PRESS RELEASE
14 February 2017

2016 annual results
Revised 2016 targets reached
Good performance of operational activities
Performance plan consistent with announced trajectory
2017 targets confirmed

- **EBITDA:** €16.4 billion, -4.8% organic variation[1]
- **Net income excluding non-recurring items:** €4.1 billion, compared to €4.8 billion in 2015, -15.3%
- **Net income – Group share:** €2.9 billion, 2.4x compared to 2015
- **Nuclear output:**
    - France: 384TWh, -7.9% due primarily to additional controls resulting in outages or the extension of certain planned outages
    - United Kingdom: 65.1TWh, a record level since 2003, +4.5TWh compared to 2015
- **Renewable energies:** Commissioning of 1.2GW of gross wind and solar power capacity by EDF Énergies Nouvelles. 1.8GW of capacity under construction

Performance plan

- **Continuation of Opex reductions[2]:** -€0.3 billion compared to 2015
- **Rapid progress of the disposal plan:** €6.7 billion in disposals signed or realised, 67% of the objective

Debt

- **Stabilised net financial debt:** €37.4 billion
- **Net financial debt/EBITDA:** 2.3x, in line with the target of below 2.5x
- **Proposed dividend for 2016:** €2.1 billion, with an option of payment in new shares, with a payout ratio of 60%

2017 targets

- **Nuclear output:** 390 - 400TWh
- **EBITDA[3]:** €13.7 to 14.3 billion
- **Net financial debt/EBITDA[4]**: ≤ 2.5x
- **Payout ratio of Net income excluding non-recurring items[5]**: 55% to 65%

2018 targets

- **Continuation of the Opex plan[6]** with a savings of €0.7 billion compared to 2015
- **EBITDA[7]:** ≥ €15.2 billion
- **Net investment excluding Linky[8], new developments and asset disposals:** ~€10.5bn
- **Cash flow[7,9]:** ≥ 0
- **Net financial debt/EBITDA[7,9]:** ≤ 2.5x
- **Payout ratio of Net income excluding non-recurring items[5]**: 50%

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[1] Organic variation at comparable scope and exchange rates
[2] Sum of personnel expenses and other external expenses. At 2016 consolidation scope and exchange rates. At constant pension discount rates. Excluding change in operational expenditures of service activities
[3] At 2016 exchange rate
[4] At 2016 exchange rate and at an assumed discount rate on nuclear provisions of 4.1% in 2017
[5] Adjusted for the remuneration of hybrid bonds accounted for in equity
[6] At constant scope, exchange and hypothesis of pensions discount rates. Excluding change in operating expenses of service activities
[7] At 2016 exchange rate and assumption for 2018 power prices in France on volumes not hedged as of 31.12.2016: ≥ €36/MWh
[8] Linky is a project led by Enedis, independant subsidiary of EDF under the provisions of the French energy code
[9] At 2016 and exchange rates. Cash flow excluding Linky, new developments and asset disposals, with nuclear commitments discount rates at 4.1% for 2017 and 3.9% for 2018, excluding interim dividend for 2018, which will be decided in the second half of 2018

EDF's Board of Directors meeting on 13 February 2017, under the chairmanship of Jean-Bernard Lévy, approved the consolidated financial statements for the year ending 31.12.16.

Jean-Bernard Lévy, EDF's Chairman and CEO, stated:
"*The 2016 financial results show that EDF's fundamentals are robust. The Group's transformation is well under way, thanks to the commitment and remarkable effort of its employees. The CAP 2030 strategy is advancing at a steady pace and the performance plan is progressing according to the announced trajectory, a sure sign that the company is moving forward. We will continue this momentum in 2017 by launching new offers and innovative services for our customers, by developing low carbon projects and by exporting our expertise into targeted markets outside of Europe.*"

Change in EDF group's annual results

In millions of euros	**2015**	**2016**	**Change vs. 2015 (%)**	**Organic growth (%)**
Sales	75,006	71,203	-5.1	-3.2
EBITDA	17,601	16,414	-6.7	-4.8
EBIT	4,280	7,514	+75.6	+76.6
Net income – Group share	1,187	2,851	+140.2	
Earnings per share[10]	*0.32*	*1.15*		
Net income excluding non-recurring items	4,822	4,085	-15.3	

Change in EDF group's EBITDA

In millions of euros	**2015**	**2016**	**Organic growth (%)**
France - Generation and supply activities	6,936	6,156	-11.2
France - Regulated activities	4,719	5,102	+8.1
United Kingdom	2,242	1,713	-12.3
Italy	1,345	641	-50.6
Other International	609	711	+21.2
Other activities	1,750	2,091	+22.0
Total Group	**17,601**	**16,414**	**-4.8**

The performance plan, together with the sound management of the industrial base and commercial performance, made it possible, in an unfavourable market environment, to partially offset the increased competition and the reduced availability of the nuclear power plants in France due to additional controls. The Group's EBITDA amounted to €16.4 billion, down by 6.7% compared to 2015. Excluding the foreign exchange effects (-€0.3 billion), resulting mainly from the depreciation of the pound sterling against the euro, and excluding consolidation scope effects, EBITDA was down by 4.8% in organic terms. This change also reflects the positive impact of the 2014 tariff adjustment and the strong performance of regulated activities.

[10] Earnings per share = (net income Group share - hybrid interest payments)/average number of shares outstanding. In 2016, hybrid interest payments amounted to €582 million

As part of its performance plan, which provides for a reduction in operational expenditures[11] of at least €1 billion in 2019 compared to 2015, EDF group has reduced its operational expenditures by 1.3%[12], or about €0.3 billion compared to 2015. In France, EBITDA of Generation and supply activities amounted to €6.2 billion, an organic decline of 11.2%, due mainly to a drop in nuclear generation compared to 2015 and a negative evolution in market conditions.

The France - Regulated activities segment recorded an EBITDA of €5.1 billion, an organic increase of 8.1%, mainly due to the combined effects of a positive weather impact and lower costs of covering network losses.

In the United Kingdom, EBITDA was down by 12.3% in organic terms compared to 2015. The excellent performance of nuclear generation and the continuation of the cost savings plan partially offset the highly negative impact of falling prices and increased competition.

In Italy, EBITDA recorded a 50.6% drop in organic terms, mainly due to unfavourable market conditions in 2016 and the positive outcome of the arbitration on the Libyan gas contract in 2015, which had no equivalent in 2016.

In the Other activities segment, EBITDA was up by 22.0% in organic terms, in particular due to the growth of the activities of EDF Trading, whose EBITDA was up 56.8% in organic terms, and of EDF Énergies Nouvelles, whose EBITDA benefitted from the net capacities installed in 2015 and the success of the development model through asset rotation.

EBITDA for Other International increased by 21.2% in organic terms, supported by all countries.

Operating performance:
Nuclear generation in France affected by additional controls
Excellent nuclear performance in the United Kingdom

In France, nuclear output amounted to 384TWh, a decrease of 32.8TWh compared to 2015. 2016 was marked by the implementation of additional controls[13], in particular on the steam generators, leading to the extension or scheduling of additional planned outages for several reactors. The analyses and tests carried out on the steam generators potentially affected by the carbon segregation issue led the French Nuclear Safety Authority (ASN) to grant approval to restart 17 out of the 18 reactors concerned, confirming the ability of these reactors to operate safely. The Civaux 1 reactor is currently undergoing controls.

At the same time, the operational performance of the nuclear fleet remains solid, with the lowest volume of unplanned outages ever reached, increasingly positive safety results and a historically low number of automatic reactor stoppages.

Nuclear generation was supplemented by the output from the thermal power plants, which amounted to 11.9TWh, up 5.1TWh due to higher demand, in particular for gas-fired plants.

Finally, hydropower output amounted to 42.4TWh in 2016, up 3.5TWh due to more favourable hydro conditions than in 2015.

In total, the output of the France - Generation and supply activities segment amounted to 438.3TWh, down by 24.2TWh compared to 2015.

After the end of the Yellow and Green tariffs, and in an increasingly competitive environment, more than 75% of customers in this segment chose EDF in 2016.

Commercial development has led to an increase of 10.5% in the number of gas customer accounts compared to 2015.

[11] At constant scope, exchange rates and pension discount rates. Excluding change in operational expenditures of service activities

[12] At 2016 consolidation scope and exchange rates. At constant pension discount rates. Excluding change in operational expenditures of service activities

[13] See press releases of 19 July 2016, 21 September 2016 and 21 October 2016

In the United Kingdom, nuclear output was at its highest level ever, reaching 65.1TWh, up by 4.5TWh compared to 2015, thanks to excellent operational performance. Nuclear generation in 2016 benefitted from the very high level of fleet availability and a historically-low rate of unplanned outages.

EDF Énergies Nouvelles output reached 11.3TWh, an increase of 9%. This growth was driven by the commissioning of 1.2GW in gross capacity in wind power and in North America. The portfolio of projects under construction amounts to 1.8GW at 31/12/2016, of which approximately 50% is located in new geographical areas (India, Brazil, Chile, China).

In energy services, heating network activities have developed significantly, and the share of renewable energies in the energy mix has risen sharply.

Net income

The Group's share of net income amounted to €2.9 billion in 2016, an increase of €1.7 billion compared to 2015, due to lower impairment losses in 2016 compared to 2015 and to the positive effect of the extension to 50 years of the accounting depreciation period of the PWR 900MW series[14] in France.

The financial result corresponds to an expense of €3.3 billion in 2016, up €0.7 billion compared to 2015, due mainly to an increase in the unwinding costs of nuclear provisions attributable in particular to the significant drop in the discount rate of nuclear provisions from 4.5% to 4.2%.

The Group's net income excluding non-recurring items stood at €4.1 billion for 2016, down by 15.3% from 2015.

Performance plan consistent with announced trajectory

EDF confirms the continuation of its efforts to reduce operational expenditures[15] with a decrease of €0.3 billion in 2016 compared to 2015. This trajectory supports the objective of the performance plan to reduce operational expenditures by €0.7 billion in 2018 compared to 2015, and by €1 billion in 2019 compared to 2015. All segments contribute to this financial result, with, in particular, a decrease of 1.0% of OPEX in the France - Generation and supply activities segment, thanks to an adjustment of the sales and administrative costs to the competitive environment and to an optimisation of the thermal fleet costs. The France - Regulated activities segment is also continuing its efforts to optimise costs. The UK recorded a reduction of 3.6%, and Italy 4.7%.

The optimisation plans have had a positive impact of €0.7 billion on the working-capital requirement in 2016.

The disposal plan has led to around €6.7 billion in disposals that were signed or closed in 2016, as part of the €10 billion disposal plan over the 2015-2020 period.

Net investments amounted to €11.7 billion in 2016 compared to €12.7 billion in 2015, a decrease of €1.0 billion (-8.0%). Net investments excluding Linky, new developments and asset disposals went down by €0.6 billion to €11.8 billion in 2016 compared to €12.4 billion in 2015. These developments, in line with the trajectory to achieve net investments excluding Linky and asset disposals of approximately €10.5 billion in 2018, are primarily attributable to the decrease in international net investments (-€0.7 billion, -28.5%), due to rationalisation of investments mainly in the United Kingdom, Italy, Poland and China.

[14] Extension to 50 years of the accounting depreciation period of the PWR 900MW series, excluding Fessenheim (see press release issued by EDF on 29 July 2016)

[15] At 2016 consolidation scope and exchange rates. At constant pension discount rates. Excluding change in operational expenditures of service activities

Proposed dividend for 2016: distribution of €2,102 million, corresponding to a payout ratio of 60%, with option of payment in new shares

Terms of settlement of the dividend balance for 2016

On 13 February 2017, EDF's Board of Directors scheduled the Combined General Meeting of Shareholders for 18 May 2017 and decided to propose to the Shareholders' Meeting, in accordance with Article L. 232-18 of the French Commercial Code and Article 25 of the Company's articles of association, to offer each shareholder to opt for a payment in new Company shares of the dividend balance to be distributed for the fiscal year closing 31 December 2016. If the option is exercised, the new shares will be issued at a price equal to 90% of the average opening price of EDF's shares on the Euronext Paris market during the twenty trading days preceding the day of the Shareholders' Meeting, less the amount of the remaining balance of the dividend to be distributed for 2016, rounded to the nearest euro cent.

The terms of settlement of the dividend balance for 2016, which will be submitted to the shareholders for approval were set as follows:

- ex-dividend date (ordinary and loyalty) on 6 June 2017
- exercise period for payment in new shares from 6 June to 20 June 2017 inclusive
- payment of dividend balance and settlement of shares on 30 June 2017

The dividend balance to be distributed for 2016 amounts to €1,096 million.

The dividend per share, the balance per share and the balance per share for loyalty shares, taking into account the interim dividend of €0.50 per share paid on 31 October 2016, will be announced by the company at the launch of the capital increase, which should occur, subject to market conditions, before the end of the first quarter 2017[16].

Stable net financial debt

	31/12/2015	**31/12/2016**
Net financial debt *(in billions of euros)*	37.4	37.4
Net financial debt/EBITDA	2.1x	2.3x

Net financial debt amounted to €37.4 billion on 31 December 2016, stable compared to 31 December 2015. The ratio of net financial debt/EBITDA was 2.3x, in line with the objective of being less than 2.5x.

Operating cash flow amounted to €13.1 billion, down by 3.3%. This change resulted primarily from a drop in EBITDA by €1.2 billion, which was partially offset by a decrease in income taxes paid and a decrease in net financial expenses disbursed.

In addition, the change in the working-capital requirement of -€1.9 billion in 2016 compared to +0.1 billion in 2015 is largely cyclical in nature. This change is primarily attributable in France to the effect of the adjustment of the 2014 regulated sales tariffs (-€0.9 billion) and a more severe climate effect in 2016, triggering an increase in receivables (-€0.9 billion).

Thanks to management efforts and despite the difficult environment, Group cash flow totalled -€1.6 billion, against -€2.1 billion in 2015.

The foreign exchange had a positive impact of €1.1 billion on the Group's net financial debt on 31 December 2016, mainly due to the significant depreciation of the pound sterling against the euro.

[16] Please refer to the press release "Board of Directors' meeting held on 13 February 2017"

EDF also continued its active financing policy with a series of senior bond issues in October 2016 in US Dollar, Euro and Swiss Franc, raising a total of €3 billion through a “Formosa Bond” in two tranches of $2,655 billion and a “Samurai Bond” in January 2017 for approximately €1.1 billion.

Among these issues, three green bonds were issued: one tranche of €1.75 billion (10-year maturity) and two samurai tranches (12 and 15-year maturities) for a total of ¥26 billion, or the equivalent to €0.2 billion. These issues will allow the Group to continue its investments in the development of renewable energies carried out by EDF Énergies Nouvelles, as well as the modernisation and development of existing hydropower plants in mainland France.

On 31 December 2016 the average maturity of the Group’s debt stood at 13.4 years for an average coupon of 2.7%, compared to 2.9% on 31 December 2015.

Due to the decrease in the actual discount rate on 31 December, the allocations to provisions must be offset by allocations to dedicated assets in accordance with the decree of 24 March 2015 in the amount of €1,095 million. EDF will proceed within 30 days of the closing of the financial statements to the allocation of that amount to dedicated assets, in compliance with the letter of 10 February 2017 sent by the Ministers of Economy and Finance, and Environment, Energy and Sea.

In the same letter dated 10 February 2017, the minister for the Economy and Finance and the minister for the Environment, Energy and the Sea announced their decision to change the calculation formula for the regulatory limit on discount rates with effect from 2017. This decision will be set out in an amendment to the ministerial order of 21 March 2007, itself modified by the order of 24 March 2015. This amendment comes after joint work by the nuclear operators and public authorities to establish a formula for a maximum discount rate, taking into account the long time horizons of nuclear liabilities and prudential objectives for secure financing of long-term nuclear expenses.

Under the new formula, the regulatory limit will gradually migrate from its level at 31 December 2016 (4.3%) until by 2026 it is equal to the average constant 30-year rate (TEC 30 years) over the four most recent years, plus 100 base points.

Considering past and anticipated changes in rates, the new formula, which will progressively incorporate the move from the regulatory 4.3% to a four-year average including a 100 base point spread, should mean that future years see smoother changes in the regulatory limit than under the previous formula.

Outlook

2017 targets

2017 will be marked by the effects of lower market prices in France and in the UK compared to 2016 and ARENH volumes subscribed at the end of 2016. Moreover, nuclear generation in France will be influenced by the outages of the Bugey 5, Fessenheim 2, Gravelines 5 and Paluel 2 reactors and by a volume of planned outages linked to the continuation of the “Grand Carénage” industrial programme.

In this context, the Group has set the following targets for 2017:

- **Nuclear output**: 390 - 400TWh
- **EBITDA**[17]: €13.7 to 14.3 billion
- **Net financial debt/EBITDA**[18]: ≤ 2.5x
- **Payout ratio of Net income excluding non-recurring items**[19]: 55% to 65%

2018 targets

In 2018, EDF will benefit from additional savings arising from the performance plan, the gradual normalisation of the level of nuclear generation in France and the development of the Group’s service activities. Changing market conditions in France and the UK should have a positive effect.

The Group has set the following targets for 2018:

- **Opex**[20]**: -**€0.7 billion compared to 2015
- **EBITDA**[21]**:** ≥ €15.2 billion
- **Net investment excluding Linky, new developments and disposals:** around €10.5 billion
- **Cash flow**[21,22]**:** ≥ 0
- **Net financial debt/EBITDA** [21,22]**:** ≤ 2.5x
- **Payout ratio of Net income excluding non-recurring items**[19]**:** 50%

Beyond 2018

- **Reduction in operational expenditures**[20]**:** ≥ €1 billion in 2019 vs. 2015
- **Asset disposals in 2015-2020:** At least €10 billion
- **Payout ratio of Net income excluding non-recurring items**[19]**:** 45% to 50%

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[17] At 2016 exchange rate
[18] At 2016 exchange rate and at an assumed discount rate on nuclear provisions of 4.1% in 2017
[19] Adjusted for the remuneration of hybrid bonds accounted for in equity
[20] At constant scope, exchange and hypothesis of pensions discount rates. Excluding change in operating expenses of service activities
[21] At 2016 exchange rate and assumption for 2018 power prices in France on volumes not hedged as of 31.12.2016: ≥ €36/MWh
[22] At 2016 and exchange rates. Cash flow excluding Linky , new developments and asset disposals, with nuclear commitments discount rates at 4.1% for 2017 and 3.9% for 2018, excluding interim dividend for 2018, which will be decided in the second half of 2018

Main Group results by segment

France – Generation and Supply Activities: positive effects of the Group performance plan and the tariff adjustment, lower nuclear generation and difficult market conditions

In millions of euros	2015	2016	Organic variation (%)
Sales[23]	**37,327**	**35,191**	**-5.7**
Opex	**9,837**	**9,591**	**-1.0**[24]
EBITDA	**6,936**	**6,156**	**-11.2**

Sales in the Generation and supply activities segment amounted to €35.2 billion, down 5.7 % in organic terms.

EBITDA was down 11.2% organically to €6.2 billion in an unfavourable market environment.

It was affected by the decline in nuclear output by 32.8TWh compared to 2015, mainly attributable to outages and the extension of outages related to additional tests, for an estimated €1.3 billion.

Net sales on the markets had a negative impact estimated at almost €0.5 billion, partly due to purchases made necessary in the second half of the year by the unavailability of the nuclear fleet.

The impact of the changing market conditions with the end of the Yellow and Green regulated sales tariffs, declining market prices and the highly competitive environment is estimated at -€1.2 billion.

EBITDA benefited from the positive weather effect, a leap year and tariff increases for a total of about €0.3 billion. This change reflects the adjustment of the regulated tariffs for the period between 1 August 2014 and 31 July 2015, following the French State Council's decision on 15 June 2016, in the amount of €0.9 billion.

As part of the EDF group's performance plan, Opex[24] declined 1.0% thanks to operational performance gains in all entities, including an adaptation of the commercial and administrative costs to a competitive environment and the optimising of thermal fleet costs.

[23] As of 2016, breakdown of sales across the segments, before inter-segment eliminations. The 2015 figures have been restated in this regard

[24] At 2016 scope and exchange rates. At constant pensions discount rate. Excluding change in operating expenses of service activities

France – Regulated activities: favourable weather and market conditions

In millions of euros	2015	2016	Organic variation (%)
Sales[25]	**15,418**	**15,728**	**+2.0**
Opex	**4,950**	**4,951**	**-0.4**[26]
EBITDA	**4,719**	**5,102**	**+8.1**

Sales from regulated activities amounted to €15.7 billion, up 2.0% in organic terms. EBITDA rose by 8.1% organically, attributable to a positive weather effect (+5.6TWh), a leap year (+1.2TWh) and lower costs of covering network losses due to lower market prices. In addition, cost optimisation actions are continuing.

United Kingdom: excellent nuclear performance and control of Opex, which only partially offset the difficult market conditions

In millions of euros	2015	2016	Organic variation (%)
Sales [25]	**11,622**	**9,267**	**-9.0**
Opex	**2,492**	**2,024**	**-3.6** [26]
EBITDA	**2,242**	**1,713**	**-12.3**

In the United Kingdom, sales amounted to €9.3 billion, an organic decline of 9.0% compared to 2015. EBITDA amounted to €1.7 billion, an organic decline of 12.3%, excluding the negative foreign exchange effect of €0.3 billion attributable to the depreciation of the pound sterling in particular following the Brexit referendum.

This change is the result of an increase in nuclear generation, reaching a record level of 65.1TWh (+4.5TWh), thanks to excellent operating performance, which partially offset the very negative impact of lower realised nuclear prices.

Despite the highly competitive environment, the average number of residential customer accounts remained stable compared to 2015, at 5.2 million.

Furthermore, EBITDA was supported by the organic 3.6%[26] drop in Opex, thanks to EDF Energy's cost control plan.

[25] As of 2016, breakdown of sales across the segments, before inter-segment eliminations. The 2015 figures have been restated in this regard
[26] At 2016 consolidation scope and exchange rates. At constant pension discount rates. Excluding change in operational expenditures of service activities

Italy: Opex control mitigates difficult market conditions and the 2015 positive impact from gas contract arbitration

In millions of euros	2015	2016	Organic variation (%)
Sales[27]	**11,694**	**11,125**	**-4.5**
Opex	**939**	**896**	**-4.7**[28]
EBITDA	**1,345**	**641**	**-50.6**

In Italy, sales amounted to €11.1 billion, down 4.5% in organic terms compared to 2015.

EBITDA decreased in organic terms by 50.6% mainly due to the positive effect of the Libyan gas contract arbitration in 2015, without equivalent in 2016.

In Electricity activities, EBITDA was hurt globally by the adverse trend in average sales prices. Exceptionally strong hydrological conditions in 2015 resulted in a negative change in 2016.

EBITDA for Hydrocarbons activities was down due to the positive impact in 2015 of the arbitration of the Libyan gas contract, and the continued drop in Brent prices, which negatively affected the exploration & production activities.

This drop was partially offset by the positive effect of higher gas volumes sold, as well as by the restoring of gas sales margins in 2016. This was the result of the renegotiations of the Libyan gas contract (end of 2015), and the Qatari gas contract with Rasgas (June 2016), which incorporates a revision of the price formula.

Moreover, the continuation of the cost reduction plan led to a 4.7%[28] cut in Opex.

[27] As of 2016, breakdown of sales across the segments, before inter-segment eliminations. The 2015 figures have been restated in this regard

[28] At 2016 consolidation scope and exchange rates. At constant pension discount rates. Excluding change in operational expenditures of service activities

Other activities: very strong operating performance

In millions of euros	2015	2016	Organic variation (%)
Sales[29]	**7,288**	**7,734**	**+4.5**
EBITDA	**1,750**	**2,091**	**+22.0**

Sales in Other activities amounted to €7.7 billion, up 4.5% in organic terms over 2015. EBITDA rose by 22% organically.

EDF Énergies Nouvelles contributed €0.9 billion to the Group's EBITDA, an organic increase of 6.1% compared to 2015. This growth is attributable to the continued growth of generation and to the success of the asset rotation development model in Europe (wind farm disposals in Greece and Portugal) and in the United States.

Dalkia's EBITDA amounted to €0.3 billion, corresponding to organic growth of €18 million. This trend reflects both the positive impact of commercial development and the implementation of performance plans, despite the negative impact of lower gas prices.

EDF Trading's contribution to the Group's EBITDA amounted to €0.7 billion in 2016, an organic increase of €0.3 billion (+56.8%) compared to 2015. This change is attributable to high volatility in European energy markets, particularly during the second half of the year, and to the good performance of the trading activities in LNG.

[29] As of 2016, breakdown of sales across the segments, before inter-segment eliminations. The 2015 figures have been restated in this regard

Other International: strong performance in all regions

In millions of euros	2015	2016	Organic variation (%)
Sales[30]	**5,827**	**5,286**	**-6.8**
EBITDA	**609**	**711**	**+21.2**

Sales in the Other International segment amounted to €5.3 billion, down 6.8% in organic terms compared to last year. EBITDA was up 21.2% in organic terms.

In Belgium, EBITDA rose organically by 46.4%, thanks to the growth of wind power generation (+19% of installed capacity to 301MW), the strong performance of nuclear generation following the restart of the Doel 3 and Tihange 2 reactors, and good thermal performance due to improved clean spark spreads and the continued high level of activity in auxillary services.

In Poland[31], EBITDA amounted to €0.3 billion, up 19.1% organically compared to 2015 thanks to the good performance of EDF Polska. This performance reflects the increase in electricity and heat generation due to improved asset availability, for which the modernisation works are nearing completion, a positive weather effect and connections of new customers. Poland's EBITDA also benefitted from higher heat tariffs and the positive effect of fuel prices.

Brazil participated in the segment's EBITDA growth with an organic increase of +€87 million, attributable to the positive effect of the annual tariff review of EDF Norte Fluminense's power purchase agreement (PPA), the positive price effect on gas purchases, system services and the positive volume effect on maintenance and export.

In Asia, EBITDA was down following the end of the Figlec concession in China since September 2015.

[30] As of 2016, breakdown of sales across the segments, before inter-segment eliminations. The 2015 figures have been restated in this regard
[31] EDF EN and Dalkia's activities in Poland are incorporated in the "Other activities" segment

Main events
since the 2016 third quarter press release

Board of Directors' meeting held on 13 February 2017

During its meeting held on 13 February 2017, the Board of Directors of EDF decided to carry out a capital increase with preferential subscription rights to existing shareholders for a total amount, including issue premium, of approximately 4 billion euros, as announced on 22 April 2016.

EDF intends to launch this capital increase before the end of the first quarter of 2017, subject to market conditions and after having received the visa from the French Autorité des marchés financiers (the "AMF") on the prospectus. This transaction will be executed, after a new deliberation of the Board of Directors, in accordance with the delegation of authority which has been granted to it by the second resolution adopted at the extraordinary general meeting of the shareholders of the company held on 26 July 2016.

The French State, EDF's largest shareholder, has committed to subscribe for new shares in an amount of 3 billion euros out of the total amount of approximately 4 billion euros.

The nuclear industry and the Group's industrial development

- **EDF and AREVA sign binding agreements for the sale of AREVA NP's activities**

EDF announced that, following the memorandum of understanding signed on 28 July 2016, AREVA and EDF have signed on 15 November the contract setting the terms of the sale of an interest conferring exclusive control by EDF of an entity ("NEW NP"), a 100% subsidiary of AREVA NP.

- **First LNG delivery to the Dunkirk LNG terminal following its commercial commissioning**

On 23 January 2017, EDF announced that RasGas Company Limited delivered its first liquefied natural gas (LNG) cargo to the Dunkerque LNG Regasification Terminal, France, under the Sales and Purchase Agreement signed between Ras Laffan Liquefied Natural Gas Company(3) and EDF in June, 2016. This followed the successful commencement of commercial operations of the Dunkirk LNG terminal on 1 January 2017.

Compensation protocol for the closure of the Fessenheim nuclear plant

At a meeting held on 24 January 2017, EDF's Board of Directors examined the terms of the protocol negotiated between the company and the French State in order to set the terms governing compensation for the damage suffered by the company as the result of the closure of the Fessenheim nuclear power plant, in application of the law on energy transition of 17 August 2015. This law sets a ceiling of 63.2GW for installed nuclear electricity generation capacity in France. This means that the commissioning of the Flamanville 3 EPR is conditional upon the shutdown, on the same date, of an equivalent generation capacity. The Board of Directors was informed of the unanimously negative opinion submitted by the EDF Works Council on 10 January 2017.

The Board approved the terms of the protocol and authorised the CEO to sign it on behalf of EDF in due course. The protocol provides for the following compensation for EDF:

a fixed initial portion covering the anticipated costs associated with the closure (costs of staff retraining, decommissioning, the INB[32] tax and "post-operation" costs). This fixed portion is currently estimated at approximately €490 million, 20% of which would be paid in 2019 and 80% in 2021; a further, variable portion giving rise, where applicable, to subsequent payments reflecting EDF's shortfall up to 2041. In addition, the closure of the Fessenheim plant requires a decree revoking the licence to operate the power plant, to be issued at the request of the company and which, in application of the law, will take effect at the same time as the commissioning of the Flamanville 3 EPR, scheduled for late 2018.

[32] Nuclear installed base

In the corporate interests of EDF, and in order to comply with the statutory ceiling of 63.2 GW, the Board has made the submission of this request for revocation subject to the entry into effect of the permissions necessary to proceed with the construction of Flamanville 3 and the continued operation of Paluel 2, which is currently shut down, and also confirmation from the European Commission that the protocol complies with State aid regulations.
The Board has decided that the submission of this application for revocation will give rise to further deliberation on its part to establish that these conditions are met.
The duration of the operational outage of Paluel 2 was extended for two years by an order published on 4 February 2017 in the Journal Officiel.

Significant progress in the disposal plan

- **RTE: EDF, Caisse des Dépôts and CNP Assurances sign a binding agreement for a long-term partnership**

EDF, Caisse des Dépôts and CNP Assurances sign a binding agreement for the acquisition by Caisse des Dépôts and CNP Assurances of a 49.9% stake in Réseau de Transport d'Electricité (RTE[33]). The final agreed value was set at €8.2 billion for 100% of RTE equity. EDF will potentially benefit from a value complement of up to €100 million.

- **JERA Trading and EDF Trading announced that they had signed agreements for the acquisition by JERA Trading of EDF Trading's coal and freight activities**

EDF Trading will hold 33% of JERA Trading shares. The sale should be completed at the end of the first half of 2017

- **EDF and ENKSZ complete the sale of 100% of EDF DÉMÁSZ Zrt.**

EDF and ENKSZ ("Első Nemzeti Közműszolgáltató Zrt.") have completed the transaction for the sale of the whole of EDF stake in EDF DÉMÁSZ Zrt, its Hungarian subsidiary. This announcement follows the receipt of both the approval by the Hungarian regulator of the energy sector and the authorization by the French Ministry of Economy. The transaction values the 100% stake of EDF in EDF DÉMÁSZ Zrt at approximately 400 million euros, and is a new step forward in the execution of EDF's disposal plan for the 2015-2020 period.

- **Acquisition of a portfolio of c. 130 office real estate and business assets by Tikehau IM from EDF group property investment company SOFILO**

Tikehau IM acquired from the EDF group property investment company SOFILO a portfolio of c. 130 office real estate and business assets. The portfolio owns assets located in Ile-de-France and others regions, covering floor space of approximately 300,000 square meters.

- **Memorandum of understanding relating to the disposal of EDF Polska**

A memorandum of understanding was signed in January 2017 between EDF and a consortium of Polish utilities made up of PGE, Enea, Energa and PGNiG The purpose of this memorandum is to frame discussions about the sale of EDF Polska.

[33] I.e. an equity stake of 29.9% by Caisse des Dépôts and of 20% by CNP Assurances

The development of renewable energies

- **EDF Energies Nouvelles continues its expansion in wind and solar energy in North America**

On 11 January 2017, EDF Energies Nouvelles announced the commissioning of four wind farms in the United States with installed capacity totalling over 708 MW.
Moreover, the Group has also accelerated its solar energy expansion drive in 2016 with notably a new 150 MWac project in the United States.
This contributes to the EDF Group's CAP 2030 strategy, which aims at doubling its renewable energy capacity by 2030.

- **The EDF Group steps up its growth within the Chilean renewable energy sector**

EDF announced the inauguration of the Boléro solar plant, the most powerful of the Group's commissioned solar facilities, the start of construction of the Santiago Solar plant (capacity of 115 MWc), and the start on the new Cabo Leones 1 wind farm, one of the most powerful in the country.

- **Off Grid Electric and EDF team up in offering a new off-grid solar power solution for rural areas in West Africa**

Off Grid Electric, a leading distributed solar company in Africa, and EDF, a global leader in low-carbon energies, today announced a partnership to supply competitive off-grid solar energy in Africa.

- **EDF innovates to support the energy transition in Guyana**

EDF welcomed the launch of a 100% renewable smart-grid project, combining two complementary energies: hydropower and biomass. In parallel, EDF is developing, at the request of the West Guyana Community of Communes, an innovative program for the electrification of the isolated towns in Guyana's interior.

Financial structure

- **Samurai senior bond issuance of ¥137bn**

EDF (AA JCR / A- S&P / A3 Moody's / A- Fitch) successfully raised JPY137 billion, i.e. around EUR1.1 billion, through a senior bond issuance in 4 tranches on the Japanese market ("Samurai bonds"). The 20-year bond represents the longest maturity ever issued on the Samurai market. With the issuance of two green tranches totaling JPY26 billion dedicated to the financing of its renewable investments, EDF opens the Samurai Green market and continues to participate actively in the development of Green Bonds as financing instruments of the energy transition.

- **Partial disposal without recourse of the CSPE receivable**

EDF announced the disposal on 22 December of a share (26.40%) of the receivable of the Public Service Costs for Energy (CSPE) it held with the French state under the deficit of the CSPE compensation until 31 December 2015, as announced on 8 November 8 2016. The receivable has been assigned to an investors pool composed of a banking institution and a dedicated FCT (Fond Commun de Titrisation – French securitized mutual fund). Proceeds from this disposal (without recourse) amount to €1.5 billion.

APPENDICES

Consolidated income statements

(in millions of Euros)	**2016**	2015
Sales	71,203	75,006
Fuel and energy purchases	(36,050)	(38,775)
Other external expenses	(8,902)	(9,526)
Personnel expenses	(12,543)	(12,529)
Taxes other than income taxes	(3,656)	(3,641)
Other operating income and expenses	6,362	7,066
Operating profit before depreciation and amortisation	**16,414**	**17,601**
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities	(262)	175
Net depreciation and amortisation	(7,966)	(9,009)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(41)	(102)
(Impairment)/reversals	(639)	(3,500)
Other income and expenses	8	(885)
Operating profit	**7,514**	**4,280**
Cost of gross financial indebtedness	(1,827)	(1,994)
Discount effect	(3,417)	(2,812)
Other financial income and expenses	1,911	2,218
Financial result	**(3,333)**	**(2,588)**
Income before taxes of consolidated companies	**4,181**	**1,692**
Income taxes	(1,388)	(483)
Share in net income of associates and joint ventures	218	192
GROUP NET INCOME	**3,011**	**1,401**
EDF net income	**2,851**	**1,187**
Net income attributable to non-controlling interests	**160**	**214**
Earnings per share (EDF share) in Euros:		
Earnings per share	**1.15**	**0.32**
Diluted earnings per share	**1.15**	**0.32**

Consolidated balance sheets

ASSETS

(in millions of Euros)	**31/12/2016**	31/12/2015
Goodwill	8,923	10,236
Other intangible assets	7,450	8,889
Property, plant and equipment operated under French public electricity distribution concessions	53,064	51,600
Property, plant and equipment operated under concessions for other activities	7,616	7,645
Property, plant and equipment used in generation and other tangible assets owned by the Group	70,573	71,069
Investments in associates and joint ventures	8,645	11,525
Non-current financial assets	35,129	35,238
Other non-current receivables	2,268	1,830
Deferred tax assets	1,641	2,713
Non-current assets	**195,309**	**200,745**
Inventories	14,101	14,714
Trade receivables	23,296	22,259
Current financial assets	29,986	27,019
Current tax assets	183	1,215
Other current receivables	10,652	8,807
Cash and cash equivalents	2,893	4,182
Current assets	**81,111**	**78,196**
Assets classified as held for sale	**5,220**	**-**
TOTAL ASSETS	**281,640**	**278,941**

Consolidated balance sheets

Liabilities

(in millions of Euros)	**31/12/2016**	31/12/2015
Capital	1,055	960
EDF net income and consolidated reserves	33,383	33,789
Equity (EDF share)	**34,438**	**34,749**
Equity (non-controlling interests)	6,924	5,491
Total equity	**41,362**	**40,240**
Provisions related to nuclear generation - back-end of the nuclear cycle, plant decommissioning and last cores	44,843	44,825
Provisions for decommissioning of non-nuclear facilities	1,506	1,447
Provisions for employee benefits	21,234	21,511
Other provisions	2,155	2,190
Non-current provisions	***69,738***	***69,973***
Special French public electricity distribution concession liabilities	45,692	45,082
Non-current financial liabilities	54,276	54,159
Other non-current liabilities	4,810	5,126
Deferred tax liabilities	2,272	4,122
Non-current liabilities	**176,788**	**178,462**
Current provisions	5,228	5,354
Trade payables	13,031	13,284
Current financial liabilities	18,289	17,473
Current tax liabilities	419	506
Other current liabilities	24,414	23,622
Current liabilities	**61,381**	**60,239**
Liabilities related to assets classified as held for sale	**2,109**	**-**
TOTAL EQUITY AND LIABILITIES	**281,640**	**278,941**

Consolidated cash flow stements

(in millions of Euros)	**2016**	2015
Operating activities:		
Income before taxes of consolidated companies	**4,181**	**1,692**
Impairment/(reversals)	639	3,500
Accumulated depreciation and amortisation, provisions and changes in fair value	9,814	11,392
Financial income and expenses	948	951
Dividends received from associates and joint ventures	330	322
Capital gains/losses	(877)	(1,593)
Change in working capital	(1,935)	132
Net cash flow from operations	***13,100***	***16,396***
Net financial expenses disbursed	(1,137)	(1,252)
Income taxes paid	(838)	(1,508)
European Commission decision of 22 July 2015	-	(906)
Net cash flow from operating activities	**11,125**	**12,730**
Investing activities:		
Acquisitions of equity investments, net of cash acquired	(127)	(162)
Disposals of equity investments, net of cash transferred	372	748
Investments in intangible assets and property, plant and equipment	(14,397)	(14,789)
Net proceeds from sale of intangible assets and property, plant and equipment	508	964
Changes in financial assets	(2,913)	(5,600)
Net cash flow used in investing activities	**(16,557)**	**(18,839)**
Financing activities:		
Transactions with non-controlling interests	1,368	64
Dividends paid by parent company	(165)	(1,420)
Dividends paid to non-controlling interests	(289)	(326)
Purchases/sales of treasury shares	(2)	(14)
Cash flows with shareholders	***912***	***(1,696)***
Issuance of borrowings	9,424	9,422
Repayment of borrowings	(6,176)	(2,336)
Payments to bearers of perpetual subordinated bonds	(582)	(591)
Funding contributions received for assets operated under concessions	143	152
Investment subsidies	417	623
Other cash flows from financing activities	***3,226***	***7,270***
Net cash flow from financing activities	**4,138**	**5,574**
Net increase/(decrease) in cash and cash equivalents	**(1,294)**	**(535)**
CASH AND CASH EQUIVALENTS - OPENING BALANCE	**4,182**	**4,701**
Net increase/(decrease) in cash and cash equivalents	(1,294)	(535)
Effect of currency fluctuations	102	(36)
Financial income on cash and cash equivalents	20	13
Effect of reclassifications	(117)	39
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	**2,893**	**4,182**

PRESS RELEASE
14 February 2017

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 adiversified generation mix based on nuclear power, hydropower, new renewable energies and thermal energy. The Group is involved in supplying energy 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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Detailed information regarding these uncertainties and potential risks are available in the reference document (Document de référence) of EDF filed with the Autorité des marchés financiers on 29 April 2016 and in the EDF EMTN base prospectus dated 14 September 2016 as supplemented first on 3 October 2016, second on 14 November 2016 and third on 10 January 2017, which are available on the AMF's website at www.amf-france.org and on EDF's website at www.edf.com.
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