Glossary

ASN (Nuclear Safety Authority): The French Nuclear Safety Authority *(Autorité de Sureté Nucléaire,* or ASN) manages on behalf of the French State, nuclear safety and radioprotection in France to protect workers, patients, the public and the environmental risks associated with the use of nuclear energy. It is notably in charge of the external control of nuclear facilities in France. The ASN is an independent administrative authority with more than 300 staff.The ASN is represented at the national level by the Directorate General of Nuclear Safety and Radioprotection *(Direction Générale de la Sureté Nucléaire et de la Radioprotection,* or DGSNR).

Becquerel (Bq): International legal unit for measuring radioactivity. The Becquerel (Bq) is equal to one radioactive disintegration per second. This unit represents such a low level of activity that it is used in multiples: the MBq (megabecqueral or million Becquerels) and the GBq (gigabecquerel or billion Becquerels).

Brent: a form of light crude oil, low in sulphur, sourced from the North Sea. Brent is priced by the barrel and serves as a benchmark for the European market and for other crude oil prices.

Cogeneration: Generation technique for combined electricity and heat production. The advantage of cogeneration is the ability to capture the heat produced by the fuel whereas in classical electricity generation this heat is lost. This process also allows the same facility to meet the heating (hot water or steam) and electricity needs of both industrial and local authority customers. This system improves the energy efficiency of the generation process and reduces fuel use by an average of 20%.

Combined gas cycle: The most up to date technology for generating electricity in a natural gas fired plant. A combined cycle is made up of one or several combustion turbines and a steam turbine allowing for an improved yield. The combusted syngas is routed to the combustion turbine, which generates electricity and very hot exhaust gases. The heat from the exhaust gases is retrieved by a heat recovery steam generator, which thus produces steam. Part of the steam is then retrieved by the steam turbine to generate electricity.

CRE (Energy Regulation Commission): The *Commission de Régulation de l'Energie* (Energy Regulation Commission) was established on March 30, 2000. Its aim is to watch over the correct functioning of the electricity market. The CRE, an independent body, regulates the process of energy market opening. It ensures that all the producers and eligible customers have equal access to the network. Within its remit, this body has powers of supervision and authorisation along with the power to settle any disputes and, if required, impose sanctions.

Dosimetry: the determination, by estimation or measurement, of radiation exposure received by a substance or individual.

Eligibility threshold: this corresponds to the minimum volume that must be consumed per site and per year to make customers eligible to choose their electricity supplier. The number of eligible clients increases each time the eligibility threshold is lowered. In France, eligibility thresholds were first lowered from 100 GWh in 1999 to 16 GWh in 2000, and then to 7 GWh on February 10, 2003. The threshold introduced in 2003 meant that 37% of the electricity market had been deregulated. On July 1, 2004, 70% of the market opened to competition (all commercial customers, businesses and local authorities), and the threshold is no longer taken into account, only whether the customer is eligible or not. The next important date will be July 1, 2007, when 100% of the market will be liberalised with the eligibility of residential users.

Fuel-cell battery: a system whereby electricity and heat are generated simultaneously thanks to a chemical reaction between oxygen and hydrogen. The latter can be obtained from oil products, natural gas, alcohol or other combustibles. Fuel-cell batteries have a high-energy yield and low environmental impact (no noise pollution or gaseous emissions such as carbon monoxide or nitrogen oxide, no release of soot or other particles).

Interconnections: this refers to the electricity networks that connect the very high voltage networks of different countries. Interconnections were created early in the 20th century in the goal of allowing neighbouring countries to help one another in times of need and to generate savings on the deployment of generation resources. As of today, 21 European countries are interconnected, and technically, it is possible to transport electricity from the UK to Rumania. However, existing interconnections remain insufficient and continue to hinder the creation of a European electricity market. There are still congestion areas throughout Europe, and the situation could remain problematic until 2010, despite the major construction underway.

KWh Equilibre®: EDF offers its professional customers the possibility to purchase electricity generated from renewable energy sources. The *kWh Equilibre* offer is backed by green certificates delivered by the French agency Observ'ER *(Observatoire des Énergies Renouvelables).*

Liquefied Natural Gas (LNG): natural gas turned into liquid form by reducing its temperature to –627 C allowing for a reduction by 600 in its volume.

Midstream: all assets of the gas business, allowing for its availability, transport and management. These might be infrastructure (gas pipelines, storage facilities, GNL terminals, ect.) or contractual (rights relating to pre-determined capacity, procurement contracts,ect.). The midstream segment includes the trading and negotiating activities.

MOX (Mixed Oxides): nuclear fuel based on a mixture of uranium oxides (natural or depleted) and plutonium.

National allocation plans (NAP): NAPs are a lead-up to the future European greenhouse gas allowance trading scheme aimed at reducing emissions of European industries. NAPs focus on limiting, for the period 2005-2007, the CO_2 emissions of the most polluting industrial and generation sites.

Nuclear generation unit: an electricity generation unit comprising a nuclear steam supply system and a turbo alternator set. Units are generally characterised by the type of reactor used and the capacity of the turbo alternator set. Most of EDF's nuclear plants have two or four units, and a small number has six.

Power plant availability: time period during which a plant can generate power. The availability rate is defined as the ratio between real or potential annual generation capacity (actual generation capacity/maximum theoretical generation capacity) with the maximum theoretical generation capacity being equal to installed capacity x 8,760 hours. The availability rate, which does not factor in technical losses, i.e., planned interruptions, unforeseen unavailabilities and test periods, characterize the technical performance of a plant. For EDF's nuclear facilities in France, the maximum theoretical generation capacity is of 533 TWh (63.1 GW x 8,760 kh).

Ultra centrifugation: this process involves very high spinning in a vacuum of a cylinder Containing uranium hex fluoride (UF6). Through the effect of the centrifugal force, the heavier molecules (238U) aggregate at the periphery while the lighter ones (235U) move towards the center, creating an isotopic separation effect.

Watt: a unit of power representing the energy consumed or generated in a given time. One watt is equal to one joule per second. The watt's symbol is W. It is usually referred to in multiples: kW (kilowatt) with 1 kW equal to 1,000 W; MW (megawatt) equal to 1 million W; and GW (gigawatt) equal to 1 billion W.

Financial vocabulary

Assets: the company's resources, which have a positive financial value. They may consist of physical goods or intangible, monetary or financial rights.

Balance sheet: made up of two distinct parts: assets and liabilities. A snapshot of the company's assets, and of the resources used to finance these assets (its liabilities), on a given date.

Changes in Group scope: the changes in scope in any given year take into account the acquisitions, disposals and changes in consolidation scope within the Group.

Consolidated accounts: a summary of the financial situation and results of more than one company as though they were a single business, for example a parent company and its subsidiaries.

Depreciation: an accounting item showing an irreversible decrease in the value of a fixed asset over a period of time, resulting from expected wear and tear, technical obsolescence or legal constraints.

Downstream asset portfolio: total contractual commitments to sell energy to operators or final customers.

EBIT (or operating result): earnings before interest and taxation, i.e. EBITDA less amortization and provisions. An indicator of the company's financial performance.

EBITDA (or gross operating surplus): earnings before interest, depreciation and amortization. Turnover less external purchases, personnel costs and tax (except corporation tax). An indicator of the company's ability to finance its own growth.

Equity: the capital and assets contributed by the shareholders to the company when it is established, or available to it in the form of profits brought forward or earned during the current period.

Free cash flow: cash generated by operations over a specific period, after payment of operating investment, cost of finance and taxation, and including the change in working capital. Reflects the business's ability to generate resources which can be used for financial investment, to pay dividends or to reduce debt.

Goodwill: the difference between the price paid for a company's shares on acquisition and their value as shown in the accounts of the acquired company. This is the premium paid by the purchaser for expected future operating profits. It is shown as an asset in the consolidated balance sheet and depreciated over a specific period.

Group share of net income: net result in the consolidated accounts after deduction of minority interests.

IFRS: the international financial reporting standards of the International Accounting Standards Board. From 2005, these apply to European companies offering savings products to the public.

Impact of exchange rate variations: the impact of exchange rates entered in the profit and loss account for a financial year, reflects the variations in average exchange rate between the euro and one or other of the operational currencies of the subsidiaries in the Group score.

Liability: an obligation representing a negative financial value to a company, such as equity, provisions, and debt.

Minority interests: the proportion of the net results and equity of a consolidated subsidiary attributable to interests not held by the parent company either directly or indirectly through its subsidiaries and affiliates.

Net financial debt: financial debt (bonds, interest payable, etc.) less cash and short-term financial assets (liquidity, bank current accounts, investments, etc.).

Net current result: net result adjusted for certain non-recurrent items defined by the Group, such as gains on sales and accounting changes.

Net result: the balance of a company's income and expenditure over a given period. Reflects the wealth it has created, and its profitability.

Operating cash flow after exceptional items: cash flow after deduction of one-off items (e.g. Brussels decision and IFRS effects).

Operating cash flow: EBITDA less tax and cost of finance and excluding exceptional items.

Profit and loss account: a summary of a company's income and expenditure over a given period. This helps to assess its ability to generate wealth from its business.

Provision: a sum set aside to cover a future risk or an item of expense payable in the future.

Rating: the score allocated by a specialist rating agency such as Standard & Poor's or Fitch, reflecting a borrower's ability to repay its debts. The higher a company's rating, the lower its cost of new borrowing will be.

Recurring free cash flow: free cash flow excluding exceptional items.

Separate accounts: separate balance sheets and profit and loss accounts for such areas as production, transmission, and electricity distribution.

Turnover: the company's total sales of goods and/or services during a specific period of normal current operations.

Upstream asset portfolio: all assets guarenteeing the availability of electrical energy. These may be actual physical assets (such as power plants) or their contractual equivalent: long-term contracts, shareholdings, contracts giving the right to a proportional share of generated energy.

Working capital requirement: the amount the company needs to finance its current business. It results from the time lag between acquiring and using stocks on the one hand, and operating cash flows on the other.

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