

15 NOVEMBER 2010

Quarterly financial information

EDF: Sales for the first 9 months of 2010

- € 52.9 billion, up 9.5% and 3.8% excluding scope and foreign exchange effects (organic growth)
- Confirmation of EBITDA growth and dividend stability objectives for 2010
- Improved 2010 net indebtedness / EBITDA¹ ratio objective, close to 2.5 at year-end

Evolution of EDF Group sales

<i>In millions of euros</i>	9M 2009 ²	9M 2010	%	<i>o/w % Exchange Rate</i>	<i>o/w % Scope</i>	<i>o/w % Organic</i>
France	24,769	26,012	+5.0%	-	-	+5.0%
United Kingdom	8,399	8,031	-4.4%	+3.7%	-1.5%	-6.5%
Germany	5,393	5,945	+10.2%	-	-2.1%	+12.3%
Italy	3,575	4,098	+14.6%	+0.2%	-	+14.4%
Other international ³	2,280	4,938	+116.6%	+6.8%	+112.8%	-3.0%
Other activities ⁴	3,938	3,910	-0.7%	+1.6%	-3.0%	+0.2%
Total International & Other Activities	23,585	26,922	+14.1%	+2.3%	+9.4%	+2.4%
Group Total	48,354	52,934	+9.5%	+1.1%	+4.6%	+3.8%

EDF Group sales totalled € 52.9 billion at 30 September 2010, up 9.5%. This evolution includes positive scope effects of 4.6% associated with acquisitions made in 2009 and a favourable foreign exchange effect of 1.1% due to the depreciation of the euro.

At constant scope and exchange rates, organic growth in Group sales was 3.8%. The first nine months of 2010 were characterised by an increase in the volume of electricity sales and by prices that are generally on a downward trend internationally.

During the first 9 months of 2010, France accounted for 49% of EDF Group sales while international sales and other activities accounted for 51%.

¹ Before impact of RTE project.

² Comparative data including the impact of the retrospective application of IFRIC 18 (primarily impacting the UK), IFRIC 12 and change in presentation of the net change in fair value on Energy and Commodity Derivatives, excluding trading activities.

³ Central and Eastern European countries, Estag, CENG, EDF Belgium, Brazil, Asia, etc.

⁴ EDF Trading, EDF Energies Nouvelles, Dalkia, Electricité de Strasbourg, Tiru, etc.

Evolution in sales over the first 9 months

Growth of sales in France

<i>In millions of euros</i>	9M 2009	9M 2010	%
Deregulated activities	15,985	16,614	+3.9%
Regulated activities*	8,784	9,398	+7.0%
France Total	24,769	26,012	+5.0%

* Including Island Electrical Systems and eliminations.

In **France**, sales for the first 9 months of 2010 stood at € 26 billion, up 5%.

As regards Deregulated activities, sales growth was driven by the impact of the August 2010 tariff revisions over a month and a half and the development of structured electricity sales to other suppliers in France.

Sales of electricity to end-users stood at 295 TWh, up 2.1 TWh relative to 30 September 2009. Nuclear output rose 9.2 TWh to 299 TWh relative to 30 September 2009. This change is consistent with the nuclear output objective for the year, which is in the range of 405 to 415 TWh. Generation of hydropower increased by 1.1 TWh in Q3 2010 versus Q3 2009 and therefore registered a modest increase of 0.5 TWh for a total of 30 TWh for the first 9 months of 2010.

The Group is a net buyer of electricity on the wholesale markets on the order of 10 TWh, i.e. 3.5 TWh less than for the first 9 months of 2009.

Gas-related sales were relatively stable and noticeably characterised by the increased sales volumes to end-customers.

As regards Regulated activities, sales increased notably by 7% due to the 3.4% hike in networks tariffs on 1 August 2010 (TURPE3, +€ 233 million) and higher sales volumes associated with a colder climate and an increase in demand.

Decrease in nuclear output and lower electricity prices in the United Kingdom.

<i>In millions of euros</i>	9M 2009	9M 2010	%	o/w % Organic
UK Total	8,399	8,031	-4.4%	-6.5%

In the **United Kingdom**, sales stood at € 8 billion, i.e. down 4.4% relative to 30 September 2009, and down 6.5% on an organic basis. A decline in nuclear output (-6.9 TWh) is the main driver of this development, which primarily stems from the unplanned shut-down in March of the Sizewell B power station, which came back online on 30 September 2010. Sales also declined on account of electricity and gas tariff reductions across all customer segments, including reductions on tariffs for residential customers and small businesses implemented in 2009.



Good performance as a result of the development of optimisation activities in Germany

<i>In millions of euros</i>	9M 2009	9M 2010	%	% organic
EnBW⁵	5,393	5,945	+10.2%	+12.3%

In **Germany**, the contribution of **EnBW** to Group sales was € 5.9 billion, up 10.2% and 12.3% on a constant scope and exchange rate basis.

In electricity, EnBW's sales were up thanks to the development of optimisation activities (transactions on wholesale markets), mainly due to the increase of generation capacities completed at the beginning of the year (Lippendorf, Bexbach, EnBW/EDF/E.ON swap). Sales volumes to residential and industrial customers were lower whilst there has been a positive price effect on residential sales.

Gas-related activities declined sharply due to declining residential and industrial customer tariffs and lower volumes sold to businesses.

Increase in sales driven by volume against a backdrop of declining prices in Italy

<i>In millions of euros</i>	9M 2009	9M 2010	%	% organic
Italy	3,575	4,098	+14.6%	+14.4%
<i>o/w Edison⁶</i>	<i>3,205</i>	<i>3,753</i>	<i>+17.1%</i>	<i>+17.1%</i>

Group sales in **Italy** stood at € 4.1 billion, up 14.6% and 14.4% on an organic basis.

Edison's contribution was € 3.8 billion, up 17.1%.

This growth in sales was driven by higher electricity sales volumes (nearly +8 TWh sold) against a backdrop of falling prices. This change translated into a squeeze on margins and the results of Edison's electricity activities.

In hydrocarbons, end-user demand for gas was up 7.8% against a backdrop of sharply declining prices (in particular, a decline of 12% in gas prices on the residential market).

Falling energy sales prices are linked to the steep decline in gas prices on the spot market following the strong excess supply of this energy to the principal European markets. This prompted Edison, as well as all other operators, to renegotiate its gas supply contracts indexed to the price of crude oil, which remains high.

⁵ EDF Share: 46.07%

⁶ EDF Share: 48.96%



Other international

<i>In millions of euros</i>	9M 2009	9M 2010	%	% organic
Other international	2,280	4,938	+116.6%	-3.0%

Sales in the **Other International** segment amounted to € 4.9 billion, up 116.6%. This steep increase is mainly a result of the integration of SPE, whose contribution to sales stood at € 1.9 billion, and CENG, which contributed € 460 million.

Excluding scope and exchange rate effects, sales were down 3%, primarily due to lower electricity prices in Hungary and in Poland, as well as a decline in the volumes of electricity sold in Belgium.

Other activities

<i>In millions of euros</i>	9M 2009	9M 2010	%	o/w % organic
Other activities	3,938	3,910	-0.7%	+0.2%

The contribution of the **Other Activities** segment to Group sales was mostly unchanged at € 3.9 billion.

Sales received a boost from the full-year effect of newly-commissioned EDF Energies Nouvelles power generation facilities as well as performance by Dalkia and, to a lesser extent, Electricité de Strasbourg. These effects offset lower sales registered by EDF Trading (-29.7%) following an exceptional 2009.

2010 financial objectives

Trends observed since 30 September 2010 enable the Group to confirm its financial objectives for 2010:

- Organic EBITDA growth⁷ for 2010 between 3 and 5%
- Dividend stability.

Following the sale of the UK distribution networks, the objective of debt to EBITDA ratio is now close to 2.5, which represents an improvement relative to the initial objective of 2.5 to 3.

⁷ At constant scope and exchange rates, excluding the impact of IAS 39 and assuming the end of the TaRTAM mechanism as of end of June 2010 (it has been extended until 12/31/2010 by June 7, 2010 Law)



HIGHLIGHTS SINCE THE RELEASE OF THE HALF-YEAR RESULTS ON 30 JULY 2010

France

- **August 2010 tariffs hikes**

Electricity tariffs were hiked an average of 3.4% on 12 August 2010.

Households on the "blue tariff" have seen an average increase of 3% while non-residential "blue tariffs" and local authorities rose 4%. The average increase for customers on the "yellow tariff" has been 4.5%; for customers on the "green tariff" it has been 5.5%.

The application of TURPE3 translates into an increase of 2.5% for transmission network and 3.4% for distribution network on August 1st 2010.

- **The NOME Law**

The NOME draft bill was examined on 3 November 2010 in a second reading before the French National Assembly's Economic Affairs Commission.

- **CSPE**

The aim of CSPE (contributions to the public service for electricity) is to offset some public service costs for which EDF is specifically responsible. CSPE, which is directly levied on end-users by all power suppliers including EDF, was established at € 4.50 per megawatt hour in 2008 and capped at 7% of a end-customer's bill (i.e. € 5.48 per MWh).

On 22 October 2010, the National Assembly voted in open session to adopt an amendment to the draft 2011 Finance Act introduced by the Finance Committee to reform the CSPE mechanism. This was an expected upshot of the report by Representatives Diefenbacher and Launay (published on 28 September 2010) which had underscored the obligation of covering 100% of the costs borne by EDF tied to the public service it renders.

This amendment therefore removes the legal cap of € 5.48 and provides that, when the government does not act on a tariff revision recommendation by the Energy Regulatory Commission (CRE), the amount recommended by the Commission (€ 6.50/MWh in 2010) will automatically enter into force on 1 January up to an additional maximum of € 3/MWh.

This amendment must still be confirmed when the bill goes to the Senate. It would only become final once the 2011 Finance Act is published in the Official Gazette.

United States: signature of an agreement between EDF and Constellation Energy Group

On 27 October 2010, EDF and CEG reached a comprehensive agreement that restructures the companies' partnership, eliminates the outstanding put option and establishes the full ownership of UniStar Nuclear Energy by EDF. The comprehensive agreement was approved by the boards of directors of both EDF and Constellation.

Under the terms of the agreement, EDF will acquire Constellation's 50 per cent ownership in UniStar for \$140 million and Constellation will transfer to UniStar potential new nuclear sites at Nine Mile Point and R. E. Ginna in New York State. With the sale of its share of UniStar, Constellation will no longer have responsibility for developing or financing a new nuclear plant at Calvert Cliffs 3. Further to the terms of the agreement, EDF will transfer to Constellation 3.5 million of the shares that it owns in Constellation. Constellation will terminate its rights under the existing put option and, as a result, will not sell any of its plants to EDF. The ownership structure of the companies' existing Constellation Energy Nuclear Group ("CENG") partnership remains unchanged with Constellation holding 50.01 per cent ownership and EDF maintaining 49.99 per cent share.



Germany

- **EnBW will not sell its stake in EVN**

On 20 October 2010, EnBW announced that it will not sell its stake in EVN AG as part of a share issue by that company as the price being offered did not reflect EVN's intrinsic value.

- **EnBW extends its presence into the Czech Republic**

On 22 September 2010, EnBW has increased its stake in the energy supplier of the city of Prague Pražská Energetika a.s. (PRE) to 69.6%, following the acquisition of a 41.1% share package from EPH Group. In return, EnBW sold its 24.3% shareholding in the heating company within the city of Prague Pražská Teplárenská a.s. (PT) to EPH Group. PRE is the third largest electricity company in the Czech Republic, with more than 1,300 employees, revenues of approximately € 800 million, EBIT of € 105 million and unit sales of 6.5 TWh of electricity in 2009.

- **Extending the lifetime of nuclear power plants and the issue of the nuclear fuel rod tax in Germany**

On 6 September 2010, EnBW welcomed the signature of an agreement by the German Federal Government unveiling the key points of plans to extend the lifetime of German nuclear power plants. According to this agreement, the lifetimes of Unit I of Neckarwestheim nuclear power plant and of Unit 1 of Philippsburg nuclear power plant are to be extended by 8 years, and those of Unit II of Neckarwestheim nuclear power plant and of Unit 2 of Philippsburg nuclear power plant by 14 years.

EnBW will examine the impact of these decisions in detail, which will involve considerable financial investment costs in addition to the nuclear fuel rod tax, which has been fixed for six years at a total of € 2.3 billion per year for all German nuclear operators.

United Kingdom

- **Completion of the sale of UK electricity distribution networks**

Following the approval of the European Commission and of the Minister of the Economy and after consultation with the French "*Commission des Participations et des Transferts*", EDF completed on 29 October 2010 the transfer of its British electricity distribution networks to the Cheung Kong Group (CKI), for an equity value of £ 3.2 billion (€ 3.7 billion*). This transaction will result in debt reduction of approximately € 6.7 billion* for the EDF Group, thereby exceeding its financial debt reduction target of € 5 billion, announced in February 2009.

*At an exchange rate of € 1.1494/£.

- **Sizewell B power station back on-line**

On 30 September 2010, the Sizewell B power station was brought back online after being out of service since March.

- **Announcement by the British Government on the New Nuclear Build**

On 18 October 2010, EDF Energy welcomed the announcements by the British Government on nuclear power as important steps which will allow it continue progress on its plans to build and operate new nuclear power plants, Further progress on other issues is expected later this autumn, notably concerning the establishment a floor price for carbon.



Italy

- **Edison makes an off-shore Norway gas discovery**

On 16 September 2010, Edison announced a gas discovery in the Norwegian Sea. Preliminary estimates of the size of the discovery range between 5 and 18 billion standard cubic metres of recoverable gas. Edison has been qualified to act as operator in the Norwegian shelf.

- **Edison's long-term debt rating downgraded by Moody's and S&P**

On 14 October 2010, Moody's downgraded Edison's long-term senior unsecured rating to Baa3 Stable Outlook from Baa2 Negative Outlook in reaction to the persistent weakness of energy power prices in Italy.

On 2 November 2010, Standard & Poor's downgraded Edison's long-term senior unsecured rating to "BBB" Stable Outlook from "BBB+" with a Negative Outlook.

On 3 November 2010, Edison successfully completed the placement of a seven-year bond issue for a total amount of € 600 million (coupon of 3.875%).

Nuclear in the Netherlands

On 3 November 2010, EDF and the Dutch energy company DELTA signed an agreement to collaborate on the future development of a potential second nuclear power plant in Borssele, in the province of Zeeland. In the future, should EDF and DELTA choose to further develop the project, they will probably decide to invite third parties to act as potential investors and off-takers.

Finance: EDF pursues its policy of extending the average maturity of its debt and repurchasing debt instruments

On 28 October 2010, EDF launched a partial cash tender offer for 3 outstanding bonds, which closed with a repurchase ratio of more than 31% of the total underlying of € 4.6 billion. EDF proceeded with the refinancing of this deal on 4 November 2010, through a new 2-tranche bond in euros, the first for an amount of € 750 million and a 15-year maturity (4.0% coupon), the second for an amount of € 750 million and a 30-year maturity (4.5% coupon). This issue is the largest on the corporate 30-year bond market in euros since 2005.



Appendix: Third quarter 2009 sales

	Q3 2009	Q3 2010	Change	Organic change
France	6,446	7,097	+10.1%	+10.1%
United Kingdom	2,548	2,391	-6.2%	-8.9%
Germany	1,629	1,834	+12.6%	+17.6%
Italy	1,051	1,345	+28.0%	+28.0%
Other International	723	1,481	+104.8%	-7.7%
Other Activities	1,130	1,273	+12.7%	+11.2%
Total International & Other Activities	7,081	8,324	+17.6%	+6.0%
Total Group	13,527	15,421	+14.0%	+7.9%

Quarterly breakdown of sales

	Q1 2010	Q2 2010	Q3 2010	9-month 2010
France	11,381	7,534	7,097	26,012
United Kingdom	3,150	2,490	2,391	8,031
Germany	2,271	1,840	1,834	5,945
Italy	1,493	1,260	1,345	4,098
Other International	1,968	1,489	1,481	4,938
Other Activities	1,667	970	1,273	3,910
Total International & Other Activities	10,549	8,049	8,324	26,922
Total Group	21,930	15,583	15,421	52,934



Upcoming EDF Group communications:*Annual Group results on 15 February 2011***Disclaimer**

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The EDF Group, one of the leaders in the energy market in Europe, is an integrated energy company active in all businesses: generation, transmission, distribution, energy supply and trading. The Group is the leading electricity producer in Europe. In France, it has mainly nuclear and hydraulic production facilities where 95% of the electricity output involves no CO₂ emissions. EDF's transport and distribution subsidiaries in France operate 1,285,000 km of low and medium voltage overhead and underground electricity lines and around 100,000 km of high and very high voltage networks. The Group is involved in supplying energy and services to around 38 million customers around the world, including close to 28 million in France. The Group generated consolidated sales of € 66.3 billion in 2009, of which 49% in Europe excluding France. EDF is listed on the Paris Stock Exchange and is a member of the CAC 40 index.

CONTACTS PRESS / ANALYSTS :**Press :** Carole Trivi / 01 40 42 44 19 / 46 37**Analysts :**

Carine de Boissezon : + 33 (1) 40 42 45 53

David Newhouse: + 33 (1) 40 42 32 45

