	33,464	32,640	+824	+2.5	+2.7
Operating profit before depreciation and amortization (EBITDA)	8,616	8,141	+475	+5.8	+6.2
Operating profit (EBIT)	5,256	3,793	+1,463	+38.6	
Income before taxes of consolidated companies	3,446	1,841	+1,605	+87.2	
EDF net income	2,554	1,078	+1,476	+136.9	
Net income excluding non-recurring items	2,629	2,360	+269	+11.4	+12.5

Operating cash flow

	H1 2011	H1 2010 (restated)	Variation	Variation (%)
In millions of Euros				
Operating cash flow ⁽¹⁾	5,965	6,329	-364	-5.8

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

Operating cash flow at June 30, 2011 showed organic growth of +5.6% compared to adjusted operating cash flow at June 30, 2010.

Indebtedness

	June 30, 2011	December 31, 2010	Variation	Variation (%)
In millions of Euros				
Net indebtedness	29,206	34,389	-5,183	-15.1
Equity (EDF's share)	31,317	31,317	-	-
Net indebtedness/EBITDA	2.0⁽¹⁾	2.2⁽²⁾		

(1) The ratio at June 30, 2011 is calculated based on cumulative EBITDA for the second half of 2010 and the first half of 2011.

(2) 2010 ratio using a numerator and denominator based on a comparable scope of consolidation: in the denominator, 2010 EBITDA has been adjusted for UK networks (10 months) and RTE EBITDA (12 months); the numerator, is adjusted for EnBW.

Description of the Issuer

Members of the Board of Directors as at 30 August 2011

Representatives of the French State

Pierre-Marie Abadie
Jean-Dominique Comolli
Yannick d'Escatha
Philippe Van De Maele
Julien Dubertret
Pierre Sellal

*Directors appointed by the General
Shareholders' Meeting*

Henri Proglio (Chairman and CEO)
Bruno Lafont
Mireille Faugère
Philippe Crouzet
Michaël Jay of Ewelme
Pierre Mariani

Employee Representatives

Christine Chabauty
Philippe Maissa
Alexandre Grillat
Philippe Pesteil
Jean-Paul Rignac
Maximo Villota

DESCRIPTION DE L'EMETTEUR (DESCRIPTION OF THE ISSUER IN FRENCH)

Des informations détaillées relatives à l'Emetteur sont disponibles dans les documents indiqués dans la section intitulée "Documents incorporés par référence" dans ce Prospectus de Base.

Informations concernant l'activité du Groupe EDF

Présentation générale du Groupe EDF

Le Groupe EDF est 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 au Royaume-Uni et en Italie, qui en font l'un des électriciens leader en Europe et un acteur gazier reconnu.

Avec une puissance installée de 133,9 GW¹ dans le monde au 31 décembre 2010 (129,8 GW en Europe) pour une production mondiale de 630,4 TWh, le Groupe EDF dispose, parmi les grands énergéticiens européens, du parc de production le plus important et le moins émetteur de CO₂ par kWh produit² 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 millions de comptes clients³ dans le monde (dont près de 27,7 millions en France).

Les activités du Groupe EDF traduisent le choix d'un modèle équilibré entre France et international, opérations concurrentielles et régulées et reposant sur une intégration amont-aval. En 2010, le Groupe EDF a réalisé un chiffre d'affaires consolidé de 65,2 milliards d'euros, un excédent brut d'exploitation de 16,6 milliards d'euros et un résultat net courant de 4 milliards d'euros.

Le tableau ci-dessous présente la répartition du parc et de la production d'électricité du Groupe EDF en France en 2010 :

	Puissance installée :	Electricité Produite:
	97 176MW⁽¹⁾⁽⁶⁾	470,2 TWh⁽⁵⁾
Nucléaire	65%	86.7%
Hydraulique ⁽²⁾⁽⁴⁾	21%	9.7%
Thermique ⁽³⁾	14%	3.6%

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

(2) Hors Corse et DOM, soit 400 MW de puissance installée et 1,5 TWh d'électricité produite en 2010.

(3) Hors Corse et DOM, soit 1 482 MW de puissance installée en 2010, et y compris 2 195 MW tranches en arrêt

¹ Chiffres calculés conformément aux règles de consolidations comptables. Les données Groupe EDF figurant dans cette section n'intègrent pas EnBW, sauf indication contraire.

² Source : PriceWaterhouseCoopers : "Facteur carbone européen novembre 2010".

³ Un client peut avoir deux comptes clients : un pour l'électricité et un pour le gaz.

Description de l'Emetteur

garanti pluriannuel. Hors Corse et DOM, soit 4,5 TWh d'électricité produite en 2010.

(4) Production brute : la consommation d'électricité nécessaire au fonctionnement des stations de transfert d'énergie par pompage (STEP) s'élève à 6,6 TWh en 2010, ce qui conduit à une production hydraulique nette de la consommation liée au pompage de 38,8 TWh.

(5) Ces valeurs correspondent à l'expression à une décimale de la somme des valeurs précises, compte tenu des arrondis.

(6) Cette valeur inclut également 12 MW de capacité de production éolienne.

Opérations régulées et non régulées en France

Les opérations non régulées d'EDF en France, activités en concurrence, comprennent la production d'électricité et la commercialisation d'électricité et de gaz. EDF met en oeuvre un modèle intégré pour la gestion opérationnelle conjointe de ses portefeuilles d'actifs amont (production - achats d'énergies 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 France d'EDF comportent :

- le transport, géré par RTE EDF Transport (RTE) ;
- la distribution, gérée par ERDF ;
- les activités d'EDF dans les Systèmes Énergétiques Insulaires (Corse, DOM et Saint-Pierre-et-Miquelon), gérées par la direction Systèmes Énergétiques 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 ("TURPE") 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

Le Groupe EDF se positionne comme un leader énergétique, avec l'objectif prioritaire d'investir pour une croissance industrielle durable et rentable, en s'appuyant sur le développement des compétences et la valorisation des savoir-faire techniques. Il entend poursuivre le renforcement de son implantation internationale, complémentaire de ses activités en France.

Les activités internationales du Groupe EDF déclinent de façon opérationnelle les orientations stratégiques du Groupe EDF concernant le renforcement des positions européennes, le déploiement d'activités et de projets nucléaires à l'international et d'autres projets ciblés à l'international.

Positions européennes

Le Groupe EDF a poursuivi la consolidation de sa présence en Europe, marché mature socle de sa présence industrielle.

L'activité du Groupe EDF sur cette zone s'inscrit dans une volonté de contribuer à la constitution d'un marché unique tant de l'électricité que du gaz, favoriser l'émergence de

Description de l'Emetteur

nouvelles technologies et de solutions innovantes adaptées aux enjeux environnementaux, sociaux et économiques, et enfin respecter les ressources naturelles, les ressources humaines et les souhaits des parties prenantes locales dans leurs appréhensions des enjeux énergétiques et des services associés.

Les principaux événements de l'année ont été :

- au Royaume-Uni : la poursuite des études et investissements en vue de diversifier les moyens de production locaux ;
- en Allemagne : les autorités politiques du Land de Bade-Wurtemberg ayant formulé leur volonté de doter EnBW d'un actionariat régional fort pour recentrer les activités de l'entreprise sur le Bade Wurtemberg, le Groupe EDF a accepté l'offre du Land pour le rachat de la participation d'EDF International dans EnBW, finalisé le 17 février 2011 ;
- en Italie : les discussions en vue du renouvellement du pacte d'actionnaires ;
- en Pologne : la poursuite du projet d'intégration des filiales polonaises avec la création du centre de service partagé pour toutes les sociétés ;
- en Belgique : la signature d'une nouvelle convention d'actionnaires, le rachat d'une partie des intérêts minoritaires et enfin la mise en place d'un programme de synergies marqué notamment par le transfert du portefeuille clients d'EDF Belgium à SPE.

Ambition européenne du Groupe EDF

Le Groupe EDF a pour ambition de renforcer l'ensemble industriel cohérent dont il dispose en Europe par croissance organique et développement de synergies à l'échelle du Groupe EDF. Il étudiera toute nouvelle opportunité de développement rentable en Europe, qui est son marché de référence.

En outre, le Groupe EDF entend poursuivre la construction de ses positions gazières, nécessaires à son ambition de devenir un énergéticien actif dans le gaz comme dans l'électricité en Europe, afin de sécuriser son offre de proposer à ses clients une offre multi-énergies et d'assurer l'approvisionnement compétitif des outils de production d'électricité du Groupe EDF utilisant le gaz.

Le Groupe EDF met également en œuvre des synergies opérationnelles entre ses différentes entités, en France et en Europe, au travers des actions suivantes :

- améliorer les performances opérationnelles par le partage des meilleures pratiques observées au sein du Groupe EDF ;
- utiliser l'opportunité des projets de construction d'actifs de production de 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 ;

Description de l'Emetteur

- développer l'optimisation amont-aval à l'échelle européenne.

Informations de base concernant les états financiers annuels du Groupe EDF

En application du règlement (CE) n° 1606/2002 du 19 juillet 2002 sur les normes internationales, les états financiers consolidés du Groupe EDF, au titre de l'exercice clos le 31 décembre 2010, sont préparés conformément aux normes comptables internationales telles que publiées par l'IASB et approuvées par l'Union européenne au 31 décembre 2010. Ces normes internationales comprennent les normes IAS (*International Accounting Standards*), IFRS (*International Financial Reporting Standards*) et les interprétations (SIC et IFRIC).

Les informations financières sélectionnées présentées ci-dessous sont extraites des comptes consolidés du Groupe EDF pour l'exercice clos le 31 décembre 2010 qui ont été audités par les Commissaires aux comptes d'EDF.

Les informations financières sélectionnées ci-après doivent être lues conjointement avec (i) les comptes consolidés figurant à la section 20.1 ("Informations financières historiques") du présent document de référence et (ii) l'examen de la situation financière et du résultat du Groupe EDF figurant au chapitre 9 du présent document de référence.

Extraits des comptes de résultat consolidés

(en millions d'euros)	2010	2009 ⁽¹⁾	2009 ⁽²⁾
Chiffre d'affaires	65 165	59 140	66 336
Excédent brut d'exploitation (EBE)	16 623	15 929	17 466
Résultat d'exploitation	6 240	9 306	10 107
Résultat avant impôts des sociétés intégrées ⁽³⁾	1 814	5 102	5 582
Résultat net part du Groupe EDF	1 020	3 902	3 905

- (1) Les données publiées en 2010 au titre de l'exercice 2009 ont été retraitées de l'impact lié à l'application des interprétations IFRIC 18 "Transferts d'actifs provenant de clients", IFRIC 12 "Accords de concession de services", de la norme IFRS 5 "Actifs non courants détenus en vue de la vente et activités abandonnées" et du changement de présentation de la variation nette de juste valeur sur instruments dérivés Énergie et Matières Premières hors activités de trading.
- (2) Données publiées en 2009 au titre de l'exercice 2009.
- (3) Le résultat avant impôt des sociétés intégrées correspond au résultat net du Groupe EDF avant prise en compte de l'impôt sur les résultats, de la quote-part de résultat net des entreprises associées, du résultat net des activités en cours de cession et du résultat net attribuable aux participations ne donnant pas le contrôle.

Description de l'Emetteur

Extraits des bilans consolidés

(en millions d'euros)	31 décembre 2010	31 décembre 2009 (1)	31 décembre 2009 (2)
Actif non courant	158 744	178 556	180 435
Actif courant	63 670	60 214	60 214
Actifs détenus en vue de la vente	18 145	1 265	1 265
Total de l'actif	240 559	240 035	241 914
Capitaux propres - part du Groupe EDF	31 317	29 891	27 952
Intérêts attribuables aux participations ne donnant pas le contrôle	5 586	4 776	4 773
Provisions non courantes	49 465	52 134	52 134
Autres passifs non courants	91 666	95 646	98 016
Passif courant	49 651	57 177	58 628
Passifs liés aux actifs détenus en vue de la vente	12 874	411	411
Total des capitaux propres et du passif	240 559	240 035	241 914

(1) Les données publiées en 2010 au titre de l'exercice 2009 ont été retraitées de l'impact lié à l'application des interprétations IFRIC 18 et IFRIC 12.

(2) Données publiées en 2009 au titre de l'exercice 2009.

Extraits des tableaux de flux de trésorerie consolidés

(en millions d'euros)	2010	2009(1)	2009(2)
Flux de trésorerie nets générés par les activités opérationnelles	11 110	11 213	12 374
Flux de trésorerie nets liés aux activités d'investissement	(14 927)	(25 234)	(24 944)
Flux de trésorerie nets liés aux activités de financement	1 948	15 567	13 910
Flux de trésorerie des activités en cours de cession	357	(206)	-
Variation nette de la trésorerie et des équivalents de trésorerie	(1 512)	1 340	1 340

(1) Les données publiées en 2010 au titre de l'exercice 2009 ont été retraitées de l'impact lié à l'application des interprétations IFRIC 18, IFRIC 12, et des normes IFRS 5 et IAS 27 amendée "États financiers consolidés et individuels".

(2) Données publiées en 2009 au titre de l'exercice 2009.

Description de l'Emetteur

Informations relatives à l'endettement financier

La définition de l'endettement financier net a été revue en 2010 afin de prendre en compte les prêts du Groupe EDF à RTE EDF Transport, entité consolidée par mise en équivalence à compter du 31 décembre 2010.

(en millions d'euros)	31 décembre 2010	31 décembre 2009
Emprunts et dettes financières	47 777	53 868
Dérivés de couvertures des dettes	49	373
Trésorerie et équivalents de trésorerie	(4 829)	(6 982)
Actifs liquides	(9 285)	(4 735)
Prêts à RTE EDF Transport	(1 914)	-
Endettement financier net des actifs destinés à être cédés	2 591	(28)
Endettement financier net	34 389	42 496

Chiffres Clés au 30 juin 2011

En application du règlement européen 1606/2002 du 19 juillet 2002 sur les normes internationales, les comptes consolidés résumés du semestre clos le 30 juin 2011 du Groupe EDF sont préparés sur la base des règles de présentation, de reconnaissance et d'évaluation des normes comptables internationales telles que publiées par l'IASB et approuvées par l'Union européenne au 30 juin 2011. Ces normes internationales comprennent les normes IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), et les interprétations (SIC et IFRIC).

Les méthodes comptables et règles d'évaluation appliquées par le Groupe EDF sont présentées en note 1 aux comptes consolidés résumés du semestre clos le 30 juin 2011.

Données retraitées

Les informations financières présentées ci-dessous sont issues des comptes consolidés résumés du semestre clos le 30 juin 2011 du Groupe EDF.

Conformément aux principes comptables, les données relatives au premier semestre 2010 ont été retraitées des éléments suivants par rapport aux données publiées :

- l'impact de l'application de la norme IFRS 5 « Actifs non courants détenus en vue de la vente et activités abandonnées »,
- le changement de présentation des activités d'optimisation de SPE, sans impact sur l'EBE.

Données ajustées

Dans le cadre de l'analyse des résultats du Groupe EDF, la croissance organique en 2011 est mesurée par rapport aux données 2010 ajustées, c'est-à-dire au périmètre comparable 2011 : hors RTE, EnBW, les réseaux et la centrale d'Eggborough au Royaume-Uni.

Description de l'Emetteur

Le tableau ci-dessous analyse le passage des données retraitées aux données ajustées.

En millions d'euros	1 ^{er} semestre 2010 retraité	Impact mise en équivalence RTE	Impact cession EnBW ⁽¹⁾	Impact cessions Royaume-Uni ⁽¹⁾	Total des impacts	1 ^{er} semestre 2010 ajusté
Chiffres d'affaires	33 538	(119)	-	(779)	(898)	32 640
EBE	9 557	(791)	-	(625)	(1 416)	8 141
Résultat d'exploitation	4 685	(493)	-	(399)	(892)	3 793
Résultat avant impôt ⁽²⁾	2 458	(328)	14	(303)	(617)	1 841
Résultat net part du Groupe	1 659	-	(359)	(222)	(581)	1 078
Résultat net courant ⁽³⁾	2 969	-	(387)	(222)	(609)	2 360

(1) y compris la rémunération des produits nets de cessions fixée par convention à 1% avant impôt.

(2) Le résultat avant impôt des sociétés intégrées correspond au résultat net du groupe EDF avant prise en compte de l'impôt sur les résultats, de la quote-part de résultat net des entreprises associées, du résultat attribuable aux participations ne donnant pas le contrôle et du résultat des activités en cours de cession.

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

Les chiffres clés du Groupe EDF pour le premier semestre 2011 sont présentés ci-après. Les variations en valeur et en % sont calculées par rapport aux données du premier semestre 2010 ajustées.

Extrait du compte de résultat consolidé

En millions d'euros	1 ^{er} semestre 2011	1 ^{er} semestre 2010 ajusté	Variation en valeur	Variation en %	Croissance organique en %
Chiffre d'affaires	33 464	32 640	+824	+2,5	+2,7
Excédent brut d'exploitation (EBE)	8 616	8 141	+475	+5,8	+6,2
Résultat d'exploitation	5 256	3 793	+1 463	+38,6	
Résultat avant impôt des sociétés intégrées	3 446	1 841	+1 605	+87,2	
Résultat net part du Groupe	2 554	1 078	+1 476	+136,9	
Résultat net courant	2 629	2 360	+269	+11,4	+12,5

Description de l'Emetteur

Cash flow opérationnel

En millions d'euros	1 ^{er} semestre 2011	1 ^{er} semestre 2010 retraité	Variation en valeur	Variation en %
Cash flow opérationnel ⁽¹⁾	5 965	6 329	-364	-5,8

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

Le cash flow opérationnel à fin juin 2011 progresse de +5,6% en croissance organique par rapport au cash flow opérationnel ajusté à fin juin 2010.

Informations relatives à l'endettement financier

En millions d'euros	30 juin 2011	31 décembre 2010	Variation en valeur	Variation en %
Endettement financier net	29 206	34 389	-5 183	-15,1
Capitaux propres – part du Groupe	31 317	31 317	-	-
Endettement financier net/EBE	2,0 ⁽¹⁾	2,2 ⁽²⁾		

(1) Le ratio au 30 juin 2011 a été calculé sur la base de l'EBE cumulé du second semestre 2010 et du premier semestre 2011.

(2) Ratio 2010 avec numérateur et dénominateur à périmètre comparable : au dénominateur, retraitement de l'EBE 2010 des réseaux au Royaume-Uni (10 mois) et de l'EBE de RTE (12 mois) ; au numérateur, retraitement d'EnBW.

Membres du Conseil d'administration au 30 août 2011

Administrateurs représentant l'Etat

Pierre-Marie Abadie
Jean-Dominique Comolli
Yannick d'Escatha
Philippe Van De Maele
Julien Dubertret
Pierre Sellal

Administrateurs élus par l'Assemblée Générale des actionnaires

Henri Proglia (Président-Directeur Général)
Bruno Lafont
Mireille Faugère
Philippe Crouzet
Michaël Jay of Ewelme
Pierre Mariani

Administrateurs représentant les salariés

Christine Chabauty
Philippe Maissa
Alexandre Grillat
Philippe Pesteil
Jean-Paul Rignac
Maximo Villota

RECENT EVENTS

1. EDF's Credit Ratings as of 6 September 2011

Rating Agency	Long term rating	Short term rating
Moody's	Aa3, stable outlook	P-1
Standard and Poor's	AA-, stable outlook	A-1+
Fitch Ratings	A+, stable outlook	F1

Each of Moody's, Standard and Poor's and Fitch Ratings is established in the European Union and has applied for registration under the Regulation (EC) No.1060/2009 on credit ratings agencies (the "**CRA Regulation**"), although the result of such applications has not been determined. The credit rating included or referred to in this Base Prospectus will be treated for the purposes of the CRA Regulation as having been issued by S&P upon registration pursuant the CRA Regulation. 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.

2. Press release dated 29 July 2011 - H1 2011 results: a further improvement in operating performance 2011-2015 objectives and outlook

- **EBITDA:** €8.6bn, +6.2% organic growth
- **Recurring net income:** €2.6bn, +12.5% organic growth
- **Net income (Group share):** €2.6bn, up by 139% at constant scope and exchange rates
- **Net financial debt/EBITDA** improved to 2.0x
- **2011 financial objectives reiterated** and 2011 nuclear generation target revised upward to between 411 and 418 TWh

Recent Events

- **2011-2015 objectives: ensuring profitable growth**

EDF SA's Board of Directors, meeting on 28 July 2011 under the chairmanship of Henri Proglio, approved the Group's condensed financial statements for the half-year ended 30 June 2011.

Henri Proglio, EDF Chairman and CEO, stated: "Despite an uncertain environment, we achieved outstanding operating results in the first six months of 2011, thanks mainly to higher nuclear output in France and the UK. On the basis of these results, the Group reiterates its financial objectives for 2011. EDF is determined to build on what it has already achieved to generate profitable organic growth. Whatever transpires in the area of energy, EDF, its women, men and know-how will be a force to be reckoned with."

EDF's first-half results				
	H1 2010 restated	H1 2010 adjusted to 2011 perimeter	H1 2011	Organic growth at constant scope (%)
<i>In millions of euros</i>				
Sales	33,538	32,640	33,464	2.7%
EBITDA	9,557	8,141	8,616	6.2%
EBIT	4,685	3,793	5,256	38.9%
EDF net income	1,659	1,078	2,554	139.4%
Recurring net income	2,969	2,360	2,629	12.5%

	12/31/2010	06/30/2011
Net financial debt	34.4	29.2
<i>(in billions of euros)</i>		
Net financial debt / EBITDA	2.2x ¹⁹	2.0x ²⁰

Scope information

Restated figures: The financial disclosures presented in this press release are taken from the EDF Group's condensed financial statements for the half-year ended on 30 June 2011. In accordance with generally accepted accounting principles, H1 2010 figures were restated to take account of the following developments:

¹⁹ 2010 ratio with numerator and denominator on a comparable scope of activity: for the denominator, 10-month EBITDA from UK networks and 12-month EBITDA from RTE have been subtracted from 2010 EBITDA; EnBW was removed from the numerator.

²⁰ The H1 2011 ratio is based on combined EBITDA from H2 2010 and H1 2011.

Recent Events

- The impact of the application of IFRS 5, "Non-current Assets Held for Sale and Discontinued operations",

- The change in the presentation of SPE's optimization activities with no impact on EBITDA.

Adjusted figures: As part of an analysis of the Group's results, 2011 organic growth was measured against adjusted 2010 data, i.e. assuming a comparable scope of activity in 2011: excluding RTE, EnBW, UK networks and the Eggborough plant in the UK.

Recurring net income adjusted to the 2011 scope includes net proceeds on disposals, which, as a principle, has been assumed to generate a 1% pre-tax return.

A further improvement in operating results in H1 2011

Despite volatile international energy markets and challenging macroeconomic conditions, the Group's operating performance improved significantly, with 6.2% organic growth in EBITDA to €8,616m.

Such growth was driven by solid operating results in France (€5,688m, i.e. an 8.3% increase in organic terms) and in the UK (€1,172m, i.e. an increase of 20.7% in organic terms).

In France, nuclear output rose by 15.5 TWh compared to H1 2010, a solid performance that was due mainly to the low number of unplanned outage days, down by 371 days compared to H1 2010. Based on this H1 2011 performance and assuming that the planned 10-year plant inspections go as expected in H2 2011, the Group has raised its full-year nuclear output target for 2011 to between 411 and 418 TWh.

The very strong performance of the French nuclear fleet offset the 7.6 TWh decrease in hydropower output (-35.2% compared to H1 2010), which was due to poor hydrological conditions.

In the UK, nuclear output rose by 6.2 TWh (+25% compared to H1 2010), which accounts for most of the organic growth in EBITDA.

The results appear more uneven in other areas. Italy is still negatively impacted by shrinking margins in Edison's hydrocarbon activities. EBITDA in "Other International" achieved organic growth of 10%, primarily driven by Belgium. EBITDA in "Other Activities" stood at €900m, including a slight improvement in the results of EDF Trading and a reduced contribution from Dalkia, which benefited from a positive effect in H1 2010 that did not occur in 2011.

Net income (Group share) was €2,554m, compared to €1,659m in H1 2010 and €1,078m on a constant scope of activity, which had been hit by a €1,060m provision for risks related to Group's US activities.

Excluding net non-recurring items, recurring net income amounted to €2,629m, up by 12.5% compared to H1 2010.

Recent Events

Two events that lay the foundation for the future

The success of the simplified alternative public cash or exchange offer for EDF Energies Nouvelles, with EDF owning 96.71% of the share capital and voting rights as of 16 June 2011, bolsters the Group's position as a leader in low-carbon energy, which is a major pillar of its strategy. The total cost of the transaction after finalisation of the squeeze-out will be close to €1.5bn. The average cost price comes out at €38 per share, i.e., a 5% premium on the quoted share price of EDF Energies Nouvelles prior to the announcement of the offer.

Meanwhile, the NOME Law took effect on 1 July 2011. The ARENH price will be set at €42/MWh from 1 January 2012.

2011 financial objectives

EDF reiterates its objectives:

- Organic growth in EBITDA²¹ within a range of 4 and 6%.
- Net financial debt/EBITDA²² within a range of 2.1x to 2.3x, including the 0.1x impact of EDF Energies Nouvelles transaction
- Dividend for 2011 at least equivalent to the one paid in 2010

Main Group results by segment

France: growth in EBITDA reflecting a further improvement in operating results

<i>In millions of euros</i>	H1 2010 adjusted to 2011 perimeter	H1 2011	Organic growth on a constant scope (%)
Sales	18,844	19,495	3.5%
EBITDA	5,240	5,688	8.3%
o/w unregulated EBITDA	3,721	4,136	10.8%
o/w regulated EBITDA	1,519	1,552	2.2%

²¹ Growth in EBITDA is determined at constant scope and exchange rates and excludes the impact of the ministerial order of 4 July 2011 relating to the non-recurring compensation of TaRTAM expenses. This objective incorporates the initial ARENH price of €40 per MWh, effective 1 July 2011, pursuant to the French government's decision on 19 April 2011, and 42€/MWh from 1 January 2012

²² Excluding growth through acquisitions

Recent Events

In **France**, sales amounted to €19,495m, reflecting organic growth of 3.5% compared to H1 2010. EBITDA is €5,688m, i.e. 8.3% organic growth.

In the unregulated segment, EBITDA stood at €4,136m, reflecting organic growth of 10.8%. This growth was driven by a 15.5 TWh increase in nuclear output (+7.7% compared to H1 2010, i.e. a positive impact of nearly €720m), which more than offsets the decrease in hydropower output (-7.6 TWh, i.e. a negative impact of €380m) due to adverse hydrological conditions. To a lesser extent, this growth was driven by the increase in regulated tariffs implemented on 15 August 2010.

The strong performance of the nuclear fleet is the result of fewer unplanned outages, down 371 days compared to the first half of 2010, confirming the positive impact of the large component replacement programme. Based on the nuclear performance for the first six months of the year and assuming that the planned 10-year inspections go as expected in the second half of the year, the Group has decided to raise its full-year nuclear generation target for 2011 to between 411 and 418 TWh.

In regulated activities (networks and island activities) EBITDA rose 2.2% in organic terms to €1,552m. The increase in transmission tariffs (TURPE) introduced on 1 August 2010 has more than offset the negative volume effect due to the mild weather in H1 2011 (compared to H1 2010).

Outside France

United Kingdom: EBITDA growth driven by a strong operating performance

<i>In millions of euros</i>	H1 2010 adjusted to 2011 perimeter	H1 2011	Organic growth at constant scope (%)
Sales	4,861	4,390	-8.5%
EBITDA	976	1,172	20.7%

In the **United Kingdom**, sales stood at €4,390m, down 8.5% in organic terms. This was due to an exceptionally mild weather and the streamlining of EDF Energy's portfolio of industrial customers.

EBITDA stood at €1,172m, reflecting organic growth of 20.7% compared to H1 2010, driven mainly by the 6.2 TWh increase in nuclear output by EDF Energy compared to the H1 2010, when production was impacted by the unplanned outage at Sizewell. This more than offset the decrease in the gas margin, which was hit by the mild weather.

Recent Events

Italy*: continued pressure on margins

<i>In millions of euros</i>	H1 2010 adjusted to 2011 perimeter	H1 2011	Organic growth at constant scope (%)
Sales	2,766	3,052	10.1%
EBITDA	365	218	-40.5%
<i>o/w Edison</i>	<i>305</i>	<i>158</i>	<i>-48.2%</i>

*The "Italy" segment includes Fenice and EDF's stake in Edison.

In **Italy**, Group sales came in at €3,052m, up 10.1% in organic terms.

EBITDA of Italian operations stood at €218m, reflecting slide of 40.5% in organic terms.

Edison's hydrocarbon activities continue to be impacted by negative gas margins, due to changes in the gas market and commitments in long-term natural-gas supply contracts. These contracts are now in the process of renegotiation.

On 21 July 2011, Edison successfully finalised the renegotiation of its long-term Russian natural gas supply contracts with Promgas, which had an impact of €56m on 2011 H1 EBITDA and will be recognized in EDF group's accounts in the second half of the year.

Moreover, EBITDA from Edison's electrical activities was impacted by the early termination of the CIP6 regime for some power plants.

Fenice's EBITDA was stable at €60m.

Other International*: solid growth thanks to Belgium

<i>In millions of euros</i>	H1 2010 adjusted to 2011 perimeter	H1 2011	Organic growth at constant scope (%)
Sales	3,530	3,800	8.5%
EBITDA	602	638	10.0%

* "Other International" essentially includes subsidiaries in Central and Eastern Europe, the Benelux, Switzerland, Austria, the United States, Brazil and Asia.

The **Other International** segment posted sales of €3,800m, up 8.5% in organic terms. EBITDA amounted to €638m, up 10% in organic terms.

Recent Events

This growth was mainly driven by Belgium, which enjoyed a positive sales volume effect and higher gas sales margins.

Central and Eastern Europe EBITDA rose slightly.

Other activities*: growth at EDF Energies Nouvelles and EDF Trading

<i>In millions of euros</i>	H1 2010 adjusted to 2011 perimeter	H1 2011	Organic growth at constant scope (%)
Sales	2,639	2,727	1.9%
EBITDA	958	900	-4.8%

* "Other Activities" essentially includes EDF Trading, EDF Energies Nouvelles, Dalkia, Tiru and Electricité de Strasbourg.

The **Other Activities** segment posted sales of €2,727m, up 1.9% in organic terms.

EBITDA amounted to €900m, down 4.8% in organic terms.

The results of EDF Trading were up slightly following a challenging first quarter, notably due to higher sales margins in electricity.

EDF Energies Nouvelles posted organic growth of 18% in its EBITDA, primarily due to the increase in solar and wind power output in Europe and the United States.

Dalkia's EBITDA showed negative organic growth. Dalkia had benefited from the capital gain on the Usti disposal in the Czech Republic in H1 2010, with no equivalent in 2011.

Ensuring profitable growth: 2011-2015 financial objectives

- **EBITDA²³**: 4 to 6% average annual growth
- **Recurring net income**: 5 to 10% average annual growth
- **Net financial Debt/EBITDA**: less than 2.5x
- **Payout ratio**: between 55 and 65%
- **Net investments**: between €13 and €15bn in 2015
- **Stricter value creation criteria**: Group weighted average cost of capital plus 300 basis points

²³ Growth at constant scope and exchange rates

Recent Events

- **Synergy and Transformation Program:** €2.5bn in gains by 2015 (compared to 2010)

Development based on leveraging the Group's skills and know-how

At its Shareholders' Meeting on 24 May 2011, the Group announced an ambitious growth strategy, whose profitability underpinned by strong visibility on its business model.

This industrial development relies on the Group's skills and know-how in all its businesses. To achieve this growth, the Group will rise to the challenge of renewing 40% of its workforce over the next 5-10 years. For example, it plans to hire over 10,000 people in power generation and engineering in France between 2011 and 2015, a net headcount increase of 2,300 people.

The Group is also stepping up Research and Development in three key areas:

- Carbon-free power generation
- Networks
- Demand management

The use of contractual engineering solutions to enhance the Group's expertise will also produce growth with a low capital requirement, in particular in international networks management.

A stronger Group owing to major operating investments

The improvement in the operating performance confirmed in the Group's first-half results reflect permanent efforts to improve safety and performance at its nuclear power plants. The Group is making the investments needed to ensure the safe operation of its plants, to increase their capacity and extend their operating life beyond 40 years and will include the lessons learned from Fukushima.

In France in 2010, €1.7bn was invested in 10-year inspections, the large component replacement programme and other operating investments for nuclear power stations (compared with €1.5bn in 2009). Such investments are projected at between €3.4bn and €3.6bn in 2015.

A selective development programme to ensure profitable growth

The Group aims to diversify its energy mix (hydroelectricity, renewable energies, combined-cycle gas plants) and its geographic presence. Its growth will be driven by net operating investments estimated at between €3.5bn and €4bn in 2011 and between €4bn and €6bn in 2015, but will also be achieved via partnerships for individual projects (based on the Nam Theun model) and delegated management solutions (ErDF in Russia). In the United Kingdom, the Group estimates that it will

Recent Events

invest an average of £300m per year for maintenance on its existing nuclear power plants and nearly £50m per plant under the programme to extend the life of its AGR (Advanced Gas Reactor) plants by five years.

Existing and identified projects involve total investments estimated at between €13bn and €15bn in 2015.

Tougher investment criteria will be applied. EDF Group will invest in projects that create value at 300 basis points above the weighted average cost of capital (WACC), which is a rate of return 1.0-1.5% higher than under previous criteria.

Levers for improving performance with the Group Synergies and Transformation Programme

The EDF Group has implemented its Group Synergies and Transformation Programme (STG), which focuses on three areas of improvement in performance: sourcing performance through the pooling of Group purchases, unlocking synergies within the Group and, last, continuing its "Operational Excellence" effort.

Gains of more than €2.5bn (using 2010 as a benchmark) by 2015 (including approximately €1.3bn for purchasing performance) in sales margins, operating costs and investments have been identified by the Group.

On the basis of its strategy, its strengths, and the resources mobilised, EDF has set the following medium-term profitable growth targets:

- **EBITDA²⁴:** 4 to 6% annual growth on average
- **Recurring Net income:** 5 to 10% annual growth on average
- **Net financial Debt/EBITDA:** Less than 2.5x
- **Payout ratio:** between 55 and 65%

HIGHLIGHTS SINCE 2011 EDF FIRST-QUARTER RESULTS

• 26 July 2011: Dalkia signs a preliminary contract for an 85% stake in SPEC

Dalkia has won the bid for the privatisation of Warsaw's municipal heating system, the largest in the European Union. The preliminary offer is for an 85% stake in Warsaw's municipal heating system, SPEC, for €360m in enterprise value. Dalkia is expected to benefit from significant operational leverage, notably thanks to a reduction in the network's fixed costs and potential synergies with the Polish company's existing activities. The deal is subject to the approval of the European Union and the Warsaw City Council and is expected to be closed in Q4 2011.

• 25 July 2011: EDF and Areva sign a technical and commercial agreement

²⁴ Growth at constant scope and exchange rates

Recent Events

The Chairmen of EDF and Areva have signed a technical and commercial agreement in the presence of French energy Minister Eric Besson, concluding negotiations on three key areas for cooperation between EDF and AREVA initiated after the Nuclear Policy Conference called by the French President on 21 February 2011:

- Continuing to fine-tune the European Pressurized Reactor (EPR), based on feedback from projects underway (Olkiluoto, Flamanville, Taishan 1 and 2);
- Improvement in maintenance and operation of the existing fleet of nuclear power stations in order to increase the reactors' operating performance and pave the way for extending their operational life beyond 40 years;
- Fuel cycle management, to qualify new fuels and to strengthen industry cooperation on storing radioactive waste.

• 21 July 2011: Edison successfully renegotiates its long-term gas contract with Promgas

Edison successfully renegotiated its contracts for the long-term supply of Russian natural gas with Promgas, which had an overall impact of about €56m on EBITDA for the stake owned by EDF, which will be recognized in the Group's accounts in the second half of the year.

• 20 July 2011: EDF will start selling the first KWh produced by the EPR at Flamanville in 2016

EDF decided to introduce a new approach to organisation at the Flamanville (Manche) EPR in response to recent events that have slowed down progress on the work site. As a result, the first KWh produced by the EPR will be sold by EDF in 2016.

This delay is linked to both structural and external reasons.

This updated project, worth now some 6 billion euros, will give EDF valuable feedback and a tried and tested approach to organisation for future EPR reactors, particularly in the United Kingdom.

• 18 July 2011: the UK Parliament has confirmed the need to develop nuclear energy in the UK, marking a milestone for EDF in its plans for the UK

The UK Parliament voted on the National Policy Statement for Nuclear Power Generation, ratifying the programme for building new nuclear power plants in the United Kingdom. The Parliament also confirmed the list of sites able to host new nuclear plants, which include Hinkley Point and Sizewell, the two priority sites identified by EDF for the construction of its future power plants.

This vote is a major step forward for the development of nuclear power in the UK.

Recent Events

- **12 July 2011: reform of the UK electricity market**

The UK government confirmed the implementation of the electricity market reform, with four tools:

- Long-term contracts in the form of contracts for difference (CFD), which aim to ensure some stability in power generator revenues. They will apply to all “non-carbon” technologies (new nuclear, offshore wind, biomass, etc.), and their prices will vary with technologies.
- A capacity-based payment mechanism in the form of either a market mechanism or a strategic reserve
- A floor price for carbon, which had already been announced in the first quarter of 2011
- A CO₂ emission performance standard of 450g CO₂/KWh and thus preventing any construction of non-CCS coal-fired plant.

- **11 July 2011: EDF Energies Nouvelles’ bid for the development of offshore wind power in France**

EDF Energies Nouvelles submitted a bid in response to the French government’s call for tenders to develop offshore wind power (first, five-lot 3,000 MW unit for an investment of about €10bn). The Group has set up a consortium, in which it owns a majority stake, and that will be composed of Dong Energy, Nass&Wind Offshore, Poweo ENR, WPD Offshore and Alstom.

- **11 July 2011: Standard & Poor’s placed RTE’s rating under credit watch with a positive outlook**

Standard & Poor’s placed RTE’s A+/A-1 rating under credit watch with a positive outlook.

- **8 July 2011: Standard & Poor’s upgrades EDF to AA-**

Standard & Poor’s raised EDF’s rating to AA-/A-1+ (from A+/A-1) to reflect the change of assessment from the rating agency in the link between the Group and the French state (from “strong” to “very strong”).

- **4 July 2011: EDF Trading acquires US power plant**

EDF Trading successfully acquired its first gas-fired generation asset in North America. L’Energia is a nominal 82MW combined cycle plant located in Lowell, Massachusetts.

Recent Events

- **30 June 2011: signing of a new framework agreement between EDF Energies Nouvelles and Vestas**

EDF Energies Nouvelles signed a framework agreement for the supply of onshore wind turbines from Vestas for Europe and North America. This agreement covers the 2012-2014 period and could amount to as much as 1,000 MW in turbines.

- **29 June 2011: EDF announces its final investment decision in the methane terminal at Dunkirk**

EDF announced its final investment decision in respect of the methane terminal at Dunkirk alongside Fluxys G and Total, which have both signed agreements giving them shares of 25% and 10% respectively in Dunkirk LNG. This company, which is responsible for building the industrial installations for the terminal, is now 65%-owned by EDF. The three partners will thus share the €1 billion investment in Dunkirk LNG, based on their respective shareholdings in the company.

- **28 June 2011: increase in tariffs effective 1 July 2011**

Through an order, the Minister of Industry, Energy and the Digital Economy has raised the blue (residential) tariff by an average of 1.7% and yellow and green tariffs (for manufacturers and major companies) by 3.2%. These tariff increases have been effective since 1 July 2011.

- **27 June 2011: UTE Norte Fluminense opens Rio de Janeiro state's largest solar power plant**

The Norte Fluminense (NF) thermoelectric plant, a 90% subsidiary of EDF, opened Rio de Janeiro state's largest solar power plant in Macaé.

- **23 June 2011: success of the simplified alternative public purchase or exchange offer on EDF Energies Nouvelles and filing of the mandatory squeeze-out offer with the Autorité des Marchés Financiers (AMF)**

The Autorité des Marchés Financiers (AMF) published the results of the simplified alternative public cash or exchange offer made by EDF on EDF Energies Nouvelles. Over the course of the offer, which took place from 27 May to 16 June 2011, EDF acquired 96.71% of EDF Energies Nouvelles' share capital. On July 21 2011, EDF filed with the AMF, jointly with EDF Énergies Nouvelles, a draft squeeze-out information document. Trading in EDF Énergies Nouvelles shares has been suspended since then.

- **17 June 2011: ErDF expands its Russian presence by signing a delegated management contract**

Within the framework of the Saint Petersburg international economic forum, ErDF and the MRSK holding company signed a delegated management contract of the Russian power distribution company Tomsk (TRK).

Recent Events

APPENDICES TO THE PRESS RELEASE

In millions of euros	2011 H1	2010 H1 adjusted	2010 H1 restated
Sales	33,464	32,640	33,538
Fuel and energy purchases	(14,964)	(14,869)	(13,273)
Other external expenses	(4,483)	(4,396)	(4,734)
Personnel expenses	(5,479)	(5,166)	(5,707)
Taxes other than income taxes	(1,511)	(1,450)	(1,702)
Other operating income and expenses	1,589	1,647	1,700
Prolongation of the TaRTAM – Law of June 7 2010	-	(265)	(265)
Operating profit before depreciation and amortization (EBITDA)	8,616	8,141	9,557
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities	(28)	61	61
Net depreciation and amortization	(3,131)	(3,097)	(3,621)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(208)	(251)	(251)
(Impairment)/Reversals	(269)	(1)	(1)
Other income and expenses	276	(1,060)	(1,060)
Operating profit (EBIT)	5,256	3,793	4,685
Financial result	(1,810)	(1,952)	(2,227)
Income before taxes of consolidated companies	3,446	1,841	2,458
Income taxes	(977)	(924)	(1,111)
Share in income of associates	259	309	93
Net income of discontinued operations	-	-	386
Group net income	2,728	1,226	1,826
Net income attributable to non-controlling interests	174	148	167
EDF net income	2,554	1,078	1,659
Earnings per share (in Euros)	1.38	0.58	0.90
Diluted earnings per share (in Euros)	1.38	0.58	0.90

Recent Events

Consolidated Income Statements

(in millions of Euros)	H1 2011	H1 2010 ⁽¹⁾
Sales	33,464	33,538
Fuel and energy purchases	(14,964)	(13,273)
Other external expenses	(4,483)	(4,734)
Personnel expenses	(5,479)	(5,707)
Taxes other than income taxes	(1,511)	(1,702)
Other operating income and expenses	1,589	1,700
Prolongation of the transition tariff system (TaRTAM) – Law of June 7, 2010	-	(265)
Operating profit before depreciation and amortization	8,616	9,557
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities	(28)	61
Net depreciation and amortization	(3,131)	(3,621)
Net increases in provisions for renewal of property, plant and equipment operated under concession	(208)	(251)
(Impairment) / reversals	(269)	(1)
Other income and expenses	276	(1,060)
Operating profit	5,256	4,685
Cost of gross financial indebtedness	(1,107)	(1,295)
Discount effect	(1,524)	(1,573)
Other financial income and expenses	821	641
Financial result	(1,810)	(2,227)
Income before taxes of consolidated companies	3,446	2,458
Income taxes	(977)	(1,111)
Share in income of associates	259	93
Net income of discontinued operations	-	386
Group net income	2,728	1,826
Net income attributable to non-controlling interests	174	167
Net income of continuing operations	174	148
Net income of discontinued operations	-	19
EDF Net income	2,554	1,659
Net income of continuing operations	2,554	1,292
Net income of discontinued operations	-	367
Earnings per share in Euros :		
Earnings per share in Euros	1.38	0.90
Diluted earnings per share in Euros	1.38	0.90
Earnings per share of continuing operations, in Euros	1.38	0.70
Diluted earnings per share of continuing operations, in Euros	1.38	0.70

(1) Figures for the first half of 2010 have been adjusted for the impact of IFRS 5 "Non-current assets held for sale and discontinued operations" and the change in presentation of SPE's optimization activities

Recent Events

Consolidated Balance Sheets

ASSETS	06.30.2011	12.31.2010
(in millions of Euros)		
Goodwill	11,171	12,028
Other intangible assets	4,290	4,616
Property, plant and equipment operated under French public electricity distribution concessions	44,464	43,905
Property, plant and equipment operated under concessions for other activities	6,043	6,027
Property, plant and equipment used in generation and other tangible assets owned by the Group	56,826	57,268
Investments in associates	7,903	7,854
Non-current financial assets	24,387	24,921
Deferred tax assets	1,782	2,125
Non-current assets	156,866	158,744
Inventories	12,723	12,685
Trade receivables	18,430	19,524
Current financial assets	17,923	16,788
Current tax assets	507	525
Other receivables	10,944	9,319
Cash and cash equivalents	5,693	4,829
Current assets	66,220	63,670
Assets classified as held for sale	152	18,145
TOTAL ASSETS	223,238	240,559
EQUITY AND LIABILITIES	06.30.2011	12.31.2010
(in millions of Euros)		
Capital	930	924
EDF net income and consolidated reserves	30,387	30,393
Equity (EDF share)	31,317	31,317
Non-controlling interests	4,086	5,586
Total equity	35,403	36,903
Provisions for back-end nuclear cycle	16,964	17,000
Provisions for decommissioning and last cores	19,626	19,383
Provisions for employee benefits	11,964	11,745
Other provisions	1,399	1,337
Non-current provisions	49,953	49,465
Grantors' rights in existing assets operated under French public electricity distribution concessions	20,449	20,318
Grantors' rights in assets to be replaced operated under French public electricity distribution concessions	21,303	20,843
Non-current financial liabilities	39,303	40,646
Other liabilities	4,961	4,965
Deferred tax liabilities	4,308	4,894
Non-current liabilities	140,277	141,131
Provisions	3,903	5,010
Trade payables	10,990	12,805
Current financial liabilities	12,958	12,766
Current tax liabilities	635	396
Other liabilities	19,056	18,674
Current liabilities	47,542	49,651
Liabilities related to assets classified as held for sale	16	12,874
TOTAL EQUITY AND LIABILITIES	223,238	240,559

Recent Events

Consolidated Cash Flow Statements

(in millions of Euros)	H1 2011	H1 2010 ⁽¹⁾
Operating activities:		
Income before taxes of consolidated companies	3,446	2,458
Impairment (reversals)	269	1
Accumulated depreciation and amortization, provisions and change in fair value	3,297	5,207
Financial income and expenses	661	863
Dividends received from associates	290	58
Capital gains/losses	(409)	1
Change in working capital	(1,519)	836
Net cash flow from operations	6,035	9,424
Net financial expenses disbursed	(1,007)	(1,124)
Income taxes paid	(582)	(1,135)
Net cash flow from operating activities	4,446	7,165
Investing activities:		
Acquisition/disposal of companies, net of cash acquired/transferred ⁽²⁾	3,708	137
Purchases of property, plant and equipment and intangible assets	(4,883)	(5,728)
Net proceeds from sale of property, plant and equipment and intangible assets	78	77
Changes in financial assets	(1,132)	(3,045)
Net cash flow used in investing activities	(2,229)	(8,559)
Financing activities:		
Transactions with non-controlling interests ⁽³⁾	(1,233)	(185)
Dividends paid by parent company	(1,068)	(1,109)
Dividends paid to non-controlling interests	(171)	(84)
Purchases / sales of treasury shares	(6)	(9)
Cash flows with shareholders	(2,478)	(1,387)
Issuance of borrowings	2,228	5,484
Repayment of borrowings	(1,943)	(4,154)
Increase in special concession liabilities	93	105
Investment subsidies	22	51
Cash flows from other financing activities	400	1,486
Net cash flow from financing activities	(2,078)	99
Cash flows from continuing operations	139	(1,295)
Cash flows from discontinued operations	-	477
Net increase/(decrease) in cash and cash equivalents	139	(818)
Cash and cash equivalents - opening balance	5,567	6,982
Net increase/(decrease) in cash and cash equivalents	139	(818)
Effect of currency fluctuations	(76)	182
Financial income on cash and cash equivalents	17	12
Effect of other reclassifications	46	17
Cash and cash equivalents - closing balance	5,693	6,375

(1) In application of IFRS 5, the net change in cash for discontinued operations is reported on a separate line in the cash flow statements for the periods presented.

(2) The impact of disposal of the investment in EnBW in the first half of 2011 amounts to €3.8bn (payment received of €4.5bn, net of €0.7bn cash transferred in the sale).

(3) Contributions in the form of capital increases or reductions and acquisitions of additional interests in controlled companies. In the first half of 2011, acquisitions of additional interests through the simplified alternative public cash or exchange offer for shares of EDF Energies Nouvelles account for €1,292m, comprising €1,045m for the cash component and €247m for the share exchange component, via the associated EDF share repurchase program

FORM OF FINAL TERMS

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

Final Terms dated •

[Logo, if document is printed]

Electricité de France

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €20,000,000,000 Euro Medium Term Note Programme
of **Electricité de France**

PR
2.2.9
and
2.2.10

**SERIES NO: [•]
TRANCHE NO: [•]**

PART A – CONTRACTUAL TERMS

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (Directive 2003/71/EC) as amended (by Directive 2010/73/EU (the "**2010 PD Amending Prospectus Directive**") to the extent that such amendments have been implemented in a Member State of the European Economic Area) (the "**Prospectus Directive**") (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:

(i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) in the Public Offer Jurisdiction mentioned in Paragraph 39 of Part A below, provided such person is one of the persons mentioned in Paragraph 39 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 6 September 2011 which received visa no 11-391 from the *Autorité des Marchés Financiers* (the "**AMF**") in France on 6 September 2011 [and the supplemental Base Prospectus dated [•] which received visa no [•] from the AMF in France on [•]]¹ which [together] constitute[s] a prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended (by Directive 2010/73/EU (the "**2010 PD Amending Prospectus Directive**") to the extent that such amendments have been

Art. 14.2
PD
Arts 26 and
33 PR

¹ Delete if no supplement is published.

Form of Final Terms

been implemented in a Member State of the European Economic Area) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes 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 Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. For so long as any Notes 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) and on the Issuer's website (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 addition¹, the Base Prospectus [and the supplement to the Base Prospectus] [is/are] available for viewing [at/on] [●]].

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.

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 Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) as amended (by Directive 2010/73/EU (the "**2010 PD Amending Prospectus Directive**") to the extent that such amendments have been implemented in a Member State of the European Economic Area) (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 Notes 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 Notes 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) and on the Issuer's website (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 addition², the Base Prospectus [and the supplement(s) to the Base Prospectus] [is/are] available for viewing [at/on] [●]].

¹ If the Notes are admitted to trading on a regulated market other than Euronext Paris.

² If the Notes are admitted to trading on a regulated market other than Euronext Paris.

Form of Final Terms

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute a "significant new factor" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]¹

- | | | | |
|----|---|---|----------------------------------|
| 1. | [(i)] Issuer: | Electricité de France | |
| 2. | [(i)] Series Number: | [] | |
| | [(ii)] Tranche Number: | [] | |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]</i> | | |
| 3. | Specified Currency or Currencies: | [] | Annex V, 4.4 |
| 4. | Aggregate Nominal Amount: | <i>[insert amount or, in case of public offer, manner [the Issuer's website and free availability at the Issuer's head office] in and date on which such amount to be made public]</i> | Annex V, 5.1.2 |
| | [(i)] Series: | [] | |
| | [(ii)] Tranche: | [] | |
| 5. | Issue Price: | [] per cent of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] | Annex V, 5.3.1
Annex XII, 5.3 |
| 6. | Specified Denominations:
(Condition 1 (b)) | [] ² <i>(one (1) denomination only for Dematerialised Notes) (For Materialised Notes, attention should be paid to the rules and procedures of the relevant Stock Exchange(s) and/or clearing system(s)).</i>
[] | |

¹ Not applicable for issues of Notes the placement of which does not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

² Notes (including Notes 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).

Form of Final Terms

7.	[(i) Issue Date:	[]]	Annex V, 4.12
	[(ii) Interest Commencement Date:	[Specify/Issue Date/Not Applicable]]	Annex V, 4.7
8.	Maturity Date:	[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]	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: ¹	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]	Annex V, 4.8
11.	Change of Interest or Redemption/Payment Basis:	[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]	
12.	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]	
13.	(i) Status of the Notes:	[Unsubordinated]	Annex V, 4.5
	(ii) [Date of corporate authorisations for issuance of Notes 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 Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
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¹ If the Final Redemption Amount is less than 100 per cent of the nominal value the Notes 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 forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

Form of Final Terms

- (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 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 method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Interest Period(s): [] Annex V, 4.5
- (ii) Specified Interest Payment Dates/Interest Period Date: [] Annex XIII, 4.12
- (iii) Business Day Convention: [Floating Rate Business Day Convention/
Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (iv) Business Centre(s): []
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/FBF Determination/ISDA Determination/other (*give details*)]

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- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]): []
- (vii) FBF Determination: []
- Floating Rate: []
- Floating Rate Determination Date (*Date de Détermination du Taux Variable*): []
- FBF Definitions (if different from those set out in the Conditions): []
- (viii) ISDA Determination:
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []
- ISDA Definitions (if different from those set out in the Conditions): []
- (ix) Screen Rate Determination:
- Reference Time: []
- Interest Determination Date: [[] *[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]*]
- Primary Source for Floating Rate: [*Specify relevant screen page or "Reference Banks"*]
- Reference Banks (if Primary Source is "Reference Banks"): [*Specify four*]
- Relevant Financial Centre: [*The financial centre most closely connected to the benchmark—specify if not London*]

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- Benchmark: [LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark]
- Representative Amount: [Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notational amount]
- Effective Date: [Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
- Specified Duration: [Specify period for quotation if not duration of Interest Accrual Period]
- (x) Margin(s): [+/-] [] per cent per annum
- (xi) Minimum Rate of Interest: [] per cent per annum
- (xii) Maximum Rate of Interest: [] per cent per annum
- (xiii) Day Count Fraction: []
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
- 17. Zero Coupon Note 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 Notes/other variable-linked interest Note provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/formula/other variable: [give or annex details]

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- (ii) Calculation Agent responsible for calculating the interest due: []
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or formula and/or other variable: []
- (iv) Interest 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: []
- (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 Note Provisions**¹ [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 []
-

Annex V, 4.7

¹ If the Final Redemption Amount is less than 100 per cent of the nominal value the Notes 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 forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

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principal and/or interest due:

- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

Annex V, 4.7

PROVISIONS RELATING TO REDEMPTION

20. **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (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]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination

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- (iii) Notice period (if other than as set out in the Conditions): []

22. Final Redemption Amount of each Note¹

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 Note payable on redemption for taxation

¹ If the Final Redemption Amount is less than 100 per cent of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.

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reasons or on event of default
or other early redemption
and/or the method of
calculating the same (if
required or if different from
that set out in the Conditions): []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: [Dematerialised Notes/Materialised Notes] Annex V, 4.3
(Materialised Notes are only in bearer form)
[Delete as appropriate]
- (i) Form of Dematerialised Notes: [Not Applicable/if Applicable specify whether]
[Bearer dematerialised form (*au porteur*)/
[fully/administered]
Registered dematerialised form (*au nominative*
[*pur/administré*)]]
- (ii) Registration Agent: [Not Applicable/if applicable give names and
details]
(Note that a Registration Agent must be appointed
in relation to Registered Dematerialised Notes
only)
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate
exchangeable for Definitive Materialised Bearer
Notes on [●] (the "**Exchange Date**"), being 40
days after the Issue Date subject to postponement
as provided in the Temporary Global Certificate]
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 Notes (and dates on
which such Talons mature): [Yes/No. If yes, give details]
27. Details relating to Partly Paid
Notes: amount of each
payment comprising the Issue
Price and date on which each
payment is to be made [and

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consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:

- | | | |
|--|---|--------------|
| 28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | [Not Applicable/ <i>give details</i> (including whether Receipts will be attached | Annex V, 4.8 |
| 29. Redenomination, renominisation and reconventioning provisions: | [Not Applicable/The provisions in Condition 1 apply] | |
| 30. Consolidation provisions: | [Not Applicable/The provisions in Condition 14 apply/The provisions annexed to these Final Terms apply] | |
| 31. <i>Masse</i> (Condition 11): | [Applicable/Not Applicable/Condition 11 replaced by the full provisions of the French <i>Code de commerce</i> relating to the <i>Masse</i>] (<i>Note that: (i) in respect of any Tranche issued outside France, Condition 11 may be waived, amended or supplemented, and (ii) in respect of any Tranche issued inside France, Condition 11 must be waived in its entirety and replaced by the provisions of French Code de commerce relating to the Masse. If Condition 11 (as it may be amended or supplemented) applies, or if the full provisions of the French Code de commerce apply, insert details of initial and alternate Representatives and remuneration, if any</i>) | |
| 32. Other final terms: | [Not Applicable/ <i>give details</i>]

<i>(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.)</i> | |
| 33. Tax regime ¹ : | [<i>If the Notes do not benefit from the withholding tax exemption, set out the relevant tax regime</i>] | |

¹ Please remove the item if the Notes benefit from the withholding tax exemption (see the section headed "Taxation" of the Base Prospectus)

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DISTRIBUTION

34. (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*]
35. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
36. Total commission and concession: [] per cent. of the Aggregate Nominal Amount Annex V, 5.4.3
37. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA C/TEFRA D/ TEFRA not applicable]
38. Additions or amendments to selling restrictions: [Not Applicable/*give details*] Annex V, 6.1
39. Non Exempt Offer: [Not applicable/*give details*]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €20,000,000,000 Euro Medium Term Note Programme of Electricité de France.] Annex V, 6.1

Annex V, 1

Annex V, 7.4

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RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*).The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. RISK FACTORS

[Insert any risk factors that are material to the Notes being offered and/or listed and admitted to trading in order to assess the market risk associated with these Notes and that may affect the Issuer's ability to fulfil its obligations under the Notes which are not covered under "Risk Factors" in the Base Prospectus or any Supplement(s) to the Base Prospectus or documents incorporated by reference. If any such additional risk factors need to be included consideration should be given as to whether they constitute a "significant new factor" and consequently triggers the need for a Supplement to the Base Prospectus under Article 16 of the Prospectus Directive.] [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.]¹

2. LISTING

(i) Listing: Euronext Paris/other (specify)/None Annex V, 6.1

(ii) Admission to trading: [Application has been made for the Notes 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) Estimate of total expenses related to admission to trading: *[insert amount or, if relevant, manner in and date on which such amount to be made public]*

3. RATINGS

Ratings: The Notes to be issued have been rated: Annex V, 7.5

[S & P: []]
[Moody's: []]
[[Other]: []]

Credit ratings included or referred to above have been issued by [] [and [], [each of] which is established in the European Union and has applied for registration under Regulation (EU) No 1060/2009 (the "CRA Regulation"), although notification of the corresponding registration

¹ If the final redemption Amount is less than 100% of the nominal value the Notes will be derivative securities for the purpose of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply.

decision has not yet been provided by the relevant competent authority. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

4. [NOTIFICATION]

The AMF 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.]

5. [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 Notes has an interest material to the offer."

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

6. [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 Notes, provide such person's name, business address, qualifications and material interest if any in the Issuer. If the report has been

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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 Notes.

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.]

7. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(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: *[insert amount or, if relevant, manner in and date on which such amount to be made public]*
(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: *[insert amount or, if relevant, manner in and date on which such amount to be made public]*
[Include breakdown of expenses]

(If the Notes 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.)

8. [FIXED RATE NOTES ONLY – YIELD

Annex V, 4.9

Indication of yield: ●
[yield gap of []% in relation to tax free government bonds of an equivalent duration]*

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

9. [FLOATING RATE NOTES ONLY – HISTORIC INTEREST RATES

Annex V, 4.7

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

10. [INDEX-LINKED OR OTHER VARIABLE-LINKED NOTES ONLY – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING¹

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 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.]*]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information]

11. [DUAL CURRENCY NOTES ONLY – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT²

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.]

¹ 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.

² 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.

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12. [DERIVATIVES ONLY – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING³⁷

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: [•]

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

³⁷ 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 Notes 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.

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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 rate: [Applicable/Not Applicable]

- 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

Annex XII, 4.2.4

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relation to events
concerning the underlying:]

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13. [PLACING AND UNDERWRITING]³⁹

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.⁴⁰

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 [Not Applicable/give name(s) and number(s)]

³⁸ 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 Notes 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.

³⁹ To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

⁴⁰ Where not all of the issue is underwritten, a statement of the portion not covered.

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than Euroclear France, Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s):

Delivery:

Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s) (if any):

[•]

Names and addresses of additional Paying Agent(s) (if any):

[•]

Annex V, 5.4.2

Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:

[Not Applicable/give name(s), address(es) and description]

Annexe V, 6.3

[Common Depositary:

[•]

Registrar:

[Principal Registrar/Alternative Registrar - Specify]

The aggregate principal amount of Notes issued has been translated into Euro at the rate of [•] producing a sum of:

[Not Applicable/give details]

15. TERMS AND CONDITIONS OF THE OFFER

Offer Price:

[Issue Price][specify]

Conditions to which the offer is subject:

[Not applicable/give details]

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Description of the application process: [Not applicable/*give details*]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not applicable/*give details*]

Details of the minimum and/or maximum amount of application: [Not applicable/*give details*]

Details of the method and time limits for paying up and delivering the Notes: [Not applicable/*give details*]

Manner in and date on which results of the offer are to be made public: [Not applicable/*give details*]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not applicable/*give details*]

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Not applicable/*give details*]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not applicable/*give details*]

Amount of any expenses and taxes specifically charged to the subscriber or

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purchaser:

Name(s) and address(es),
to the extent known to the
Issuer, of the placers in the
various countries where the
offer takes place:

[Not applicable/*give details*]

TAXATION

Payments of interest and repayment of principal on the Notes shall be subject only to the deduction of withholding tax and any other taxes that French law imposes or may impose on Noteholders.

The following summary sets out the tax regime that, under the current French legislation, may be applicable to Noteholders in relation to income tax. Investors are reminded that only the tax treatment applicable to persons subscribing to Notes at issue is described below and that the features of the issue may contain tax liabilities specific to them. 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.

Payments of interest to Noteholders who are not French tax residents will be exempt from withholding tax to the extent described in paragraph 2 below ("Non-French tax residents"). Non-French residents should comply with the tax laws applicable in the jurisdiction or state in which they are resident.

1. Residents in France for tax purposes

1.1 Individuals domiciled in France for tax purposes

(a) Income

Under current legislation, interest and redemption premiums (the difference between amounts to be received on Notes and amounts paid on their acquisition or subscription) received by Individuals domiciled in France for tax purposes, are subject to:

- (i) a progressive scale of income tax (in this case, income subject to income tax is reduced by deductible expenses, such as custody and coupon-payment costs),
- (ii) or, optionally, a flat withholding income tax rate of 19% (Article 125 A of the French *Code Général des Impôts*). This option must be expressly specified by the beneficiary, at the very latest, when the income is received.

Whatever the taxpayer decides, interest and bond redemption premiums are subject to the following social security contributions (at a global rate of 12.3 % from 1 January 2011):

- (iii) general social security contribution (*contribution sociale généralisée*) at 8.2% (Article 1600-O D and O E of the *Code Général des Impôts*), of which up to 5.8% is deductible, in the absence of any standard withholding income tax exemption referred to above, from income that is subject to a progressive scale of income tax for the year of payment of the aforementioned general social security contribution (Article 154 *quinquies* II of the *Code Général des Impôts*),

Taxation

- (iv) social security (*prélèvement social*) at 2.2% (Article 1600-0 F bis of the *Code Général des Impôts*),
- (v) an additional social security contribution (*contribution additionnelle au prélèvement social*) at 0.3% (Article L.14-10-4 of the *Code de l'action sociale et des familles*),
- (vi) an additional social security contribution at 1.1% to finance social welfare (*contribution additionnelle au prélèvement social destinée au financement du revenu de solidarité active*) (Article L.262-24 of the *Code de l'action sociale et des familles*),
- (vii) social security debt reimbursement contribution (*contribution pour le remboursement de la dette sociale*) at 0.5% (Article 1600-0 J and O L of the *Code Général des Impôts*).

(b) **Capital Gains**

Under current legislation, capital gains (calculated to include accrued interest at the date of sale) made by individuals domiciled in France for tax purposes on the sale of Notes are taxable at a rate of 19% (Article 150-0A *et seq.* and 200 A 2 of the *Code Général des Impôts*) to which is added:

- (i) general social security contribution (*contribution sociale généralisée*) at 8.2% (Article 1600-OC and OE of the *Code Général des Impôts*),
- (ii) social security (*prélèvement social*) at 2.2% (Article 1600-0 F bis of the *Code Général des Impôts*),
- (iii) an additional social security contribution (*contribution additionnelle au prélèvement social*) at 0.3% (Article L.14-10-4 of the *Code de l'action sociale et des familles*),
- (iv) an additional social security contribution at 1.1 % to finance social welfare (*contribution additionnelle au prélèvement social destinée au financement du revenu de solidarité active*) (Article L.262-24 of the *Code de l'action sociale et des familles*),
- (v) social security debt reimbursement contribution (*contribution pour le remboursement de la dette sociale*) at 0.5% (Article 1600-0 J and O L of the *Code Général des Impôts*).

Capital losses on sales are only deductible from capital gains of the same kind realised during the year of sale or the next ten years.

1.2 Legal entities liable to corporation tax

Taxation

(a) **Income**

Interest on Notes held by legal entities liable to corporation tax is included in taxable income for the year.

The bond redemption premium is the difference between amounts or securities to be received and those paid out when the Notes are acquired. They are taxable at the time of redemption. However, if the premium exceeds 10% of the cost of acquiring the Notes and the average issue price of the Notes does not exceed 90% of the redemption value, the bond redemption premium will be spread out over the life of the Notes under the following conditions.

The fraction of premium and interest to be applied to taxable income up to the date of redemption of a Note is determined by applying to the acquisition cost (increased if necessary by the fraction of the capitalised premium and interest on the anniversary of the borrowing thus allowing the progressive taxation of annuities), the actuarial rate of interest determined at the acquisition date.

Interest and redemption premiums are taxable at a rate of 33.33% (or at a reduced rate of 15% under certain conditions and within certain limits for companies specified in Article 219 I b) of the *Code Général des Impôts*) to which is added a social security contribution at 3.3% calculated on the amount of corporate tax, with an allowance of Euro 763,000 for each 12-month period.

(b) **Capital Gains**

Under current legislation, capital gains (exclusive of accrued interest made) realised when Notes are sold by legal entities domiciled in France for tax purposes are taken into account in order to determine a legal entity's taxable income under the general regime.

Under the general regime, capital losses are deductible from taxable income.

1.3 **Companies and legal entities liable to income tax**

(a) **Income**

The rules for the affectation and taxation of interest and redemption premiums are identical to those described above concerning legal entities liable to corporation tax.

When Notes are held by a corporation subject to income tax, owned by a private individual or an individual company (*entreprise individuelle*), the interest and redemption premiums may be deducted from the net income of the company and are declared as interest and dividends by the partner or manager. They will then be subject to tax under the conditions stipulated

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above in paragraph 1.1 (although the standard withholding tax income exemption referred to above in paragraph 1.1 will not be an option if the activity of the company is industrial, commercial, non-commercial, craft or agricultural).

When the partner of a legal entity liable to income tax is a legal entity subject to corporation tax, the interest and redemption premiums are taken into account in calculating the net income of the company liable to income tax, taxed as corporation tax for the partner, under the conditions stipulated above in paragraph 1.2.(a).

(b) **Capital Gains**

If the Notes have been held for more than two years, the capital gain on a sale is defined as a long-term capital gain on a sale subject to tax at a rate of 16% to which is added social security contributions (which translates as a global rate of 28.3%).

If they have not been held for more than two years, the short-term capital gain will be taken into account in determining the taxable net income under the general regime.

Net long-term capital losses can be affected to the losses for the (tax) year and/or offset against long-term capital gains realised within the course of either the (tax) year or next 10 (tax) years.

When the partner of a legal entity liable to income tax is a legal entity subject to corporation tax, capital gains are taken into account in calculating the net income of the company liable to income tax, imposed as corporation tax for the partner, under the conditions stipulated above in paragraph 1.2.(b).

2. **Non-French tax residents**

2.1 **EU Taxation**

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the "**Directive**"). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, premiums or other debt income) made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State (the "**Disclosure of Information Method**").

For these purposes, the term "paying agent" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method

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used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax will be 35 per cent until the end of the transitional period.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the "**OECD Model Agreement**") with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

The European Commission has proposed a number of changes to the Directive which have been adopted by the European Parliament. The European Parliament adopted an amended version of this proposal on 24 April 2009. If any of these proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above. Investors who are in doubt as to their position should consult their professional advisors.

2.2 France — Taxation

Following the introduction of the French *Loi de finances rectificative pour 2009* No.3 (n° 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made by the Issuer with respect to Notes issued as from 1 March 2010 (other than Notes which are assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the French General Tax Code) will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 50 per cent. withholding tax will be applicable (subject to certain exceptions and potentially to the more favourable provisions of an applicable tax treaty), by virtue of Article 125 A III of the French General Tax Code.

Furthermore, interest and other revenues on such Notes will no longer be deductible from the Issuer's taxable income, as from the fiscal years starting on or after 1

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January 2011, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French General Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 bis of the French general tax code, at a rate of 25 per cent. or 50 per cent.

Notwithstanding the foregoing, the Law provides that neither the 50 per cent. withholding tax set out under Article 125 A III of the French General Tax Code nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exemption**"). Pursuant to the ruling (*rescrit*) n°2010/11 (FP and FE) of the French tax authorities dated 22 February 2010, an issue of Notes will benefit from the Exemption without the Issuer having to provide any proof of the purpose and effect of such issue of Notes if such Notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State which is not a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Code Monetary and Financial Code, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Payments of interest and other revenues with respect to Notes which are assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010 with the benefit of Article 131 *quater* of the French General Tax Code, will be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code.

In addition, interest and other revenues paid by the Issuer on Notes which are to be assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010 will not be subject to the withholding tax set out in Article 119 bis of the French General Tax Code solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

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The tax regime applicable to the Notes which do not benefit from the Exemption will be set out in the relevant Final Terms.

See "Terms and Conditions of the Notes – Condition 8 – Taxation".

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 6 September 2011 (as amended or supplemented from time to time, the "**Amended and Restated Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, as determined by the relevant Dealer, at the time of such resale. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Amended and Restated Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for their expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Amended and Restated Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

United States of America

The Notes have not been and will not be registered under the U.S. 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 in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Materialised Bearer Notes 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 a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Amended and Restated Dealer Agreement, it will not offer, sell or, in the case of Materialised Bearer Notes, deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of any identifiable Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

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The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Public Offer Selling Restriction under the Prospectus Directive

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 Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) **Approved Prospectus:** if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that (a) the Issuer has given its written consent and (b) any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) **Qualified investors:** at any time to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (c) **Fewer than 100 offerees:** at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to

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obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (d) **Other exempt offers:** in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of notes to the public**" in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, 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 the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed that:

- (a) in relation to any Notes 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 Notes 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 Notes 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 Notes 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 Notes in, from or otherwise involving the United Kingdom.

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The Republic of France

Each Dealer has represented and agreed that:

(a) **Offer to the public in France:**

it has only made and will only make an offer of Notes to the public (*offre au public de titres financiers*) in France and it has distributed or caused to be distributed and will distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes in the period beginning on the date of publication of the Base Prospectus in relation to those Notes which has been approved by the *Autorité des Marchés Financiers* ("**AMF**") in France or, where appropriate, when approved in another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC on the date of notification to the AMF in France, and ending at the latest on the date which is 12 months after the date of approval of the Base Prospectus all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

(b) **Private placement**

It has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only 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 Articles L. 411-1, L.411-2, D.411-1 to D. 411-4, D.734-1, D.744-1, D.754-1 and D. 764-1 of the French *Code monétaire et financier*.

As specified in the relevant Final Terms, an offer of Notes to the public in France referred to in (a) above may or may not exclude specific categories of investors.

If necessary, these selling restrictions will be amended in the relevant Final Terms.

Japan

The Notes have not been and will not be registered under the Financial Notes and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments 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 Notes 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

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which will result in compliance with the Financial Instruments 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.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification or supplement will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a Supplement to the Base Prospectus.

Save as stated herein, no action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither any of the Issuer nor any other Dealer shall have responsibility therefor.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.

GENERAL INFORMATION

1. Application has been made to the *Autorité des marchés financiers* ("**AMF**") to approve this document as a base prospectus. Application will be made in certain circumstances to Euronext Paris for Notes issued under the Programme to be admitted to trading on Euronext Paris.

This Base Prospectus received the visa No. 11-391 on 6 September 2011 from the AMF. Euronext Paris is a regulated market for the purposes of the Directive 2004/39/EC. The Final Terms applicable to each Series of Notes admitted to trading on Euronext Paris will be filed with the AMF. If the Final Terms in relation to a Series of Notes do not specify the aggregate nominal amount of Notes admitted to trading on Euronext Paris, the relevant Final Terms will indicate the manner in and date on which such amount will be made public in accordance with Article 212-27 of the general regulations of the AMF.

2. No authorisation procedures are required of Electricité de France by French law for the establishment or update of the Programme. However, to the extent that Notes issued under the Programme may constitute obligations under French law, the issue of such Notes will be authorised in accordance with French law. A resolution of the *conseil d'administration* dated 21 January 2011 authorises the issue of Notes up to a maximum aggregate amount of Euro 12 billion.
3. 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.
4. Since the date of the last published audited consolidated financial statements of the Issuer, 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.
5. The consolidated financial statements for the years ending 31 December 2009 and 31 December 2010 of the Issuer have been audited by Deloitte & Associés and KPMG SA and a limited review of the condensed consolidated half year financial statements as for the period ending on 30 June 2011 has been performed by Deloitte & Associés and KPMG SA. The audit reports relating to the 2009 consolidated financial statements and the 2010 consolidated financial statements and the review report relating to the condensed consolidated half year financial statements as for the period ending on 30 June 2011 draw attention to certain notes to the financial statements relating to the valuation of long-term provisions relating to nuclear electricity production, as well as (i) the changes in accounting principles and 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 in respect of the audit report to the 2009 consolidated financial statements and (ii) the changes in accounting principles and the conditions of consolidation of financial

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information related to Italian entities in respect of the audit report to the 2010 consolidated financial statements. KPMG SA and Deloitte & Associés are members of the *Compagnie Nationale des Commissaires aux Comptes*.

6. 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.
7. Notes will be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems which are entities in charge of keeping the records. The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

8. Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) will be also inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 115, rue Réaumur, 75081 Paris Cedex 02, France.

9. For so long as any Notes may be issued under the Programme or are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent, the Paying Agents and the Issuer:

- (i) the *statuts* of the Issuer;
- (ii) the Amended and Restated Agency Agreement;
- (iii) the audited non-consolidated and consolidated financial statements of the Issuer for the periods ended 31 December 2009 and 2010 and the condensed consolidated half year financial statements as at, and for the period ending on 30 June 2011;
- (iv) Final Terms for Notes that are admitted to trading on Euronext Paris and/or any other Regulated Market;
- (v) a copy of this Base Prospectus together with any Supplement to this Base Prospectus and any document incorporated by reference or further Base Prospectus; and
- (vi) any reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

General Information

In addition, for as long as the Programme remains in effect or any Notes remain outstanding, copies of this Base Prospectus, any Supplement to this Base Prospectus and the Final Terms related to the Notes and any document incorporated by reference therein will be available for viewing on the Issuer's website (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 Notes remain outstanding, the following documents will be available on the website of the AMF (www.amf-france.org):

- (a) the Final Terms for Notes that are listed on Euronext Paris 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 Notes are listed and admitted to trading on a Regulated Market other than Euronext Paris, 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 in accordance with the facts and contains no omission likely to affect its import.

The consolidated condensed financial statements for the first half-year of 2011, prepared in accordance with IAS-IFRS standards, as adopted by the European Union, and incorporated by reference in this Base Prospectus, were subject to a review report by the statutory auditors incorporated by reference in this Base Prospectus and which includes comments in relation to such statements.

The consolidated financial statements for the financial year ended 31 December 2010, prepared in accordance with IAS-IFRS standards, as adopted by the European Union, and included in the *Document de Référence* filed with the the *Autorité des marchés financiers* (hereafter the "**AMF**") on 18 April 2011 under number D.11-0320, were subject to a report by the statutory auditors set forth in section 20.2 of such 2010 *Document de Référence* and which included comments in relation to such statements.

The consolidated financial statements for the financial year ended 31 December 2009, prepared in accordance with IAS-IFRS standards, as adopted by the European Union, and included in the *Document de Référence* filed with the AMF on 8 April 2010 under number D.10-0227, were subject to a report by the statutory auditors set forth in section 20.2 of such 2009 *Document de Référence* and which included comments in relation to such statements.

Issued in Paris, on 6 September 2011

Henri Proglia
Chief Executive Officer
Electricité de France

VISA OF THE AUTORITÉ DES MARCHÉS FINANCIERS



In accordance with Articles L.412-1 and L.621-8 of the French Code monétaire et financier and with the General Regulations (Règlement général) of the Autorité des marchés financiers (the "AMF"), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa No. 11-391 on 6 September 2011. It was prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L.621-8-1-I of the French Code monétaire et financier, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent".

It does not imply that the AMF has verified the accounting and financial data set out in it. In accordance with Article 212-32 of the Règlement général of the AMF, all Notes issued or admitted pursuant to this Base Prospectus will result in the publication of the applicable Final Terms.

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 semestriels consolidés résumés de la société relatifs à la période du 1er janvier au 30 juin 2011, préparés conformément au référentiel IAS-IFRS, tel qu'adopté par l'Union Européenne, et incorporés par référence dans le présent Prospectus de Base, ont fait l'objet d'un rapport des contrôleurs légaux incorporé par référence dans le présent Prospectus de Base, qui contient des observations.

Les comptes consolidés de l'exercice clos le 31 décembre 2010, préparés conformément au référentiel IAS-IFRS, tel qu'adopté par l'Union Européenne, et inclus dans le Document de Référence déposé auprès de l'Autorité des marchés financiers (ci-après l'"AMF") en date du 18 avril 2011 sous le numéro D.11-0320, ont fait l'objet d'un rapport des contrôleurs légaux figurant à la section 20.2 dudit Document de Référence 2010, qui contient des observations.

Les comptes consolidés de l'exercice clos le 31 décembre 2009, préparés conformément au référentiel IAS-IFRS, tel qu'adopté par l'Union Européenne, et inclus dans le Document de Référence déposé auprès de l'AMF en date du 8 avril 2010 sous le numéro D.10-0227, ont fait l'objet d'un rapport des contrôleurs légaux figurant à la section 20.2 dudit Document de Référence 2009, qui contient des observations.

A Paris, le 6 septembre 2011

Henri Proglio
Président-Directeur Général
Electricité de France

VISA DE L'AUTORITE DES MARCHES FINANCIERS



En application des articles L. 412-1 et L. 621-8 du Code monétaire et financier et de son règlement général, notamment de ses articles 212-31 à 212-33, l'Autorité des marchés financiers (l'"AMF") a apposé le visa n° 11-391 en date du 6 septembre 2011 sur le présent Prospectus de Base. Ce Prospectus de Base a été établi par l'Emetteur et engage la responsabilité de ses signataires.

Le visa, conformément aux dispositions de l'Article L. 621-8-1-I du Code monétaire et financier, a été attribué après que l'AMF a vérifié "si le document est complet et compréhensible, et si les informations qu'il contient sont cohérentes". Il n'implique ni approbation de l'opportunité de l'opération, ni authentification des éléments comptables et financiers présentés.

Conformément à l'article 212-32 du règlement général de l'AMF, toute émission ou admission de titres réalisée sur la base de ce Prospectus de Base donnera lieu à la publication de conditions définitives.

REGISTERED OFFICE OF THE ISSUER

Electricité de France
22-30, avenue de Wagram
75008 Paris

ARRANGER FOR THE PROGRAMME

BNP Paribas
10 Harewood Avenue
London NW1 6AA

DEALERS

BNP Paribas
10 Harewood Avenue
London NW1 6AA

**Crédit Agricole Corporate and
Investment Bank**
9, Quai du Président Paul Doumer
92920 Paris La Defense Cedex

Société Générale
29, boulevard Haussmann
75009 Paris
France

**Fiscal Agent, Principal Paying Agent, Paris Paying Agent,
Redenomination Agent, Consolidation Agent and Calculation Agent**

Société Générale
BP 81236
32, rue du Champ de Tir
43312 Nantes Cedex 3

AUDITORS OF THE ISSUER

Deloitte & Associés
185, avenue Charles de Gaulle
92200 Neuilly-sur-Seine

KPMG S.A.
Immeuble le Palatin
3, cours du Triangle
92 923 Paris La Défense Cédex

LEGAL ADVISERS

To the Issuer

Hogan Lovells (Paris) LLP
69, avenue Franklin
Roosevelt
75008 Paris
France

To the Dealers

Clifford Chance Europe LLP
9, place Vendôme
CS 50018
75038 Paris Cedex 01
France