SUMMARY CORPORATE FINANCIAL STATEMENTS
AT DECEMBER 31, 2006

Summary corporate financial statements

The information in this report contains the most significant and user-relevant figures only. All the documents, including the full financial statements concerned by the statutory auditors' report, are available on request from the Financial Reporting Division *(Direction de la Communication Financière)* at EDF's head office, 22-30 avenue de Wagram, 75382 Paris Cedex 08.

NB: Most figures in the tables are reported in millions of euros. The resulting approximation can lead to slight differences in totals or movements and changes.

Income statements

(in millions of euros)	2006	2005
Sales	32,891	30,849
Change in and work-in-process	173	244
Capitalized production	962	844
Purchases and other external expenses	(18,465)	(17,183)
Operating subsidies	1,466	1,304
Personnel expenses	(6,698)	(6,952)
Taxes other than income taxes	(2,450)	(2,308)
Depreciation and amortization	(3,123)	(3,343)
Net decrease in provisions	40	186
Other operating income and expenses	(333)	(385)
Operating profit	**4,465**	**3,257**
Financial result	**521**	**(470)**
Profit before income taxes and exceptional items	**4,986**	**2,787**
Exceptional income and expenses	**2,246**	**1,126**
Income tax	(1,176)	(381)
NET PROFIT	**6,055**	**3,532**

Balance sheets

(in millions of euros)

	ASSETS		12.31.2006	12.31.2005
Fixed assets	Intangible assets		1,114	936
	Property, plant and equipment		66,001	65,337
	Investments		42,650	35,883
	Subtotal fixed assets	**(I)**	**109,765**	**102,156**
Current assets	Inventories including work-in-process		5,809	5,620
	Advances on orders		333	230
	Trade receivables		11,439	11,791
	Marketable securities		10,752	8,816
	Cash instruments		60	65
	Cash and cash equivalents		333	694
	Prepaid expenses		467	475
	Subtotal current assets	**(II)**	**29,193**	**27,689**
	Deferred charges	**(III)**	**59**	**66**
	TOTAL ASSETS	**(I+II+III)**	**139,017**	**129,911**

(in millions of euros)

	EQUITY AND LIABILITIES		12.31.2006	12.31.2005
Equity and concession accounts	Capital		911	911
	Share issue and merger premiums		6,135	6,135
	Reserves and revaluation surplus		749	8,976
	Retained earnings		290	(10,028)
	Profit or loss for the financial year		6,055	3,532
	Investment subsidies		84	57
	Tax-regulated provisions		7,929	8,065
	Subtotal equity		**22,155**	**17,649**
	Special concession accounts		26,208	25,163
	Subtotal	**(I)**	**48,363**	**42,812**
	Provisions	**(II)**	**51,181**	**49,417**
Liabilities	Loans and financial liabilities		12,917	12,583
	Advances and payments on account received		3,250	2,975
	Operating, investment and other liabilities		19,085	17,616
	Cash instruments		297	235
	Deferred income		3,787	4,118
	Subtotal liabilities	**(III)**	**39,337**	**37,528**
	Unrealized foreign exchange gains	**(IV)**	**137**	**154**
	TOTAL EQUITIES AND LIABILITIES	**(I+II+III+IV)**	**139,017**	**129,911**

Cash flow statements

(in millions of euros)		2006	2005
Operating activities:			
Profit/(loss) before income tax		7,232	3,913
Amortization, depreciation and provisions		3,172	1,126
Capital (gains)/losses		(2,039)	67
Financial (income) and expenses		(604)	1,306
Other (income) and expenses without effect on cash		-	(31)
Changes in working capital		1,093	1,806
Cash flows from operating activities before changes in working capital		**8,853**	**8,187**
Net financial expenses including dividends		642	(1,196)
Income taxes paid		(918)	127
Payment related to the pension reform		-	(3,292)
Payment related to dismantling of the Marcoule site		(551)	(523)
Net cash flows from operating activities	**(A)**	**8,026**	**3,303**
Investing activities:			
Purchases of property, plant and equipment and intangible assets		(3,233)	(2,570)
Sales of investments		129	62
Changes in financial assets		(8,618)	(7,069)
Net cash flows used in investing activities	**(B)**	**(11,722)**	**(9,577)**
Financing activities:			
Issuance of borrowings and underwriting agreements		2,291	4,209
Repayment of borrowings		(1,634)	(1,217)
Dividends paid		(1,439)	(374)
Increase in special concession accounts		201	192
Capital increase		-	6,132
Investment subsidies		30	15
Net cash flows from financing activities	**(C)**	**(551)**	**8,956**
Net increase / (decrease) in cash and cash equivalents	**(A)+(B)+(C)**	**(4,246)**	**2,682**
Cash and cash equivalents - opening balance (1)		**3,838**	**1,068**
Effect of currency fluctuations		(18)	-
Financial income on cash and cash equivalents		9	86
CASH AND CASH EQUIVALENTS - CLOSING BALANCE (1)		**(417)**	**3,838**

(1) "Cash and cash equivalents – "opening balance" and "Cash and cash equivalents – closing balance" do not include investment funds or negotiable debt instruments maturing in more than three months, or bonds for which variations are included in the "change in financial assets" and net cash contributed by subsidiaries under cash management agreements.

Details of the variation in cash and cash equivalents is presented in note 3.

1 Main differences between the accounting policies and presentation formats used for EDF's corporate financial statements and the consolidated financial statements

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

EDF's corporate financial statements are prepared in accordance with the accounting principles and methods defined by the French national chart of accounts, as presented by CRC regulation 99-03 of April 29, 1999 with additions in subsequent regulations.

2 Significant events and transactions of 2006

2.1 - NEW PUBLIC TRANSMISSION AND DISTRIBUTION NETWORK ACCESS FEES

New tariffs for using the public electricity transmission and distribution networks *(Tarifs d'utilisation des Réseaux Publics de Transport et de Distribution d'Electricité or TURP 2)* came into force at January 1, 2006, following approval by the French Ministry of Finance on September 23, 2005.

The French Energy Regulator *(Commission de Régulation de l'Energie or CRE)* has considered it necessary to introduce a system to compensate for the effects of external factors beyond the control of network operators' on the operators' income and expenses. This system uses an off-balance sheet costs and revenues account *(compte de régulation des charges et produits or CRCP)* to record all or some of the network operator's income surpluses or shortfalls, and is cleared by reducing or increasing the expenses to be recovered through the TURP in the next five years.

Following audits of the unbundled accounts for 2000 and 2002, the CRCP's initial balance at January 1, 2006 was €1,312 million for distribution activity.

Given the uncertainty over how distribution will be organized when the French market is totally opened up to competition from July 1, 2007, the CRE considers that the tariff rules will require further adjustments towards the end of 2007.

2.2 - EXCEPTIONAL ADDITIONAL PENSION

EDF has decided to discontinue the exceptional additional pension benefit, leading to reversal of the entire €303 million provision.

2.3 - FRENCH LAW 2006-739 OF JUNE 28, 2006 ON SUSTAINABLE MANAGEMENT OF RADIOACTIVE MATERIALS AND WASTE

This law defines a national policy for sustainable management of radioactive materials and waste, stipulating how the policy is to be organized and financed, and changing the financing method for certain obligations. It will apply to all operators of the nuclear chain, including *EDF SA.* Without excluding other complementary areas of research, the law confirms the industrial solution of reversible deep-level geological storage and the principle of provisions relating to decommissioning costs for nuclear facilities and waste management.

It also introduces an obligation to cover these provisions by dedicated assets.

Based on this law and the information available at December 31, 2006, EDF has reviewed its estimate of the provision for removal and storage of radioactive waste.

EDF SA's current accounting practices for nuclear provisions and the company's policy for establishing a portfolio of dedicated assets meet the requirements of the law.

As soon as application decrees for this law come into force, EDF will analyze the possible consequences for measurement of its provisions and its dedicated asset portfolio.

2.4 - INCREASE IN ELECTRICITY SALES TARIFFS

In France, sales tariffs set by the public authorities for private and business customers that have opted to stay on the regulated tariff as the market opens were raised by 1.7% from August 15, 2006.

2.5 - LAUNCH OF CONSTRUCTION FOR A NEW EPR NUCLEAR ELECTRICITY GENERATION UNIT

At its meeting of August 31, 2006, EDF's Board of Directors approved two of the contracts awarded after the international call for tenders for construction of the future EPR (European Pressurized Reactor) type nuclear generation plant at the Flamanville site in France, scheduled to come on line in 2012.

2.6 - FRENCH LAW 2006-1537 OF DECEMBER 7, 2006 ON ENERGY

This law mainly requires distribution of electricity in mainland France to be carried out by an entity that is legally distinct from *EDF SA* in 2007, and introduces a transition tariff (*Tarif réglementé transitoire d'ajustement de marché*).

2.6.1 Transfer of the distribution activity to a subsidiary

In application of the Law of December 7, 2006, EDF intends to sign a partial business transfer agreement (governed by the French laws on demergers) in 2007 with C6, a company wholly-owned by EDF.

All assets and liabilities related to electricity distribution activities in mainland France will be transferred to C6.

2.6.2 Transition tariff (*Tarif réglementé transitoire d'ajustement de marché*)

This tariff is automatically applicable for two years from the date of initial application for all end-users of electricity, provided they make a formal request to their supplier by July 1, 2007. The decree of January 3, 2007 states that this transition tariff will be equal to the regulated sales tariff, excluding taxes, plus 10%, 20% or 23% depending on the type of end-user electing to benefit from the transition tariff.

Suppliers that provide customers with electricity at this tariff at the customer's request, even though they are unable to generate or purchase the electricity supplied at a lower rate, will receive compensation for the differential between the cost of the electricity supplied and the income corresponding to supply at the transition tariff.

This compensation paid to electricity suppliers is to be financed by a share of the Contribution to the Public Electricity Service (*Contribution au Service Public de l'Electricité* or CSPE), and a contribution paid by nuclear and hydropower generators who exceed certain generation levels (this includes *EDF SA),* up to the limit of €1.3/MWh. The amount of the electricity generators' contribution is calculated such that, taken together with the CSPE, it covers all expenses borne by suppliers.

To assess the contribution payable by EDF during the two years concerned by the transition tariff, various assumptions have been used based on the best available information and forecasts, particularly regarding the numbers of customers applying to benefit from this tariff, developments in electricity market prices and the share of the compensation to be financed by the Contribution to the Public Electricity Service (*Contribution au Service Public de l'Electricité* or CSPE).

Based on these assumptions, a provision of €470 million is recorded in the financial statements at December 31, 2006.

2.7 - SALE OF EDF TRADING

The shares of the trading subsidiary EDF Trading, 100% owned by EDF, were sold to another wholly-owned subsidiary EDF Holding SAS (C11), at market value of €1,950 million. This sale generated a capital gain of €1,729 million.

2.8 - FRENCH LAWS ON WATER AND HYDROPOWER

Article 7 of Law 2006-1772 of December 30, 2006 on water and aquatic environments removed the outgoing operator's preferential right instituted by the Law of October 16, 1919.

Article 33 of Law 2006-1771 of December 30, 2006, amending the 2006 finance law, sets out the principle of an indemnity for the outgoing operator when a concession is renewed, proportional to income on sales of electricity produced by operation of the concession assets, up to a maximum of 25% of electricity income.

3 Variation in cash and cash equivalents reported in the cash flow statement

(in millions of euros)	2005	2006	Variation
Marketable securities (Euros)	8,816	10,753	1,937
Cash and cash equivalents	694	333	(360)
Euro investment funds	(3,375)	(4,093)	(718)
Negotiable greenhouse gas emission quotas	(1)	-	1
Negotiable debt instruments (Euros) maturing within 3 months	(954)	(5,607)	(4,652)
Bonds		(402)	(402)
Marketable securities (non Euro)	(1)	(1)	-
Negotiable debt instruments (non-Euro) maturing after 3 months		(63)	(63)
Accrued interest on marketable securities maturing after 3 months	(3)	(20)	(17)
Cash advances to subsidiaries (under cash pooling agreements) included in "Other operating receivables" in the balance sheet	19	-	(19)
Cash advances from subsidiaries (under cash pooling agreements) included in "Other operating liabilities" in the balance sheet	(1,357)	(1,316)	40
"Cash and cash equivalents" in the cash flow statement	**3,838**	**(417)**	**(4,255)**
Elimination of the effect of currency fluctuations			18
Elimination of financial income on cash and cash equivalents			(9)
NET CHANGE IN CASH AND CASH EQUIVALENTS			**(4,246)**

"Cash and cash equivalents – opening balance" and "Cash and cash equivalents – closing balance" do not include investment funds or negotiable debt instruments maturing in more than three months, or bonds for which variations are included in the "change in financial assets" and net cash contributed by subsidiaries under cash management agreements.

4 Variation in equity

(in millions of euros)	Capital and capital contribution	Reserves and premiums	Retained earnings	Net profit	Investment subsidies received	Tax-regulated provisions	Total equity
At December 31, 2004	**8,129**	**4,030**	**(2,863)**	**902**	**197**	**8,995**	**19,390**
Allocation of 2004 net profit	-	-	902	(902)	-	-	-
Allocation of retained earnings to reserves	-	(1,961)	1,961	-	-	-	-
Dividend distribution	-	(374)	-	-	-	-	(374)
Capital reduction	(7,316)	7,316	-	-	-	-	-
Capital increase	98	6,110	-	-	-	-	6,208
Impact of changes in method (1)	-	(1)	(10,028)	-	(2)	(6)	(10,037)
2005 net income	-	-	-	3,532	-	-	3,532
Other changes	-	(10)	-	-	(137)	(924)	(1,071)
At December 31, 2005	**911**	**15,111**	**(10,028)**	**3,532**	**57**	**8,065**	**17,649**
Allocation of 2005 net income	-	61	2,032	(2,093)	-	-	-
Allocation of retained earnings to reserves	-	(8,286)	8,286	-	-	-	-
Dividend distribution	-	-	-	(1,439)	-	-	(1,439)
2006 net income	-	-	-	6,055	-	-	6,055
Other changes	-	(1)	-	-	27	(136)	(110)
AT DECEMBER 31, 2006	**911**	**6,884**	**290**	**6,055**	**84**	**7,929**	**22,155**

(1) Impact net of current income tax liability.

The 4,506 million variation in equity in 2006 is mainly attributable to the following:

- €(1,439) million for dividend distributions from 2005 net profit as decided at the general shareholders' meeting of June 9, 2006 (€0.79 per share, paid on June 20, 2006),
- €6,055 million of net profit for the year,
- €(110) million resulting from €(136) million of net reversals from tax-regulated provisions, and €30 million of subsidies received.

The €(1,741) million variation in equity in 2005 was attributable to the following:

- An expense of €(374) million for dividend distributions from 2004 net income,
- Proceeds of €6,208 million on the issue of 196,371,190 shares as part of the capital increase. In compliance with the *"Comité d'Urgence du CNC"* opinion 2000-D, external costs related to share issues (€(143) million net of taxes) are deducted from the issue premium,
- The €(10,037) million impact, net of current tax liabilities, of changes in accounting policies. This mainly results from:
  – Recognition of post-employment benefits granted to personnel: €(10,603) million,
  – Application of article 36 of the Law of August 9, 2004 and adoption of a new accounting treatment for public distribution concessions: €(366) million,
  – Capitalization of safety and environmental expenses: €817 million.
- €3,532 million for 2005 net profit,
- €(1,071) million resulting from €(924) million in net reversals of tax-regulated provisions and €(154) million of subsidies received.

Share capital

On October 27, 2005, the Board of Directors exercised the authorization granted by the shareholders at their general meeting of August 31, 2005 and reduced the share capital.

On November 18, 2005, the Board of Directors formally recorded the capital increase, which raised the share capital from €812,900,000 to €906,834,514.

On December 20, 2005, after the banks exercised their over-allotment option, the share capital was raised to €911,085,545.

There were no changes in the share capital during 2006. At December 31, 2006, it amounts to €911,085,545, comprising 1,822,171,090 fully subscribed and paid-up shares with nominal value of €0.50 each, owned 87.3% by the French State, 10.8% by the public (institutional and private investors) and 1.9% by current and retired Group employees.

Variation in treasury shares

(in millions of euros)	Gross value at Dec 31, 2005	Increases	Decreases	Reclassification	Gross value at Dec 31, 2006
Treasury shares	-	73	72	-	1
Total	-	73	72	-	1

A total of 34,743 treasury shares were owned at December 31, 2006, and recorded under "loans and other financial liabilities". These shares were acquired under a liquidity contract with an investment services company.