ANNUAL RESULTS 2018

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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 15 March 2018, which is available on the AMF's website at www.amf-france.org and on EDF's website at www.edf.fr.

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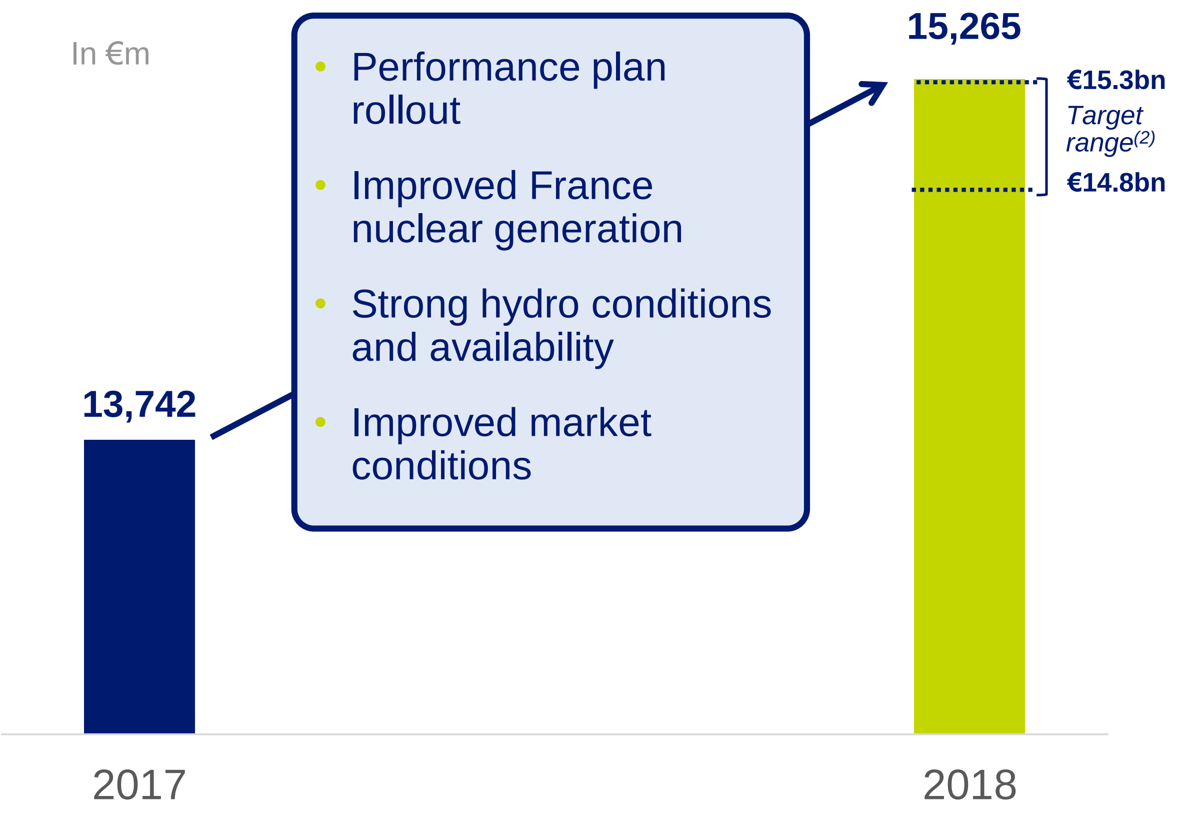
ANNUAL RESULTS 2018

Jean-Bernard Lévy
Chairman and Chief Executive Officer

IN 2018, EDF MET OR EXCEEDED ALL OPERATIONAL AND FINANCIAL TARGETS

Significant EBITDA rebound: +11.3% org.[1]

At the high end of the upgraded target range



Largely positive cash flow[2]

Stable net financial debt

CASH FLOW excl. Linky, new developments & Group assets disposal plan	2018 **€1.1bn**	*2018 target[3][4]* *~0*
NET FINANCIAL DEBT / EBITDA	2018 **2.2x**	*2018 target[3]* *≤2.5x*
NET FINANCIAL DEBT	31/12/2018 **€33.4bn**	*31/12/2017* *€33.0bn*
PROPOSED DIVIDEND	2018 **€0.31/share,** i.e. **50%** payout[5]	*2018 target* *50% payout[5]*

(1) Organic change at comparable scope and exchange rates
(2) Excluding Linky, new developments & Group assets disposal plan.
(3) At comparable exchange rates. At "normal" weather conditions. On the basis of a >395TWh France nuclear output assumption At constant pensions discount rate.
(4) Excluding interim dividend for the 2018 fiscal year
(5) Payout ratio based on Net income excluding non-recurring items, adjusted for the remuneration of hybrid bonds accounted for in equity

PERFORMANCE PLAN DELIVERED BEYOND TARGETS

2018

OPEX[1] REDUCTION	**€0.96bn** vs 2015	→ €0.8bn target exceeded
WORKING CAPITAL REQUIREMENT	**Down €2.1bn** over 2015-2018	→ €1.8bn target exceeded
GROUP ASSETS DISPOSAL PLAN	**~€10bn[2] completed**	→ 2 years ahead of the 2020 milestone
TOTAL NET INVESTMENTS[3]	**€14bn**	→ Within the €15bn guidance

(1) Sum of personal expenses and other external expenses. At constant scope, exchange rates and pension discount rate. Excluding change in operating expenses of service activities
(2) Impact on net financial debt. Cumulative impact since 2015.
(3) Total net investments excluding Group assets disposal plan

2018: A YEAR OF ACCELERATION AND TRANSFORMATION ON ALL FRONTS OF THE CAP 2030 STRATEGY

CAP 2030

3 PRIORITIES

CUSTOMER FOCUS	LOW-CARBON GENERATION	INTERNATIONAL DEVELOPMENT

1 TRANSFORMATION PLAN

EDF, the efficient and responsible electricity company, the champion in low-carbon growth

CUSTOMERS AND SERVICES: STRONG RESILIENCE ON ALL MARKETS AGAINST A BACKDROP OF INCREASING COMPETITION

CUSTOMERS FRANCE	**A STRONGER MARKETING OFFENSIVE**	• Estimated market share of 82% BtoC and 61% BtoB • **Broader range of offerings:** ○ **“Vert Electrique”**: 210 000 customers already ○ **DIGIWATT**, a 100% on-line offering ○ **“Mon chauffage durable”:** Replacement of oil heating systems with heat pumps made easier ○ **“Mon soleil & moi”: 4600 customers,** sales doubled in 2018
CUSTOMERS EUROPE	**EUROPE: CONTRASTING CONDITIONS DEPENDING ON COUNTRIES**	• **Italy:** Completed acquisition of a portfolio of 500 000 Naturgy customers • **Belgium:** Stronger position on the business market; contract signed by Citelum to modernise lighting systems on Walloon motorways • **United Kingdom:** New offerings in “smart home”, energy storage and energy flexibility
SERVICES	**ACCELERATION OF BtoC SERVICES** **STRENGTHENING OF SUBSIDIARIES**	• Launch of **"IZI by EDF",** the very first services platform for residential customers and businesses • **Dalkia:** new contracts for heating systems (Perpignan, Rouen-Bihorel); acquisition of Aegis Energy Services in the United States • **Edison:** acquisition of Zephyro in Italy
ELECTRIC MOBILITY	**LAUNCH OF EDF’S ELECTRIC MOBILITY PLAN**	• **Initial achievements with Izivia:** deployment of 600 charging points in Lyon; extension and operation of 500 charging points in Nice Métropole (Greater Nice Area)

* Formerly "Gas Natural Fenosa"

RENEWABLES: STRONG GROWTH MOMENTUM

RENEWABLE POWER GENERATION	**2018, A RECORD YEAR**	• France's highest hydro output in 15 years: **+25.4%** • Record-high renewable output achieved by the Group (excl. hydro): **+14%**
COMMISSIONING AND CONSTRUCTION PROJECTS	**ESTABLISHING A BALANCE BETWEEN WIND AND SOLAR TECHNOLOGIES**	• 1.6 GW of gross capacity commissioned by EDF Renewables and **for the first time ever, more solar than wind** • Gross portfolio of EDF Renewables projects under construction: 2.4GW (+21%) **equally split between solar and wind power**
PROJECTS UNDER DEVELOPMENT	**STEPPING UP THE PACE IN THE WIND-POWER SECTOR, INCLUDING OFF-SHORE**	• **United Kingdom**: Acquisition of the off-shore Neart na Gaoithe wind project, currently under development (450 MW) • **United States:** Acquisition of a lease to develop off-shore wind projects along the New Jersey coast • **Saudi Arabia:** Contract awarded for the most powerful wind facility in the Middle East (400 MW)
EDF SOLAR PLAN	**MAJOR PROGRESS**	• **EDF Renewables in exclusive negotiations for the acquisition of the Luxel Group:** 1 GW of capacity in France including projects ready for construction or under development, as well as 90 MWp in operation.
ELECTRICITY STORAGE	**LAUNCH OF EDF'S ELECTRICITY STORAGE PLAN**	• Ambition: **Becoming Europe's leader in the sector by 2035**; 10 GW of new global storage capacity. • Power purchase agreement awarded for the *Big Beau Solar* project (128 MWp of solar energy and 40 MW of battery storage) in the United States.

ENGAGEMENT OF THE ENTIRE NUCLEAR INDUSTRY TO MEET TOMORROW'S CHALLENGES

EXISTING NUCLEAR CAPACITY	**FRANCE: STRONG OPERATING PERFORMANCE**	• Output **in line with projections**: 393.2 TWh • **Nuclear safety**: Number of automatic reactor trips at a record low
FRAMATOME	**SUCCESSFUL INTEGRATION** **NUMEROUS COMMERCIAL ACHIEVEMENTS**	• **€3 billion worth of orders placed** • Contract renewed with China Nuclear Energy Industry Corp. for the supply of fuel-assembly components • Steam-generator maintenance contract signed with Dominion Energy (USA)
NEW NUCLEAR	**COMMISSIONING OF EPR TECHNOLOGY** **NEW PROJECT MILESTONES ACHIEVED** **FORGING AHEAD WITH PROJECTS UNDER DEVELOPMENT**	• Commissioning of the **world's first EPR** at the Taishan site in China • **Hinkley Point C:** all 2018 milestones successfully cleared, design finalised, pouring of first common-raft concrete for reactor no. 1 • **Flamanville 3:** Continued implementation of the the action plan on welds of the main secondary system announced on 25 July 2018. The "hot tests" are scheduled to commence during the second half of February. • **Jaitapur:** Comprehensive initial bid submitted by EDF to NPCIL in December 2018

INTERNATIONAL BUSINESS: EDF STRENGTHENS ITS FOOTHOLD OUTSIDE OF EUROPE

AFRICA	**EDF GAINS A SIGNIFICANTLY STRONGER FOOTHOLD**	• Construction begins on the **Nachtigal dam in the Cameroon**: 420 MW, 30% of the country's power output; winner of the "Global multilateral deal of the year" prize, awarded by PFI* • **Expansion of the Off-Grid package and its extension** to three more countries: Ghana, Togo, Kenya. Already a total of 72 000 off-grid customers in Africa. • **Acquisition of interests** in service companies: Conergies (Côte d'Ivoire) and Gibb Power (South Africa)
SOUTH AMERICA	**MAJOR PROGRESS IN KEY COUNTRIES**	• Construction of the **Sinop dam in Brazil** completed (400 MW) • **Citelum strengthens its foothold in Chile** (13% of market share) with new relamping contracts in Independicia and Santiago (Chile)
ASIA	**STEPPING UP THE PACE OF PROJECT DEVELOPMENT**	• **China: First set of energy-service contracts** for the Lingbao and Sanya municipalities • Projects being developed in Vietnam (combined-cycle) and Myanmar (hydro) • **Singapore:** Commissioning of the **first Microgrid demonstrator** (Masera)

*Magazine Project Finance International

ANNUAL RESULTS 2018

Xavier Girre
Group Senior Executive VP - Finance

2018 KEY FIGURES

In €m	2017[1]	2018	Δ%	Δ% Org.[2]
Sales	64,892	68,976	+6.3	+4.0
EBITDA	13,742	15,265	+11.1	+11.3
Net income excluding non-recurring items	2,820	2,452	-13.1	
Net income – Group share	3,173	1,177	-62.9	

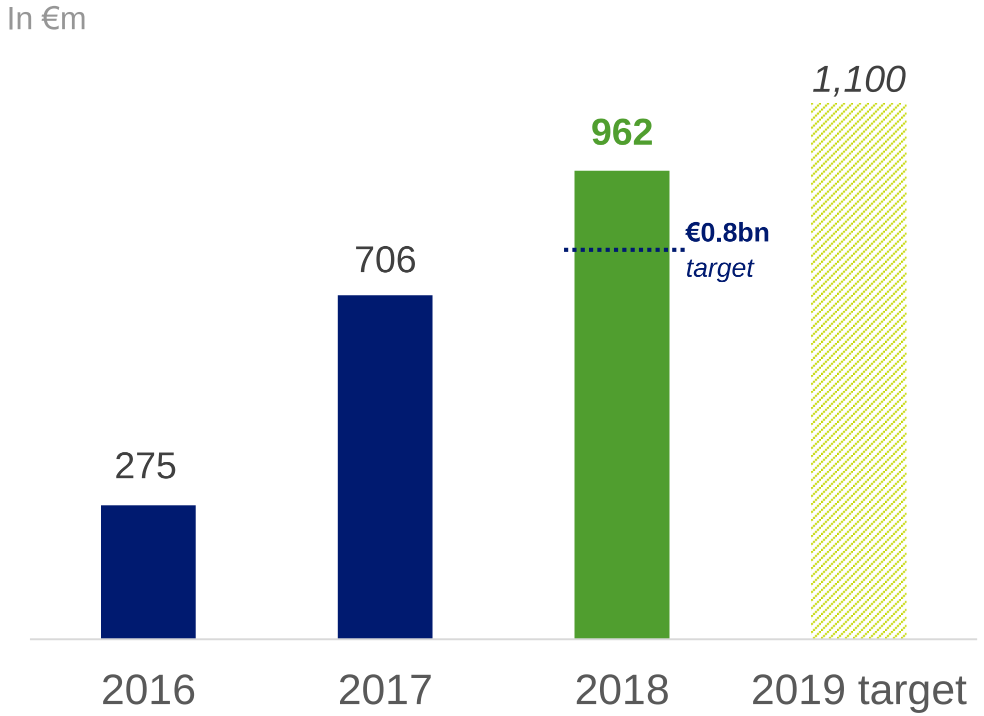
	31/12/2017	31/12/2018
Net financial debt in €bn	33.0	33.4
Net financial debt/EBITDA ratio	2.4x	2.2x

(1) 2017 figures restated for IFRS 15 impact on revenues – no impact on EBITDA. For IFRS 9, applicable from 1 January 2018, the transition provisions do not require restatement and the comparative figures are therefore as previously published

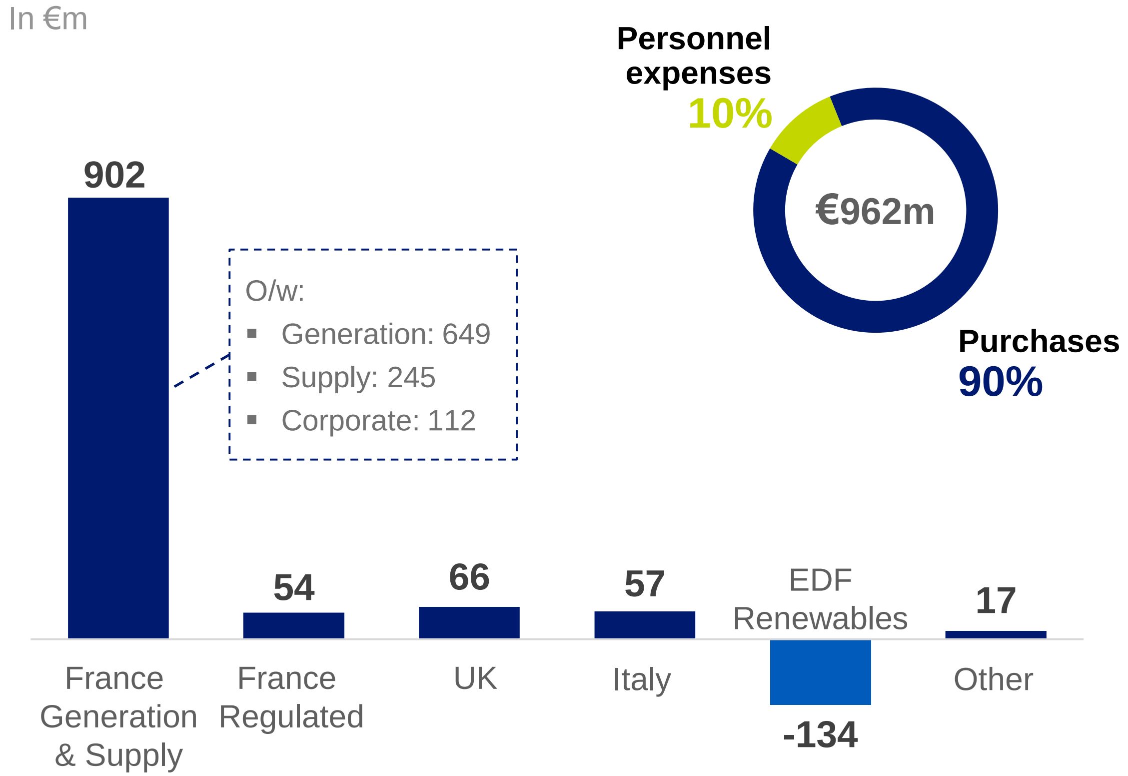
(2) Organic change at comparable scope and exchange rates

PERFORMANCE PLAN
REDUCTION IN OPERATIONAL EXPENSES[(1)]

Cumulative reductions[(1)] achieved vs. 2015 base:
€962m at end-2018



Breakdown of cumulative reductions[(1)]



2018 target of €0.8bn[(1)] exceeded - Well on track to delivering the 2019 target

(1) Sum of personal expenses and other external expenses. At constant scope, exchange rates and pension discount rate. Excluding change in operating expenses of service activities

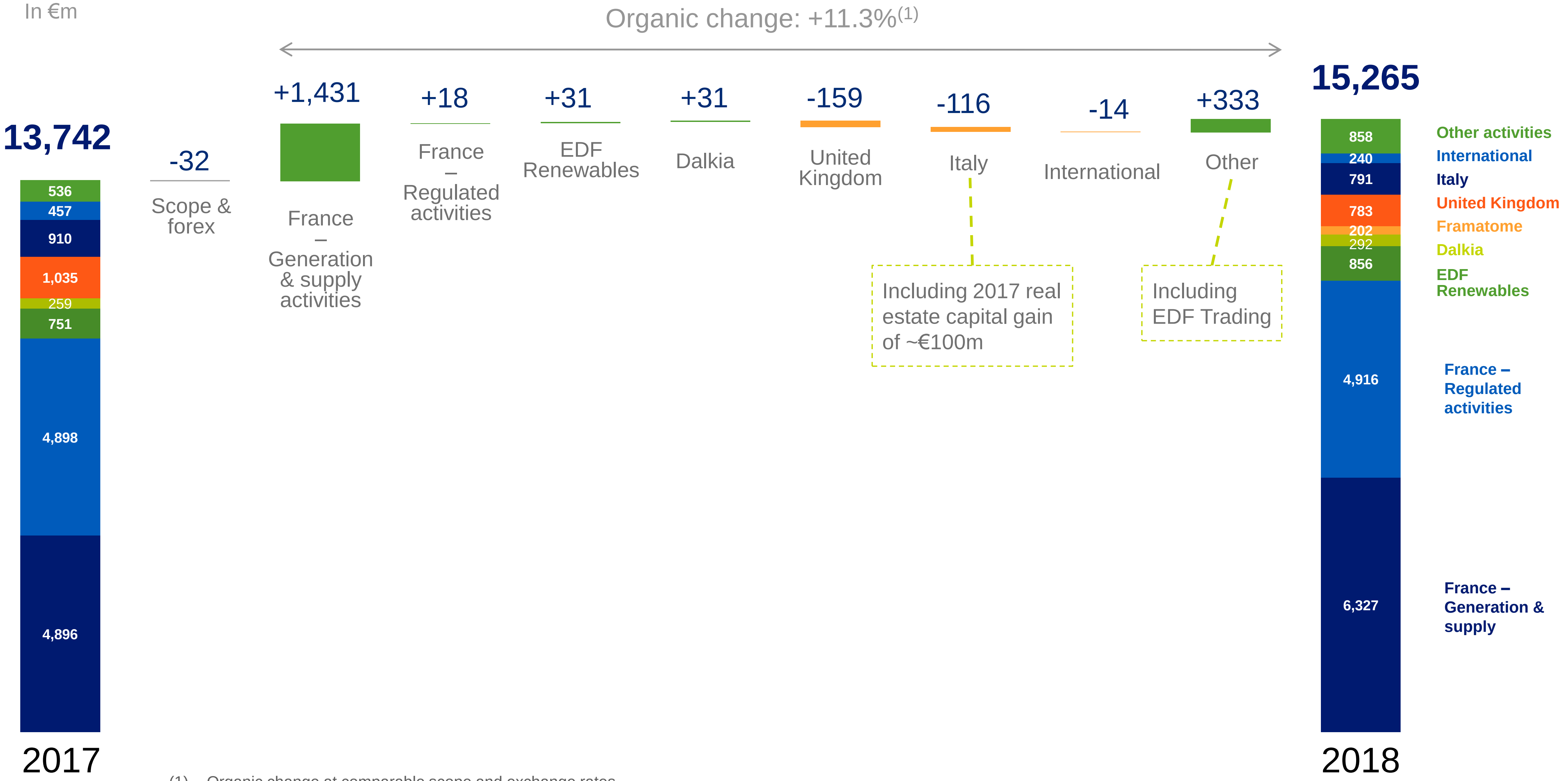
PERFORMANCE PLAN – €10 BILLION[(1)] DISPOSALS OVER 2015-2018 TO DELEVERAGE AND FOCUS ON CORE BUSINESS

NON CONTROLLED ASSETS	• 49.9% of CTE (2017) • Minority participation in Estag (2015)	€4.3bn
NON CORE MARKETS AND CO_2 INTENSIVE BUSINESSES	• EDF Polska (2017) • Bert (2015) and Demasz in Hungary (2017) • Fossil-fuel assets of EDF Trading (2015, 2017 and 2018)	€1.6bn
REAL ESTATE ASSETS	• EDF Group headquarters (2015-16) and Edison headquarters (2017) • SOFILO's portfolio of office and business assets (3 tranches 2015-18)	€1.6bn
GAS INFRASTRUCTURE ASSETS	• Edison's gas infrastructure assets (2017) • Dunkirk LNG terminal (2018)	€1.7bn
OTHER	• Sale to CGN of a 33.5% stake in Hinkley Point C[(2)] (2016)	€0.8bn

(1) Impact on net financial debt (2) Stake in NNB Holding Company (HPC) Limited

GROUP EBITDA

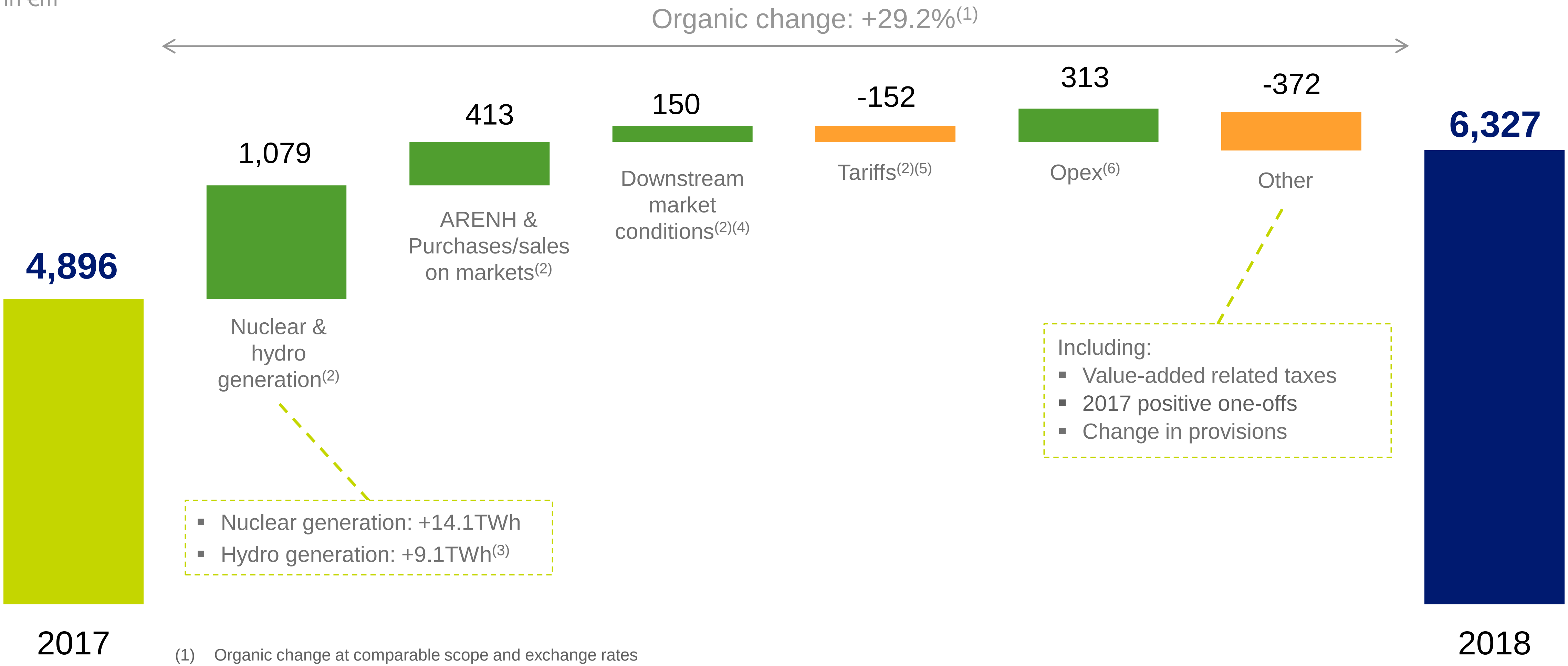
In €m



(1) Organic change at comparable scope and exchange rates

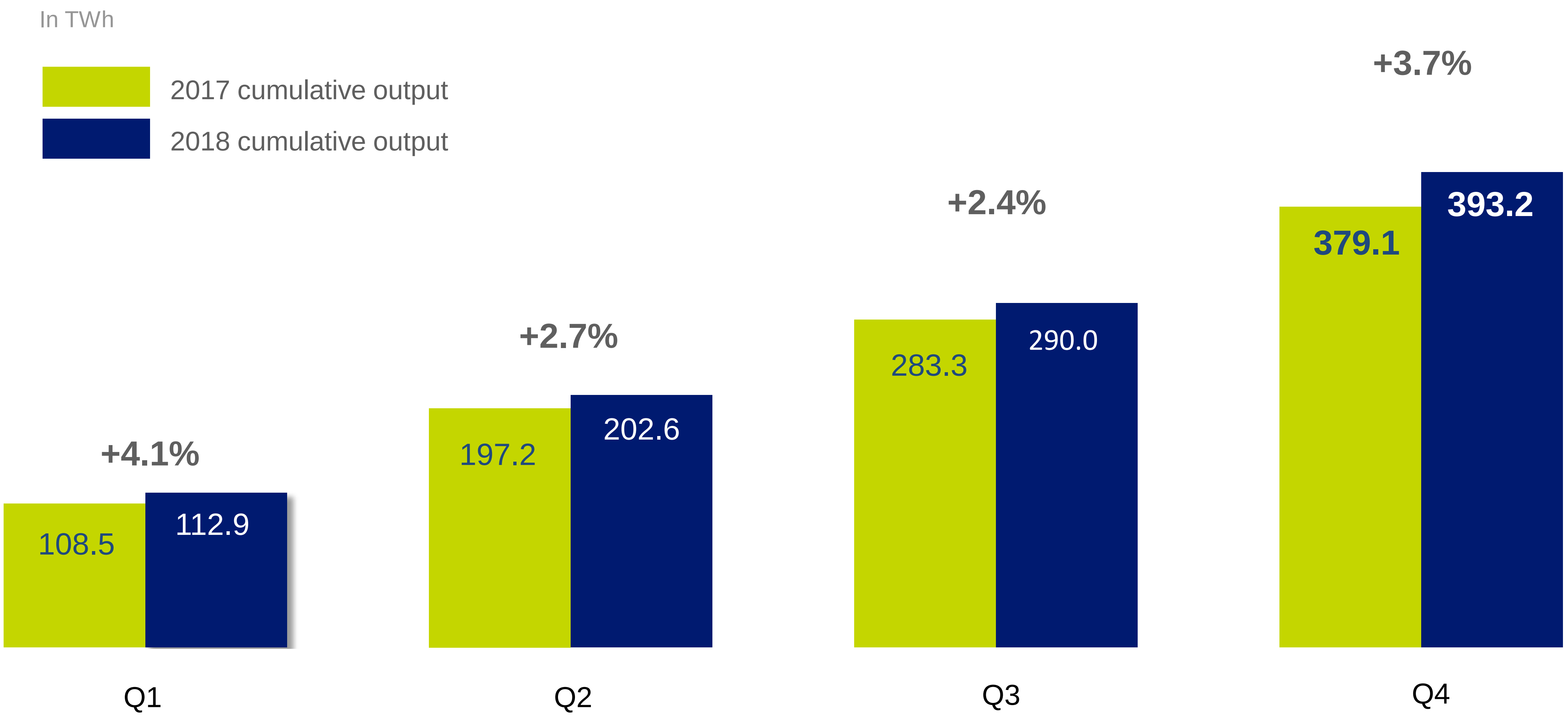
FRANCE– GENERATION AND SUPPLY ACTIVITIES

In €m

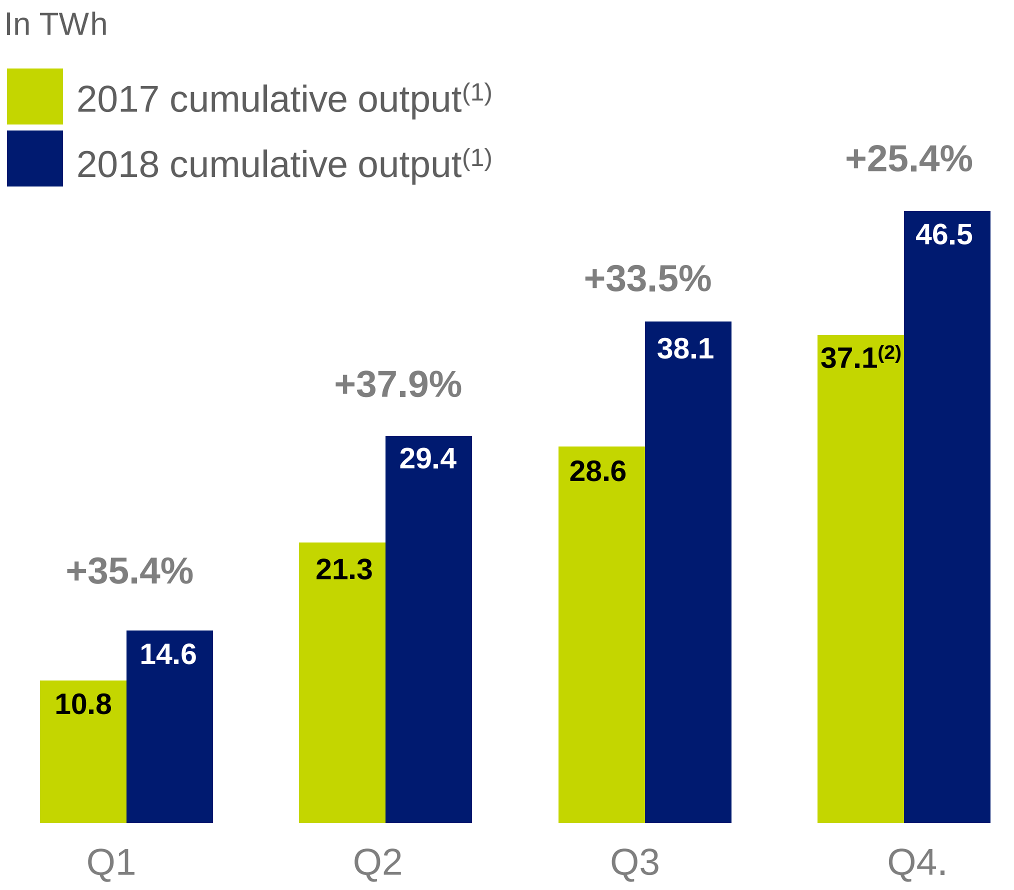


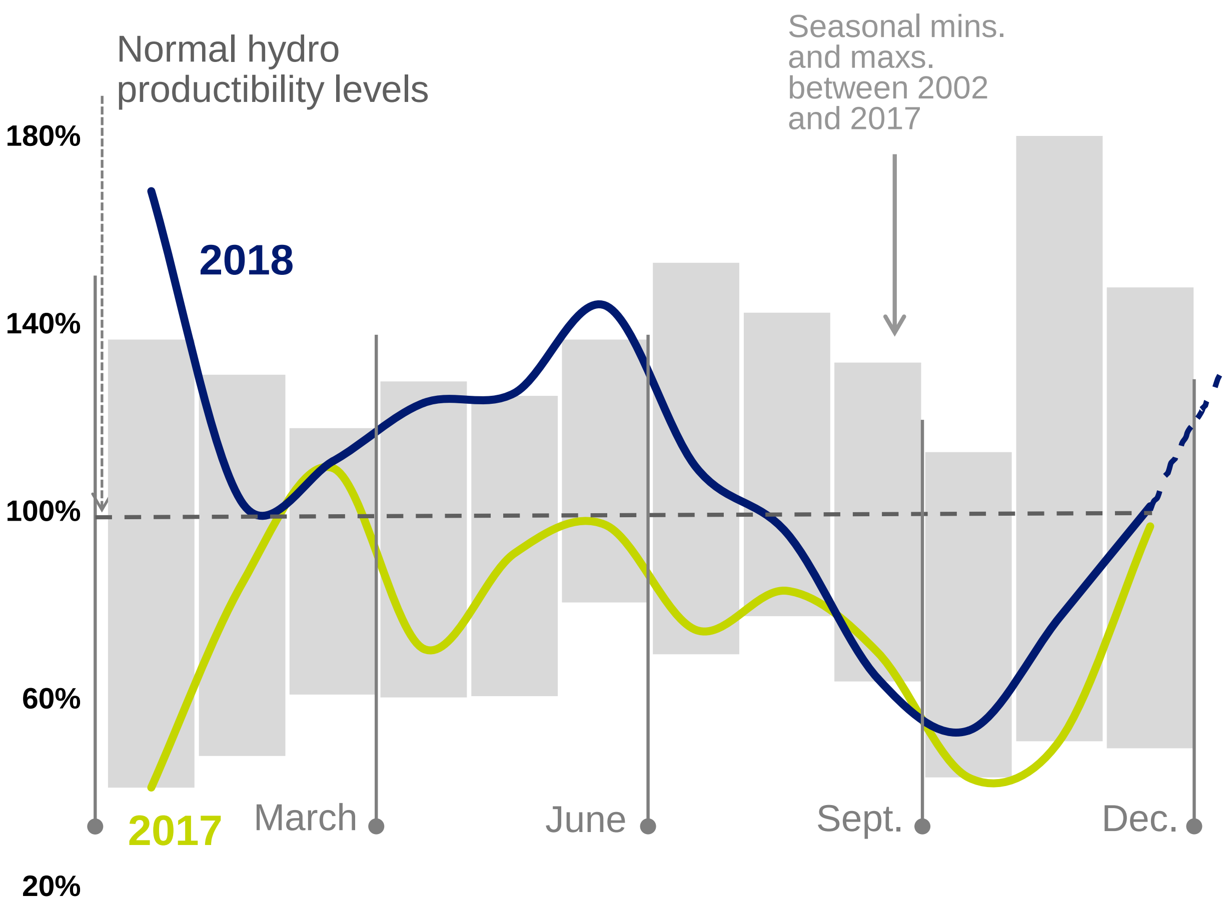
(1) Organic change at comparable scope and exchange rates
(2) Estimated figures
(3) After deduction of pumped volumes
(4) Excluding Energy Saving Certificates component on market offers
(5) Price effects on regulated sales tariffs customers, excluding the Energy Saving Certificates component in tariff stacking
(6) At comparable scope and exchange rates. At constant pension discount rate. Excluding change in operating expenses of service activities

FRANCE NUCLEAR GENERATION



FRANCE HYDRO OUTPUT

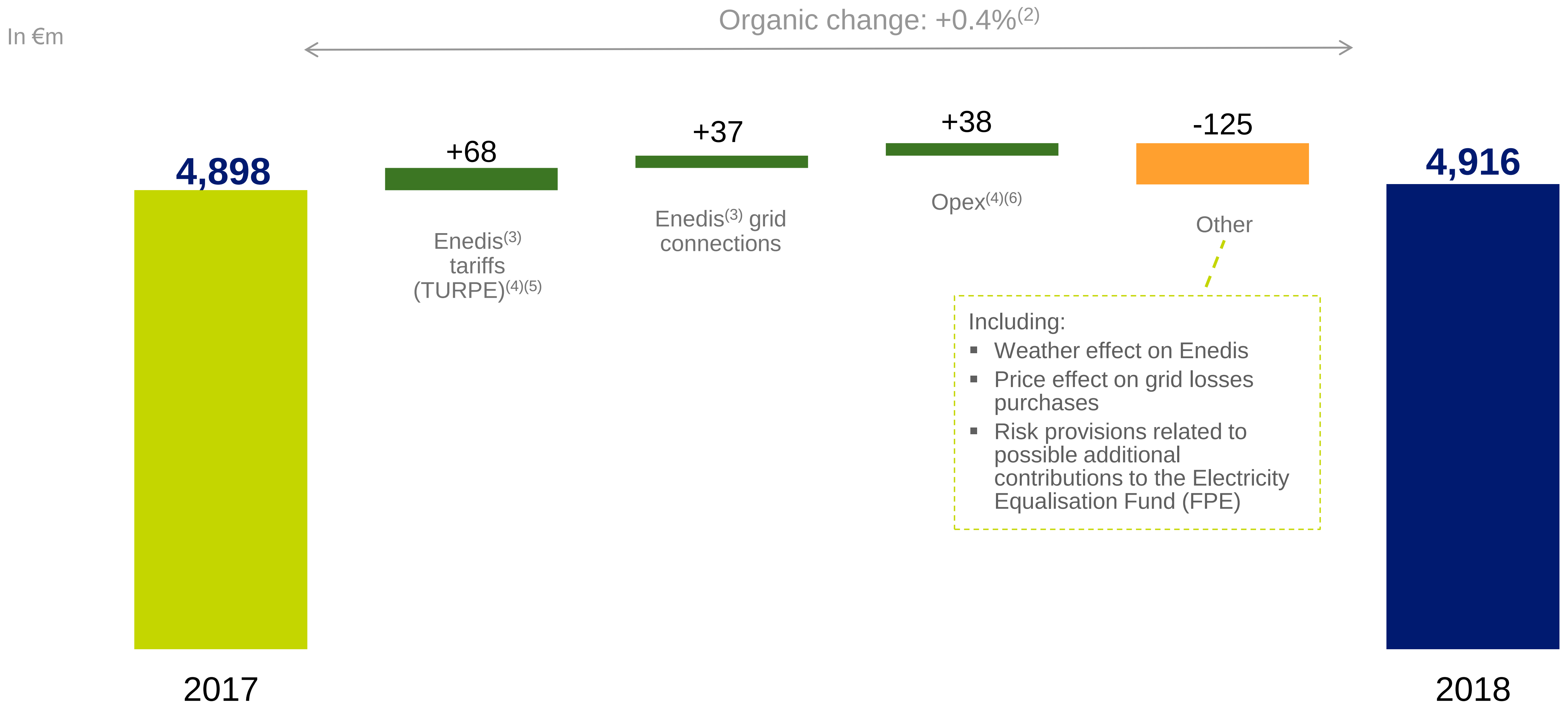




Strong hydrological conditions and very good operating availability
Highest output of the last 15 years

(1) Hydro output excluding island activities before deduction of pumped volumes
(2) Ouput after deduction of pumped volumes: 30.0TWh for 2017 and 39.2TWh for 2018

FRANCE – REGULATED ACTIVITIES[1]



(1) Regulated activities include Enedis, ÉS and island activities
(2) Organic change at comparable scope and exchange rates
(3) Enedis, independent subsidiary of EDF as defined in the French Energy Code
(4) Estimated figures
(5) Indexation of the TURPE 5 Distribution of +2.71% as at 01/08/2017 and -0.21% as at 01/08/2018, and of TURPE 5 Transmission of +6.76% as at 01/08/2017 and +3.0% as at 01/08/2018
(6) At comparable scope and exchange rates. At constant pension discount rate. Excluding change in operating expenses of service activities

RENEWABLE ENERGIES

EDF RENEWABLES

In €m	2017	2018	Δ%	Δ% Org.[1]
EBITDA	**751**	**856**	**+14.0**	**+4.1**
O/w Generation EBITDA	*741*	*903*	*+21.9*	*+15.0*

- Growth driven by generation business
  - Electricity output: 15.2TWh (+15% org.)
  - Driven in particular by output from projects commissioned in 2017, some of which sold end-2018
- Slightly lower contribution from DSSA business[1][2]
- Increase in development costs to support the business' growth
  - Gross capacity commissioned in 2018: 1.6GW (o/w 0.9GW in solar)
  - Gross portfolio of projects under construction at end-December 2018: 2.4GW (o/w 1.2GW onshore wind and 1.2GW solar)

GROUP RENEWABLES[3]

In €m	2017	2018	Δ%	Δ% Org.[1]
EBITDA[3]	**1,587**	**2,133**	**+34**	**+35**
Net investments	**(1,458)**	**(1,220)**	**-16**	

- EBITDA
  - Strong performance in French hydro generation
- Net investments
  - In 2018, significant acquisitions in offshore wind (NNG project under development in Scotland, development rights in the US) and significant sale of a non-controlling stake in UK wind farms[2]
  - In 2017, the acquisition of Futuren for €281 million

(1) Organic change at comparable scope and exchange rates
(2) Significant sale in H1 2018 in the UK, but which does not impact EBITDA from DSSA activities as the EDF Group retains control.
(3) For the renewable energy generation optimised within a larger portfolio of generation assets, in particular relating to the French hydro fleet after deduction of pumped volumes, sales and EBITDA are estimated, by convention, as the valuation of the output generated at spot market prices (or at purchase obligation tariff) without taking into account hedging effects, and include the valuation of the capacity, if applicable

ENERGY SERVICES

DALKIA

In €m	2017	2018	Δ%	Δ% Org.[1]
EBITDA	259	292	+12.7	+12.0

- Positive effect of 2017 operating issues on a contract, with no equivalent in 2018
- Growth supported by the operating performance plan and control of overheads
- Unfavourable impact of maintenance activities on several important installations as well as negative price index and weather effects
- Signing and renewal of a number of commercial contracts
  - Energy Performance contracts
  - Contracts signing and renewal relating to renewable district heating networks

GROUP ENERGY SERVICES[2]

In €m	2017	2018	Δ%	Δ% Org.[1]
EBITDA	315	355	+13	+10
Net investments	(576)	(514)	-11	

- EBITDA
  - Growth driven by Dalkia (mainly) and development in Italy, Belgium and the UK
- Net investments
  - Change in net investments reflects in particular the acquisition of Imtech in 2017

(1) Organic change at comparable scope and exchange rates

(2) Group Energy Services include Dalkia; Citelum, CHAM and service activities of EDF Energy, Edison, EDF Luminus and EDF SA. They consist in particular of street lighting, heating networks, decentralised low-carbon generation based on local resources, energy consumption management and electric mobility

FRAMATOME

In €m	2017	2018
Sales	**-**	**3,313**
EBITDA	**-**	**465**(1)
EBITDA EDF group contribution	**-**	**202**(1)

- Performance supported by the implementation of the operating and structure costs reduction plan, in line with expectations
- Good performance of the *Fuel business*
  - First fuel cladding tubes delivery for the Hualong-1 reactor of the Fuqing nuclear power plant
- *Instrumentation & Control (I&C) business*
  - Purchase of Schneider Electric's I&C nuclear business in North America
  - Delivery of a comprehensive I&C system for Tianwan Unit 3 (VVER reactor)
  - Commissioning of the safety I&C system upgrade project at Forsmark nuclear power plant (unit 3)
- *Installed Base business :* slowdown in the US, in relation with strong competition
- Sustained level of order intake in 2018: €3bn (including more than 60 % from outside the Group)
  - Contracts with Vattenfall for the delivery of fuel assembly reloads

(1) Including a €42m charge in connection with the revaluation of inventories, carried out as part of Framatome's purchase price allocation

UNITED KINGDOM

In €m	2017	2018	Δ%	Δ% Org.(1)
EBITDA	**1,035**	**783**	**-24.3**	**-15.4**

Generation

- Decrease in nuclear output (-4.8TWh) to 59.1TWh, impacted mainly by Hunterston B inspection and Dungeness B outage extension
- Lower net realised prices of nuclear generation, partly driven by buybacks in a context of higher wholesale power prices

Supply

- Favourable impact of residential tariffs increases
- Reduction of the residential customers portfolio (-4.2% vs end-2017)

(1) Organic change at comparable scope and exchange rates

ITALY

In €m	2017	2018	Δ%	Δ% Org.[1]
EBITDA	**910**	**791**	**-13.1**	**-12.7**

- Change in EBITDA mainly reflecting a capital gain[2] in 2017 (~€100m)
- Power Business (+€35m[1])
  - Renewables: higher hydropower output driven by improved hydro conditions, partly offset by negative price and volume effects in wind generation
  - Thermal: strong performance driven by output and ancillary services
  - Retail: growth in the B2B segment despite the impact of stiffer competition on margins
- Gas Business (-€76m[1])
  - Long-term gas contracts: unfavourable evolutions in market prices impacting margins
  - Retail: good integration of the GNVI portfolio
- E&P activity (+€68m[1])
  - E&P business benefitting from positive price effects in relation with the rising Brent price and higher volumes notably following the commissioning of a new field in Algeria beginning of 2018

(1) EBITDA organic change at comparable scope and exchange rates
(2) Related to the disposal of Edison's headquarters building

OTHER INTERNATIONAL

In €m	2017[1]	2018	Δ%	Δ% Org.[2]
EBITDA	**457**	**240**	**-47.5**	**-3.1**
O/w Belgium[3]	*145*	*141*	*-3.4*	*-5.5*
Brazil	*150*	*80*	*-46.7*	*-30.7*
Poland	*180*	*-*	*-100*	*n/a*

Belgium[3]

- EDF Luminus' performance penalised by €76m by extended outages at nuclear plants operated by the Engie Group
- Higher thermal output and spark spreads in relation with lower availability of the nuclear fleet
- Growth in wind output driven by the capacity increase to 440MW (+17%)
- Continued intense competition in retail more than offset by growth in service activities

Brazil (EDF Norte Fluminense's CCGT)

- Lost output from (i) a 37-day gas supply interruption linked to transport capacity works, and (ii) major planned maintenance operations
- Significant purchases on wholesale power markets to meet PPA obligations

(1) 2017 figures including EDF Polska's activities for €180m, sold on 13 November 2017
(2) Organic change at comparable scope and exchange rates
(3) EDF Luminus and EDF Belgium

OTHER ACTIVITIES

In €m	2017	2018	Δ%	Δ% Org.(1)
EBITDA	**536**	**858**	**+60.1**	**+62.1**
O/w EDF Trading	*358*	*633*	*+76.8*	*+73.5*

EDF Trading

- Performance supported by a favourable environment (volatility in commodities markets, weather conditions) and events of supply-demand tension in Europe and in the United States
- Positive contribution from the LNG business, lifted by Asian demand and a context of rising oil prices until September 2018

Real Estate

- Strong contribution from the assets disposal programme (last tranche completed in 2018)

(1) Organic change at comparable scope and exchange rates

GROUP EBIT

In €m	2017	2018	Δ
EBITDA	**13,742**	**15,265**	**+1,523**
Commodities volatility	(355)	(224)	131
Amortisation/depreciation expenses and provisions for renewal	(8,595)	(9,056)	(461)
Impairments and other operating income and expenses	845	(703)	(1,548)
EBIT	**5,637**	**5,282**	**(355)**

NET INCOME GROUP SHARE

In €m	2017	2018	Δ%
EBIT	**5,637**	**5,282**	**-6.3**
Financial result	(2,236)	(4,809)	
Income tax	(147)	149	
Share of net income from associates and joint-ventures	35	569	
Deducting net income from minority interests	(116)	(14)	
Net income – Group share	**3,173**	**1,177**	**-62.9**
Excluding non-recurring items	(353)	1,275	
O/w change in IFRS 9 fair value of financial instruments, net of tax	-	*697*	
Net income excl. non-recurring items	**2,820**	**2,452**	**-13.1**

2018: Net income excl. non-recurring items not impacted by adverse equity market conditions

2017: favourable effect on Net income of gains on financial assets disposals

CHANGE IN FINANCIAL RESULT

In €m	2017[1]	2018	Δ
Cost of gross financial debt	(1,778)	(1,716)	+62
o/w interest expenses on financing operations	*(1,869)*	*(1,769)*	*+100*
o/w net foreign exchange gain on debt and other	*91*	*53*	*-38*
Discount expenses[2]	(2,959)	(3,486)	-527
Other financial income and expenses	2,501	393	-2,108
o/w gains on dedicated assets disposals	*985*	*(12)*	*-997*
o/w net change in fair value of debt and equity instruments of dedicated assets	-	*(989)*	*-989*
Financial result	**(2,236)**	**(4,809)**	**-2,573**

Financial result penalised by adverse market conditions in a context of IFRS 9 application and by the decrease in nuclear discount rate

(1) For IFRS 9, applicable from 1 January 2018, the transition provisions do not require restatement and the comparative figures are therefore as previously published
(2) Including the impact of the decrease in discount rate for nuclear provisions in France in 2018

NON-RECURRING ITEMS NET OF TAX

In €m		2017	2018
Impairments		(1,030)	(498)
O/w:	*CENG*	*(491)*	-
	E&P Edison	*(111)*	*(228)*
	UK (mainly thermal assets)	*(155)*	*(134)*
Capital gain on 49.9% of CTE disposal[1]		1,289	-
Change in IFRS 9 fair value of instruments		-	(697)
Other, including commodities volatility (IFRS 9)		94	(80)
Total non-recurring items net of tax		**353**	**(1,275)**

(1) Capital gain after tax; CTE, the entity holding 100% of RTE shares

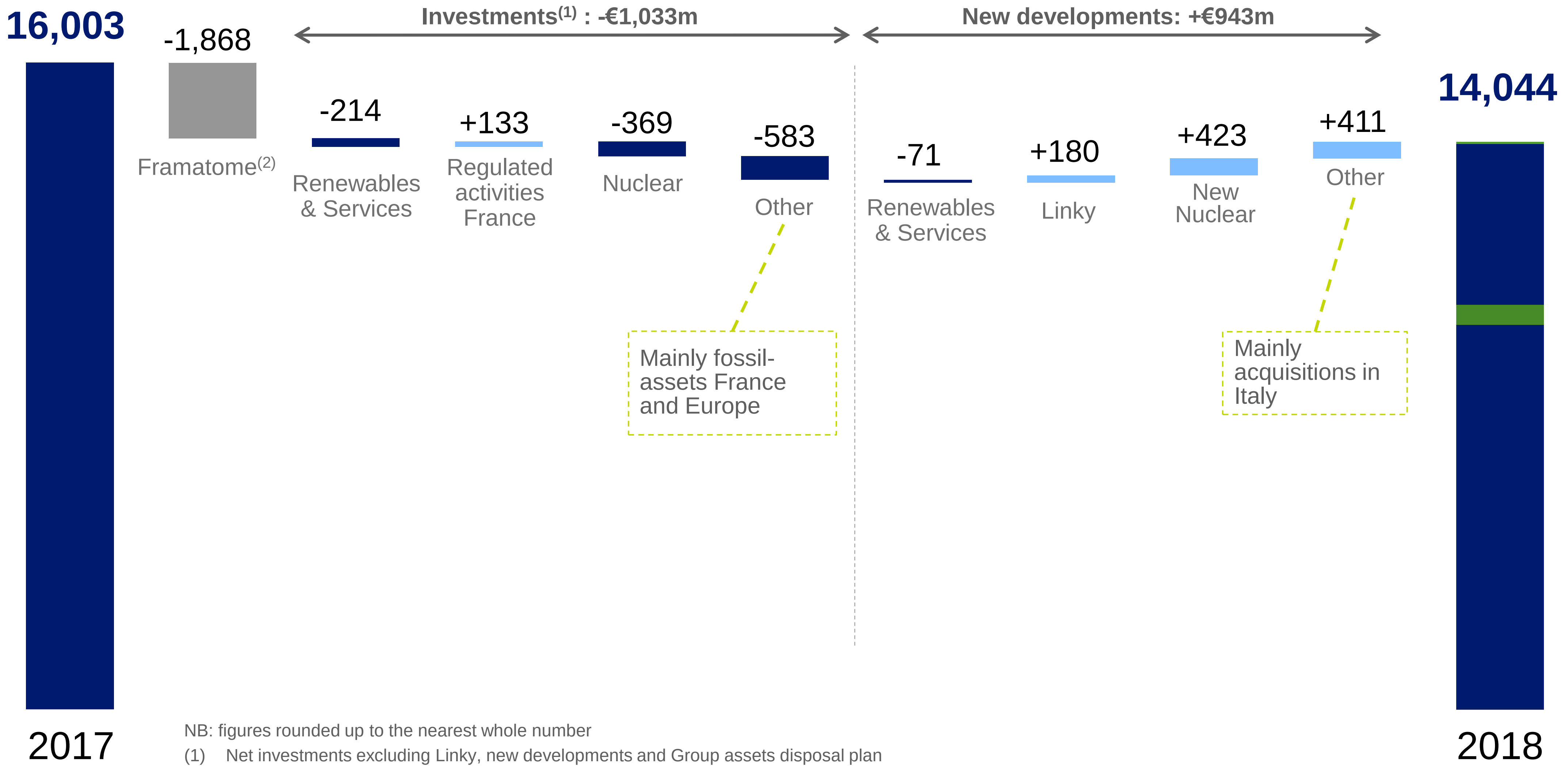
CHANGE IN CASH FLOW (1/3)

In €m	2017	2018
EBITDA	**13,742**	**15,265**
Non cash items	(1,796)	(1,253)
Net financial expenses disbursed	(1,209)	(1,062)
Income tax paid	(771)	(389)
Other items o/w dividends received from associates and joint-ventures	221	383
Operating cash flow	**10,187**	**12,944**
Δ WCR	1,476	462
Total net investments and acquisitions excluding Group assets disposal plan	(16,003)	(14,044)
o/w : Net investments excluding Linky(1), new developments and Group assets disposal plan	*(11,968)*	*(10,935)*
Linky(1) and new developments(2)	*(4,035)*	*(3,109)*
Group assets disposal plan	6,193	1,937
Cash flow after net investments and WCR change	**1,853**	**1,299**

(1) Linky is a project led by Enedis, independent subsidiary of EDF under the provisions of the French energy code
(2) New developments: in particular UK NNB projects, offshore wind and major acquisition (including the acquisition of Framatome (€1,868m) in 2017 and GNVI in 2018)

CHANGE IN CASH FLOW (2/3): TOTAL NET INVESTMENTS AND ACQUISITIONS EXCLUDING GROUP ASSETS DISPOSAL PLAN

In €m



NB: figures rounded up to the nearest whole number

(1) Net investments excluding Linky, new developments and Group assets disposal plan

(2) Corresponding to the acquisition of Framatome on 31/12/2017 (excl. acquisition costs)

CHANGE IN CASH FLOW (3/3)

In €m	2017	2018
Cash flow after net investments and WCR change	**1,853**	**1,299**
Dedicated assets	(1,171)[1]	(501)
Cash flow before dividends	**682**	**798**
Dividends paid in cash	(326)	(694)
Interest payments on hybrid issues	(565)	(584)
Group cash flow	**(209)**	**(480)**

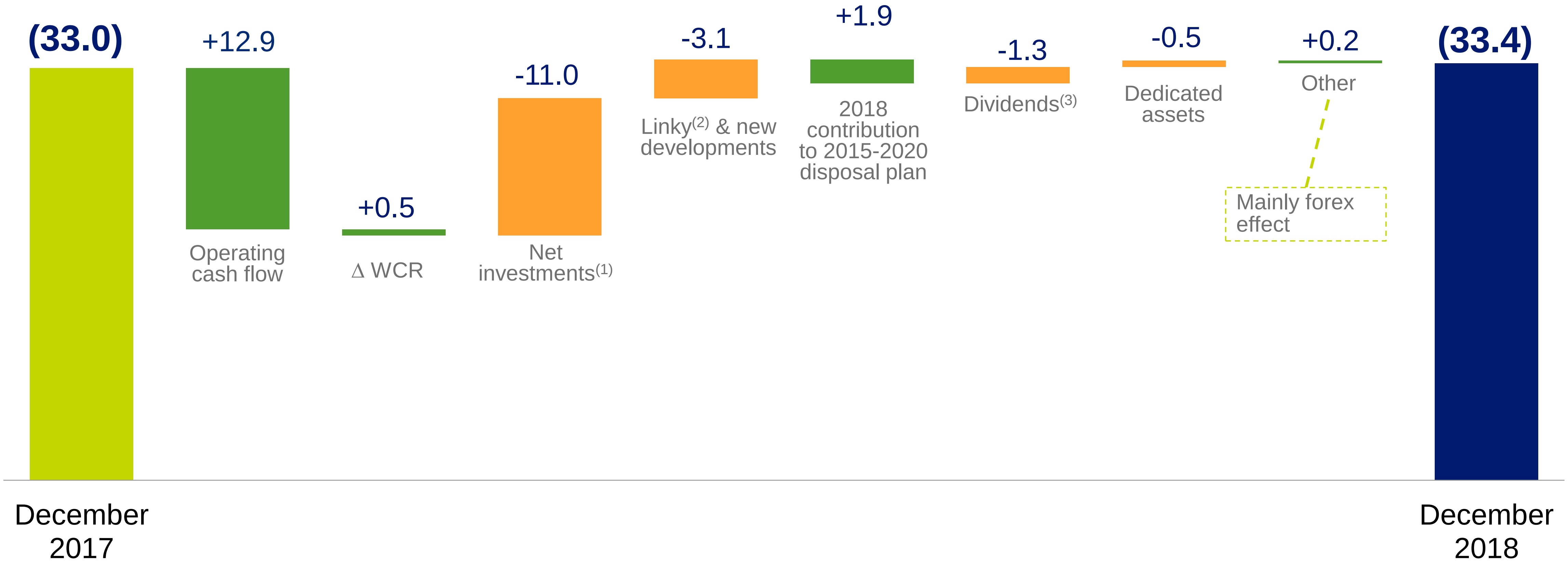
Cash flow Guidance

In €m	2018
Group cash flow	**(480)**
Linky[2] and new developments[3]	*3,109*
Group assets disposal plan	*(1,937)*
2018 interim dividend and other	*433*
Cash flow *excluding Linky, new developments and Group assets disposal plan*	**1,125**

(1) Mainly regulatory allocation of €1,095m in compliance with ministerial letter of 10 February 2017
(2) Linky is a project led by Enedis, independent subsidiary of EDF under the provisions of the French energy code
(3) New developments: in particular UK NNB projects, offshore wind and major acquisition (including the acquisition GNVI in 2018)

NET FINANCIAL DEBT

In €bn



Net financial debt kept stable

NB: figures rounded up to the nearest whole number

(1) Net investments excluding Linky, new developments and 2015-2020 assets disposal plan

(2) Linky is a project led by Enedis, independent subsidiary of EDF under the provisions of theFrench energy code

(3) Dividends including hybrid bonds remuneration

ANNUAL RESULTS 2018

Jean-Bernard Lévy
Chairman and Chief Executive Officer

2019 GUIDANCE AND MEDIUM TERM OUTLOOK[1]

2019 TARGETS	**EBITDA**[2]	€15.3 - €16.0bn
	DECREASE IN OPEX[3]	~€1.1 bn vs 2015
	CASH FLOW excluding HPC and Linky	>0
2019-20 AMBITIONS	**TOTAL NET INVESTMENTS**[4] excluding acquisitions and "2019-2020 Group disposals"	~€15bn / year
	2019-2020 GROUP DISPOSALS	€2bn to €3bn
	NET FINANCIAL DEBT / EBITDA[5]	≤2.5x
	DIVIDEND – **Payout ratio based on Net income Exclusing non-recurring items**[6]	45 - 50%
	DIVIDEND – **French State committed to scrip for the balance of the 2018 dividend and dividends relating to FY2019 and FY2020**	

(1) Before IFRS 16 application. At constant legal and regulatory framework in France.
(2) On the basis of the scope and exchange rates at 01/01/2019 and of an assumption of a 395TWh France nuclear output..
(3) Sum of personnel expenses and other external expenses. At comparable scope and exchange rates. At constant pension discount rates. Excluding change in operating expenses of service activities
(4) In accordance with the Group's anticipations regarding the Flamanville 3 project completion costs and schedule
(5) On the basis of the scope and exchange rates at 01/01/2019, assuming 2020 French nuclear production of the same order of magnitude as in 2019, and prevailing price conditions beginning of February 2019 (around €50 per MWh) for the unhedged 2020 France volumes.
(6) Adjusted for the remuneration of hybrid bonds accounted for in equity

THE EDF GROUP WILL PLAY ITS ROLE IN THE FRENCH ENERGY TRANSITION STRATEGY

The PPE paves the way for 3 structural measures of particular importance to EDF

STRENGTHENING THE REGULATORY FRAMEWORK

"The government will propose modalities for a new regulation of the existing nuclear fleet that will ensure the protection of consumers against market price increases beyond 2025 by making them benefit from the competitive advantage linked to the investment made in the historic nuclear fleet, while giving the financial capacity to EDF to ensure the economic sustainability of the generation units to meet the needs of PPE in low price scenarios."[1]

OPTIMIZING THE GROUP'S ORGANISATION

- Formal request to study alternative organisations of the Group's assets and submit a proposal within 6 months of the adoption of the PPE decree
- Overarching goal to support the Energy Transition in France in connection with a change in the regulatory framework for existing nuclear assets
- EDF to remain one integrated Group
- Preservation of credit rating

PREPARING THE CASE FOR NUCLEAR NEW BUILD IN FRANCE

- EDF to prepare a comprehensive case for nuclear new build in France, addressing all relevant dimensions such as competitiveness, legal and regulatory framework and pre-financing
- Key milestone mid-2021 to enable a final investment decision

(1) Source: press pack released on 27/11/2018 by the Ministry for Ecological and Inclusive Transition

ANNUAL
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2018