



EDF announces the launch and the terms of a share capital increase with preferential subscription rights for an amount of approximately 4 billion euros

Subscription ratio: 3 new shares for 10 existing shares

Subscription price: 6.35 euros per new share

Trading period of the preferential subscription rights: from 8 March to 17 March 2017 inclusive

Subscription period: from 10 March to 21 March 2017 inclusive

Paris, France, 7 March 2017 - EDF (the "Company") announces today the launch of a share capital increase with preferential subscription rights to existing shareholders, for a gross amount of approximately 4 billion euros (the "Rights Issue").

The proceeds from the Rights Issue will primarily be used to finance the Group's development operations during the period between 2017 and 2020, in line with the CAP 2030 strategy, and more generally, to strengthen the Group's financial flexibility. The Rights Issue is in keeping with an overall action plan aimed at boosting performance (cost-cutting and disposal plan) and shareholders' equity.

Commenting on the launch of the transaction, Jean-Bernard Lévy, **EDF's Chairman and CEO**, stated: *"The Rights Issue that we are launching today is a milestone in our Company's history. It will support the CAP 2030 strategy which aims at turning EDF into the performing and responsible utility company, champion of low-carbon growth. By confirming the Company's trajectory over the coming years, we will now have all the resources to pursue our development."*

As announced in the press releases published on 22 April 2016 and 13 February 2017, the French State has undertaken to subscribe for an amount of 3 billion euros, representing approximately 75% of the Rights Issue (the "Subscription Commitment") and will sell preferential subscription rights (by any means including by way of block trades or accelerated bookbuilding), in compliance with the legal and regulatory provisions applicable to transactions affecting the share capital of companies in which the State owns an interest, and which are specifically provided for in Order 2014-948 of 20 August 2014.

Main terms of the Rights Issue

The Rights Issue will be realized with preferential subscription rights (the "Rights") and will result in the issuance of 632,741,004 new shares (the "New Shares"). Each holder of EDF's shares will receive one (1) Right for each share held (according to trading records) as of the close of trading on 7 March 2017. Rights will be detached on 8 March 2017, and existing shares will therefore trade ex-right from 8 March 2017.

The subscription of the New Shares will be reserved, as a preference, to the holders of Rights, 10 Rights will entitle holders to subscribe for 3 New Shares on an irreducible basis (*à titre irréductible*).



Based on the closing price of the EDF share on the regulated market of Euronext Paris ("Euronext Paris") on 3 March 2017, the theoretical value of the Right is 0.77 euro (it being reminded that this value may fluctuate during the Rights trading period, in particular depending on the evolution of EDF's ex-Right share price), and the theoretical value of the ex-Right share is 8.92 euros.

The subscription price for the New Shares has been set at 6.35 euros per share (nominal value of 0.50 euro and issue premium of 5.85 euros). The subscription price represents a discount of 28.8% on the theoretical value of the ex-Right share, and 34.5% on the closing price of EDF's share on Euronext Paris (9.69 euros) on 3 March 2017.

The Rights Issue will be open to the public in France only.

Subscriptions subject to reduction (*à titre réductible*) will be accepted but remain subject to reduction in the event of oversubscription. Any New Shares not subscribed on an irreducible basis (*à titre irréductible*) will be distributed and allocated to the Rights holders having submitted additional subscription orders subject to reduction (*à titre réductible*).

As part of the underwriting agreement, the Company has given an undertaking to abstain from selling any shares for 180 days following the settlement and delivery date for the New Shares (subject to certain usual exceptions).

The French State has given a lock-up commitment for 180 calendar days after the date when the AMF approved the Prospectus (subject to certain exceptions).

Underwriting of the Rights Issue

The issue of the New Shares (other than those covered by the French State Subscription Commitment) will be underwritten pursuant to an underwriting agreement dated 6 March 2017, entered into by the Company and a banking syndicate led by BNP Paribas, HSBC Bank plc, J.P. Morgan Securities plc and Société Générale as the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers, Barclays Bank PLC, Crédit Agricole Corporate and Investment Bank, Merrill Lynch International, Morgan Stanley & Co. International plc and Natixis as Joint Bookrunners and Banca IMI S.p.A., Banco Santander, S.A., Crédit Industriel et Commercial, Mediobanca – Banca di Credito Finanziario S.p.A., MUFG Securities EMEA plc, Oddo & Cie and RBC Europe Limited as Co-Bookrunners.

Indicative timetable of the Rights Issue

The Rights will be listed and traded on Euronext Paris under the ISIN code FR0013240322 from 8 March 2017 to 17 March 2017 inclusive. It will not be possible to buy or sell the Rights after the close of trading on 17 March 2017. The subscription period for the New Shares will run from 10 March 2017 to 21 March 2017 inclusive. The Rights not exercised before the end of the subscription period, *i.e.* before the close of trading on 21 March 2017, shall then become null and void.

Settlement/delivery and beginning of trading on Euronext Paris (Segment A) of the New Shares will take place on 30 March 2017. The New Shares will carry dividend rights and their holders will be entitled to any dividends distributed by EDF from the date of issuance, it being specified that they will only entitle their holders to the final dividend for the fiscal year 2016. The New Shares will be, as from their issuance date, fully fungible with EDF's existing shares and will be traded under the same ISIN code FR0010242511.

Note: The English version of this press release may differ from the French version for regulatory reasons.



A key player in energy transition, the EDF Group is an integrated electricity company, active in all areas of the business: generation, transmission, distribution, energy supply and trading, energy services. A global leader in low-carbon energies, the Group has developed a diversified generation mix based on nuclear power, hydropower, new renewable energies and thermal energy. The Group is involved in supplying energies and services to approximately 36.7 million customers, 26.2 million of which are in France. The Group generated consolidated sales of €71 billion in 2016. EDF is listed on the Paris Stock Exchange.

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Notice to French Investors

A prospectus relating to the Rights Issue approved by the French *Autorité des marchés financiers* (the "AMF") on 6 March 2017, under number n° 17-085, comprised of a Reference Document (*Document de Référence*) registered by the AMF on 6 March 2017, under number n° D.17-0125 and a Securities Note (*Note d'Opération*) (including a summary of the prospectus) in connection with the Rights Issue is available, without charge and upon request to the Company at 22-30 avenue de Wagram 75008 Paris, as well as on the websites of the Company (www.edf.fr) and of the AMF (www.amf-france.org).

Risk factors

The Company draws the public's attention to the section 2.1 "Risks to which the Group is exposed" of the Reference Document, and to Chapter 2 of the Securities Note (*Note d'Opération*).

Important information

No communication and no information in respect of this transaction or Electricité de France S.A. may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction (other than France) where such steps would be required. The issue, the subscription for or the purchase of Electricité de France S.A.'s shares or rights may be subject to specific legal or regulatory restrictions in certain jurisdictions. Electricité de France S.A. accepts no responsibility for any violation of any such restrictions by any person.

This announcement is not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, as amended, in particular by Directive 2010/73/EU to the extent such Directive has been transposed in each relevant Member State of the European Economic Area (together, the "Prospectus Directive").



With respect to the Member States of the European Economic Area which have implemented the Prospectus Directive (each, a “**relevant Member State**”), other than France, no action has been undertaken or will be undertaken to make an offer to the public of the securities requiring publication of a prospectus in any relevant Member State. As a result, the New Shares of Electricité de France S.A. may only be offered in relevant Member States (i) to qualified investors, as defined by the Prospectus Directive, or (ii) in any other circumstances not requiring Electricité de France S.A. to publish a prospectus as provided under Article 3(2) of the Prospectus Directive.

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