

EDF Energy is a wholly-owned subsidiary of EDF. As an integrated energy company we generate, distribute and supply electricity and gas in the UK through our Energy, Networks, and Customers branches.

As of 31 December 2007, we were the leading electricity distributor in the UK (by volume of electricity distributed and regulated asset value). We were the number five electricity supplier (by TWh sold).

We are also a significant electricity generator, with a nameplate capacity (excluding PPAs) of 4.9GW.

At 31st December	2007	2006	2005
Sales ⁽²⁾ (£million)	5,744	5,673	4,559
Electricity	3,895	4,000	3,247
Gas	685	606	376
Other	1,163	1,066	936
Profit before tax ⁽²⁾ (£millions)	342	405	414
Electricity (GWh)	52,435	53,462	52,719
Gas (GWh)	28,685	25,849	21,287
Number of customer accounts (thousands)	5,539	5,497	5,052
Employees	13,158	12,319	11,238
Networks Regulated Asset Value (£billion)	3.0	3.1	2.9

During 2007, we distributed electricity to more than 7.9 million homes and businesses in London and the east and south-east of England, over a network of 181,000 kilometres. We supplied 52.4 TWh of electricity and 28.7 TWh of gas. At the close of the year, our 5.5 million customers accounts included domestic energy users, small and medium sized enterprises and major businesses.

Our sales for the year were £5,744 million. We employed 13,158 people (FTE).

For further financial information on EDF Energy please see our statutory accounts for the year ended 31 December 2006. These are available through the related download and will be replaced by our 2007 statutory accounts once they are available.

Metronet

EDF Energy, Balfour Beatty plc, Bombardier Inc, Thames Water plc and WS Atkins plc, were each 20% shareholders of the Metronet Consortium. Under two 30-year Public-Private Partnership (PPP) contracts with London Underground (LUL), Metronet was to renew and upgrade two thirds of the Underground Network's Infrastructure.

The initial estimated CAPEX cost of the project was in the range of £ 5.7bn for the first seven and a half year. However early 2007 adjusted projections from Metronet indicated that its costs exceed revenue projections by up to £2.0bn.

Most of this cost overrun could be explained, from Metronet's standpoint, because of changes in specifications and scope from LUL. On the other hand LUL argued that in some fields the Metronet consortium had not been as efficient as it should have been.

To resolve this issue, a process of arbitration was started as planned by the contracts in such a case. However this process was unsuccessful to find a way to bridge the financing gap at hand and as a result Metronet's shareholders had to notify that they could not continue to fund the cash shortfall and would request London Underground to appoint an Administrator.

Metronet went into PPP Administration on 18th July 2007 as a result of this liquidity crisis and from 30th August 2007 each of the contracts between Trans4m, Metronet and EDF Energy's sub-contract with Trans4m were all terminated.

At the request of London Underground and Metronet, EDF Energy entered into a Secondment Agreement with Metronet with effect from 30th August 2007 to second those EDF Energy staff who had been involved in the project to Metronet. This contract will end in the first half of 2008.

Negotiations are still ongoing between the various parties to terminate all contractual links and liabilities.

Fuel labelling

All electricity suppliers are required to publish information on the generation sources of the electricity provided to their customers. This table shows how the energy used by our residential and business customers from April 2006 to March 2007 was generated:

Fuel source	EDF Energy Fuel mix	UK fuel mix
Coal	47%	36%
Nuclear	29%	39%
Gas	17%	18%
Renewable	5%	5%
Other	2%	2%

(1) The exchange rates applied to the balance sheet are £1 per 1.4892 in 2006 and per €1.3636 in 2007 and for the figures in the income statement, 1 per €1.4665 in 2006 and per €1.4550 in 2007.

(2) EDF Energy contributions to EDF consolidated financial statements.