**PRESS RELEASE**
30 July 2015

# Half-year 2015 results stable

# Good operational performance in an unfavourable market context

# New strategic partnership between EDF and Areva

# 2015 targets and 2018 ambition confirmed

- **EBITDA :** €9.1bn, 3.6% growth compared to the 1st half of 2014, stable at constant scope and exchange rates
- **Net income excluding non-recurring items:** €2.9bn, +14.6%
- **Net income – Group share:** €2.5bn, stable
- **Continued good nuclear performance in France:** 210.4TWh, +1.6TWh vs. 2014
- **Net financial debt/EBITDA:** 2.1x compared to 2.0x on 31 December 2014

## Financial perspectives

- **2015 financial targets and 2018 positive cash flow[1] ambition confirmed**

EDF's Board of Directors meeting on 29 July 2015, under the chairmanship of Jean-Bernard Lévy, approved the condensed consolidated half-year financial statements at 30 June 2015.

Jean-Bernard Lévy, EDF Chairman and Chief Executive Officer, stated:
*"This half-year has witnessed a good operational performance, as highlighted in particular by the highest level in nuclear power generation in France for a first half of the year since 2011. The Group's development in renewables continues to progress. EDF Énergies Nouvelles has for instance commissioned close to 600MW of additional capacity and has set foot in new countries such as Brazil and South Africa. In an overall unfavourable context, and thanks to the commitment of its staff, the Group presents stable results and can reiterate its 2015 objectives as well as its ambition to generate a positive cash flow after dividends in 2018.*
*The next few months will be dedicated to deploying "CAP 2030", as it participates to the energy transition and to the expected commitments pertaining to COP 21. We are also devoting ourselves to finalising the non-binding memorandum that EDF and Areva signed on 30 July, and that the boards of directors of both companies have approved. In accordance with the guidelines set by the French government, this new collaboration between EDF and Areva will bring an improved efficiency of our cooperation and increases the chances of success of our major international nuclear projects."*

---

[1] Cash flow after dividends, excluding Linky

**Change in EDF group's half-year results**

| *In millions of Euros* | H1 2014 restated* | H1 2015 | Change (%) | Organic change (%) |
|---|---|---|---|---|
| Sales | 36,125 | 38,396 | +6.3 | +0.1 |
| EBITDA | 8,833 | 9,147 | +3.6 | -0.3 |
| EBIT | 5,100 | 4,536 | -11.1 | |
| Net income - Group share | 2,518 | 2,514 | -0.2 | |
| Net income excluding non-recurring items | 2,554 | 2,928 | +14.6 | |

**Change in EDF group's half-year EBITDA**

| *In millions of Euros* | H1 2014 restated* | H1 2015 | Organic change (%) |
|---|---|---|---|
| France | 6,097 | 6,359 | +3.4 |
| United Kingdom | 1,174 | 1,312 | +0.0 |
| Italy | 456 | 246 | -46.9 |
| Other International | 298 | 352 | +14.4 |
| Other activities | 808 | 878 | -7.8 |
| **Total Group** | **8,833** | **9,147** | **-0.3** |

*** Restated data**: In the consolidated accounts of the first half of 2015, the data for the first half of 2014 was restated for the impact related to the retrospective application of IFRIC 21.

The results of the Group were stable for the first half of 2015, supported in particular by good nuclear operating performance, and by the control of financial expenses excluding non-recurring items, in a market price environment that continues to be negative.

EBITDA was €9,147 million, up 3.6% with a stable organic trend (-0.3%) compared to the first half of 2014.

These results reflect the good performance in France, where EBITDA grew 3.4% in organic terms due in particular to the impact of the tariff increases in November 2014, to the positive effects on consumption of normalised weather conditions compared to the same period last year, and to the continued increase in nuclear power generation. Conversely, the performance of Italy (-46.9% in organic terms) was affected by poorer hydro conditions and the difficult price environment for electricity and Brent. EBITDA in the United Kingdom is stable, affected in particular by lower electricity market prices, but supported by strengthened cost control. The Other International segment, with organic EBITDA up by 14.4%, particularly benefited from the impact of normalised temperatures compared to the same period in 2014. EBITDA of the Other activities segment, with an organic decrease of 7.8%, reflects an unfavourable price environment in gas activity, partially compensated by growth in renewables activities.

Net income-Group share was €2,514 million, a 0.2% decrease. It was impacted by the significant rise in the amortisation expense and the 22 July 2015 European Commission decision[2] regarding the tax treatment of the provisions created to renew electricity networks of the "*Réseau d'Alimentation Générale*" ("*RAG*"). These negative impacts were compensated by an improvement in financial results (excluding non-recurring items), and a decrease in corporate tax expenses mainly driven by the end of the "Robin Hood Tax" in Italy. After restating non-recurring items (-€414 million compared to -€36 million in the first half of 2014), which include in particular -€348 million related to the *RAG* decision, net income excluding non-recurring items rose 14.6% to €2,928 million.

In the first half of 2015, the Group continued to invest. Net investments came to €6,401 million, 71% of which was for the maintenance and the development of the generation fleet and networks in France. The 14% rise in net investments mainly reflects investment growth in the United Kingdom and Italy.

The operating cash flow generated by the Group rose 7.1% to €6,738 million, allowing to cover net investments. Working capital requirements deteriorated €588 million, compared to a negative effect of just €54 million in the first half of 2014, due in particular to weather effects. Thus cash flow after net investments reached -€251 million (compared to €624 million in the first half of 2014). Cash flow after dividends was -€1,888 million, compared to -€877 million in the same period in 2014, which includes the full impact of interest paid for hybrid issues in 2013 and 2014.

| | **31/12/2014** | **30/06/2015** |
|---|---|---|
| Net financial debt *(in billions of Euros)* | 34.2 | 37.5 |
| Net financial debt/EBITDA[3] | 2.0x | 2.1x |

The net financial debt reached €37.5 billion, a rise of €3.3 billion compared to 31 December 2014, due to the trend in cash flow after dividend and the unfavourable exchange rate impact amounting to about €1.2 billion.
At 30 June 2015, the average maturity of the debt was 13.1 years and the average coupon was 3.09%, compared with 13.2 years and 3.29% at 31 December 2014.

The net financial debt/EBITDA ratio was 2.1x at 30 June 2015, compared to 2.0x at 31 December 2014, and was in the lower target range of 2x to 2.5x that the Group has set.

[2] Refer to press releases from the European Commission and from EDF published on 22 July 2015

[3] The rate at 30 June 2015 was calculated based on restated cumulative EBITDA from the second half of 2014 and from the first half of 2015, with a numerator and denominator of comparable scope. EBITDA from the second half of 2014 is restated to reflect the impact of retrospective application of IFRIC 21.

**Strategic partnership agreement between EDF and Areva**

On 30 July, EDF and Areva signed a memorandum of understanding that formalised the status of the progress of discussions concerning their contemplated partnership. This memorandum has 3 sections.

Firstly, EDF and Areva will enter into a comprehensive strategic and industrial agreement, in order to, in particular, improve and develop the efficiency of their cooperation in areas such as research and development, international sales of new reactors, the storage of spent fuel, and dismantling.

Secondly, this memorandum deals with the contemplated acquisition by EDF of an exclusive control of AREVA NP, the company in charge of equipment and fuel manufacturing as well as services for reactors. It provides for a majority control (at least 51%) of AREVA NP by EDF, a maximum stake of 25% held by Areva as part of a strategic partnership, and the potential participation of other minority partners. This project enables to better secure the most critical activities of the *Grand Carénage* for the existing fleet in France, and to improve the efficiency of engineering services, project management, and some manufacturing activities through EDF's experience feedback.

Lastly, the memorandum aims to set-up a dedicated company – 80% owned by EDF and 20% owned by AREVA NP – aimed at optimising the design and management of new reactors projects. The purpose of this company is to improve the preparation and management of projects as well as the export offering of the French industry by improving the coordination of strategic marketing to draw up offers in the upstream project phase, by developing offers that are more competitive and adapted to client needs, and by harmonising and expanding the range of reactors, all while ensuring the continuation of partnerships with the major industrial companies in Japan and China. This company will form part of an integrated generator/supplier model, which has been tried and tested in several countries.

The parties agreed on an indicative price (100% of equity value[4]) of 2.7 billion euros[5] at the closing date and agreed that the treatment of cash for the transition period between 1 January 2015 and the closing date would be dealt with in a subsequent agreement, taking into account the measures taken and the forecasts presented by the new AREVA NP management. This price corresponds to a 2015 EBITDA multiple of 8x[6]. The memorandum also provides that EDF, AREVA NP, and their subsidiaries will be completely immunised against any risks related to the Olkiluoto 3 project. On the basis of a 51% to 75% stake held by EDF, all the financial terms enable the Group to preserve its financial trajectory and to confirm that this transaction will have a neutral impact on its 2018 cash flow.

A detailed due diligence phase will begin starting from August in order to enable EDF to submit a binding offer during the last quarter of 2015. Prior to submitting a binding offer, the Group will proceed with the consultation of its employee representative bodies, and with the negotiation of the participation of other potential partners. The closing of the transaction is planned for the second half of 2016, subject in particular to approval from the relevant merger control authorities.

[4] Scope of the transaction, after excluding operations not acquired.

[5] "Non-binding" figure with no transfer of liability related to Olkiluoto 3 nor financial debt at the closing date. The figure may be subject to adjustment after due diligence.

[6] Normalised EBITDA pro forma of the acquired scope, excluding large projects

## Outlook

From the second half of 2015, in accordance with EDF's new strategic plan "CAP 2030" and in view of the energy transition, the Group will initiate a strategic review of its fossil-fired generation assets in Continental Europe as well as of its fossil fuel production and marketing activities that are not directly linked to the core businesses of the Group.

The Group confirms its financial targets for 2015:

- **Group EBITDA[7]:** Organic growth of 0 to 3%
- **Net financial debt/EBITDA:** Between 2x and 2.5x
- **Payout ratio of net income excluding non-recurring items post hybrid[8]:** 55% to 65%

The Group also reiterates its ambition of generating positive cash flow after dividends excluding Linky in 2018.

[7] At constant scope and exchange rates, and excluding impacts of the catch-up of 2012-2013 regulated sales tariffs

[8] Net income excluding non-recurring items, adjusted for the remuneration of hybrid issues accounted for in shareholders' equity

### Main Group results by segment

### France: Growth supported by the return to normal weather conditions

| *In millions of Euros* | H1 2014 restated* | H1 2015 | Organic change (%) |
|---|---|---|---|
| **Sales** | **20,352** | **20,791** | **+3.0** |
| **EBITDA** | **6,097** | **6,359** | **+3.4** |
| *O/w EBITDA generation and supply (unregulated)* | *3,734* | *3,885* | *+2.6* |
| *O/w EBITDA regulated* | *2,363* | *2,474* | *+4.7* |

* *Data restated for the impact related to the IFRIC 21 interpretation*

**In France**, sales amounted to €20,791 million, representing an organic growth of 3.0% compared with the first half of 2014.

EBITDA grew organically by 3.4%, reaching €6,359 million under the impact of favourable weather conditions for all activities, as temperatures in the first half of 2014 had been exceptionally mild.

Operating expenses for France increased by €251 million (+3.7%), of which €153 million (+2.3%) were due to changes in provisions and the decrease in the discount rate for pensions. External purchases excluding fuel were stable. The remaining increase of +1.4% was mainly due to the end of the programme for securing staff capabilities, which started just under 3 years ago.

**In generation and supply activities,** EBITDA rose to €3,885 million, representing organic growth of 2.6%. This growth was due in particular to the increase in the energy component of the tariffs on 1 November 2014, as well as the favourable weather effect (+8.5TWh). EBITDA was penalised by low market prices that triggered a transfer to the wholesale market of volumes previously sold under the ARENH mechanism.
Nuclear output came to 210.4TWh, a record high for a first half of the year since 2011, thanks to the ongoing effects of the plan to control the duration of planned outages. The increase in nuclear power generation (+1.6TWh) made it possible to offset the decrease in hydropower output (-1.4TWh) due to hydrological conditions that were less favourable than in 2014. The Group reiterates its 2015 nuclear output target of between 410 and 415TWh, based on a volume of planned outages comparable to 2014.

**In regulated activities**[9], EBITDA came to €2,474 million, representing organic growth of 4.7%. EBITDA from island activities rose €46 million, i.e. +13.4%, as they continued to benefit from the Group's investment efforts, which led to the commissioning of new EDF PEI generation units. ERDF's EBITDA rose 3.2%, mainly due to the favourable weather effect on volumes of electricity distributed.

[9] Network business and French island activities

## Outside of France

### United Kingdom: Stable performance in a difficult market environment

| *In millions of Euros* | H1 2014 | H1 2015 | Organic change (%) |
|---|---|---|---|
| **Sales** | **5,167** | **5,553** | **-4.3** |
| **EBITDA** | **1,174** | **1,312** | **0.0** |

**In the United Kingdom**, sales in the segment reached €5,553 million, representing an organic decrease of 4.3% compared with the first half of 2014.

EBITDA was €1,312 million, rising 11.8%. Adjusted for the positive impact of €138 million of the exchange rate effects, EBITDA remained stable in organic terms.

Nuclear power generation in the first half of 2015 was broadly stable, at 30.3TWh (-0.5TWh, or -1.6%). The impact of operating at a lower load at the Heysham 1 and Hartlepool plants was mostly compensated for by the good operating performance of the fleet. However, the decrease in realised prices for nuclear power did have an impact on the performance of the first half of the year.

B2C activity benefited from the positive effect of cold weather on gas sales, but suffered from the decrease in the number of client accounts, a reduction of 266,000 (-4.7%) compared to the end of June 2014.

The segment also benefited from good control of operating expenses in all activities.

### Italy: Unfavourable market environment in energy commodities

| *In millions of Euros* | H1 2014 | H1 2015 | Organic change (%) |
|---|---|---|---|
| **Sales** | **6,292** | **5,811** | **-7.7** |
| **EBITDA** | **456** | **246** | **-46.9** |

In **Italy**, Group sales decreased 7.7% in organic terms, to €5,811 million.

EBITDA of the segment was €246 million, a decline of €210 million compared to the first half of 2014 (and a decline of €214 million in organic terms, or -46.9%). This decrease was mainly due to Edison, whose contribution to the Group EBITDA was €204 million in the first half of 2015 compared to €419 million during the first half of 2014, an organic decrease of €219 million.

The contribution of the electricity activity suffered from the combined effects of less favourable hydro conditions than in the first half of 2014, which had experienced exceptional weather conditions, and of the unfavourable trend in thermal generation margins.

EBITDA of hydrocarbons activities decreased €50 million in organic terms, as exploration and production activities were penalised by the drop in Brent prices.

Edison is still awaiting the conclusion of the arbitration regarding the long-term gas contract with Libya, which is expected during the second half of 2015.

**Other International: Normalisation of weather conditions that compensated for extended outages of units in Belgium and Poland**

| *In millions of Euros* | H1 2014 restated* | H1 2015 | Organic change (%) |
|---|---|---|---|
| **Sales** | **2,863** | **2,923** | **+0.9** |
| **EBITDA** | **298** | **352** | **+14.4** |

* *Data restated for the impact related to the IFRIC 21 interpretation*

The sales of the **Other International** segment rose 0.9% in organic terms, to €2,923 million.

EBITDA was €352 million, up 14.4% in organic terms.

EBITDA in Belgium rose €17 million in organic terms, due to the rise in gas sales volumes driven by colder weather than in the first half of 2014, the increase in wind generation related to recent commissioning (+54MW, or +39% compared to 30 June 2014), and the positive evolution of ancillary services activity. EBITDA was penalised by the shutdown of the Doel 3 and Tihange 2 plants since 25 March 2014.

In Poland, EBITDA rose €42 million in organic terms thanks to improved margins related to the rise of realised electricity prices and of heat tariffs that was able to compensate the decrease in the volume of electricity generated.

As for Brazil, EBITDA decreased €14 million in organic terms, due in particular to a significant maintenance programme in 2015.

**Other activities: Adverse gas market conditions, partially compensated by renewables' growth**

| *In millions of Euros* | H1 2014 restated* | H1 2015 | Organic change (%) |
|---|---|---|---|
| **Sales** | **1,451** | **3,318** | **+6.3** |
| **EBITDA** | **808** | **878** | **-7.8** |

* *Data restated for the impact related to the IFRIC 21 interpretation*

Sales in the **Other Activities** segment rose to €3,318 million, representing organic growth of 6.3%.

EBITDA decreased 7.8% in organic terms, to €878 million.

The segment continued to be driven by the EBITDA progression of EDF Énergies Nouvelles, with an organic increase of 4.2% compared to the first half of 2014.

EBITDA of EDF Trading was down 6.5% in organic terms, mainly due to a lesser performance on the North American market, which had experienced a particularly intense activity in the first half of 2014. This was partially compensated for by an improvement in the trading margin in Europe due to colder temperatures and increased volatility in market prices.

EBITDA of gas activities declined due to an unfavourable price environment.

With a contribution of €134 million to EBITDA, Dalkia confirms the success of its integration in the Group.

## Highlights subsequent to the first quarter 2015 press release

### Regulated sales tariffs for electricity in France

On 15 July 2015, the CRE published its 2015 report on regulated sales tariffs (*TRV*). In this report, the CRE observed that a tariff deficit of €922 million in 2014 was added to the share of previous deficits that had not been compensated.

On 29 July 2015, the CRE published its deliberation giving its opinion on the proposed order relative to the regulated tariffs for electricity starting 1 August 2015 as submitted by the minister for ecology, sustainable development and energy and the minister for economy, industry and digital. According to the CRE deliberation, the proposed order tables average increases amounting to +2.5% in residential Blue tariffs, 0% in non-residential Blue tariffs, +0.9% in Yellow tariffs and +4.0% in Green tariffs. Regarding Blue tariffs for residentials and small businesses, the CRE gives a favourable opinion to the tariff changes as laid out in the proposed order, noting that the order takes into account the tariff catch-ups to be made, by spreading them over the next three years. Regarding Yellow and Green tariffs, the CRE gives an unfavourable opinion, deeming the proposed increases starting 1 August 2015 as largely insufficient to achieve a full tariff catch-up before those tariffs end, i.e. by 1 January 2016.

The CRE's opinion on this matter is advisory. The publication of the order in the Journal Officiel is expected by the end of July.

### EDF Énergies Nouvelles and EREN Renewable Energy commission 150 MWp of solar energy in India via their local subsidiary ACME Solar

Pursuing their development in India, EREN Renewable Energy and EDF Énergies Nouvelles announced on 24 July 2015 the commissioning of NSM and Odisha solar plants representing 150 MWp in Rajasthan and Odisha Indian states. Awarded following calls for tenders launched by the Indian government for NSM and by the State of Odisha for the project of the same name, these projects were developed by ACME Solar. EREN Renewable Energy and EDF Énergies Nouvelles each hold a 25% stake in ACME Solar.

### Final adoption of the Energy transition for green growth bill by the French National Assembly

On 22 July 2015, the French National Assembly adopted the energy transition for green growth bill. The law will be enacted after the French Constitutional Council makes a decision.

### Decision of the European Commission regarding the tax treatment of provisions created between 1987 and 1996 for the renewal of the electricity networks of the "Réseau d'Alimentation Générale" ("RAG")

On 22 July 2015, the European Commission adopted a new decision considering that the tax treatment of provisions created between 1987 and 1996 for the renewal of the structures of the *Réseau d'Alimentation Générale (RAG)*--the general electricity grid constituted State aid and was incompatible with European Union rules.

This decision follows the European General Court's cancellation in December 2009 of the initial Commission decision of 16 December 2003. The Court of Justice of the European Union confirmed the cancellation in June

2012. The grounds were that the Commission should have applied the criterion of prudent investor in its assessment, to determine if it constituted State aid or not.

Following this annulment, on 30 December 2009, the State had refunded EDF the sum of €1,224 million, equivalent to the amount that EDF had paid to the French State in February 2004 (this amount was partially repaid to ERDF and RTE for their respective shares). In May 2013, the Commission decided to reopen the proceedings.

Through its decision, the Commission concluded the existence of State aid incompatible with the common market. As a result of this decision, the State will instruct EDF to reimburse the sum corresponding to the alleged aid, plus interest according to the procedures set by the Commission.

EDF takes note of this decision and will proceed with the reimbursement of the sums required. However, EDF denies the existence of unlawful State aid and will file, subject to the review of the decision, an action for annulment before the European General Court.

EDF conveyed the corresponding impacts in its consolidated financial statements as follows:

- At 30 June 2015, symmetrically to the impacts that had been recorded in the accounts at 31 December 2009, the tax principal, representing €889 million, negatively impacted the consolidated shareholders' equity of the Group. The related accrued financial interests impacted the net income-Group share and are estimated at 30 June 2015 at around €350 million after tax.
- In the second half of 2015, this decision should lead to an increase in the net financial debt of the Group of around €0.9 billion (net of tax effect excluding the impact on the net financial debt of RTE, accounted for by the equity method).

## CMA investigation on the energy market in the United Kingdom

During the week of 6 July 2015, the CMA – the British Competition and Markets Authority – published its provisional findings and suggestions for possible remedies, based on its investigation to date on the "supply and acquisition of energy in Great Britain".

The provisional findings confirm the absence of significant findings related to generation, common ownership of generation and supply (vertical integration), or effectiveness of the wholesale electricity and gas market. However, the CMA did provisionally conclude that there was "weak customer response" from both domestic retail and microbusiness customers, giving suppliers market power over their inactive customers, which they have the ability to exploit through pricing policies.

As such, the CMA proposed 18 possible remedies on which it is seeking views from stakeholders. Most of the remedies are only broadly defined at this stage. As expected, the possible remedies mainly focus on retail and the regulatory framework, with a particular emphasis on measures intended to improve customer engagement. Over the course of the year, the CMA will publish a provisional decision document covering any remedies it recommends implementing. This will be followed by a further consultation period. The statutory deadline for the CMA to publish its final report is 25 December 2015.

## Hinkley Point C power plant project

On 8 October 2014, the European Commission approved the main terms of the agreements between EDF group and the UK government for the construction of the Hinkley Point C power plant in Somerset.

The remaining steps prior to the final investment decision include in particular: the signing of agreements with the project's partners, the approval by the European Commission and the UK government of the provisions governing the waste transfer contract, the establishment of the funding guarantee in line with the "Infrastructure UK" programme, and the finalisation of the Contract for Difference as well as the agreements with the main suppliers.

On 6 July 2015, the Austrian government lodged an appeal against the 8 October 2014 decision of the European Commission with the European General Court. Greenpeace Energy and a German-Austrian alliance of energy suppliers and municipal services also lodged an appeal against this decision on 15 July 2015.

## EDF signed an agreement with Macquarie to sell its 25% stake in Energie Steiermark AG (ESTAG)

On 10 July 2015, EDF and Macquarie Infrastructure and Real Assets announced the signature of an agreement to sell the 25% stake of EDF International SAS in Energie Steiermark AG (ESTAG) to Macquarie European Infrastructure Fund IV (MEIF4), a specialist infrastructure fund focused on long-term investments. ESTAG is the fourth largest energy distribution company in Austria. Based in the land of Styria, ESTAG operates in the distribution and sale of electricity, gas and heat, as well as energy related services. This transaction is subject to clearance from the relevant competition and foreign investment control authorities. The closing of the transaction, expected during the second half of 2015, also requires approval from the land of Styria, ESTAG's controlling shareholder, as well as the signature of a new shareholders' agreement between Macquarie and the Land of Styria.

## EDF Énergies Nouvelles commissions the extension of the Soma wind farm in Turkey, increasing its total capacity to 240 MW

On 9 July 2015, EDF Énergies Nouvelles announced the commissioning of the third section of the Soma wind farm in Turkey, via its local subsidiary Polat Enerji, owned at 45% by the Group. This 100MW extension increases the total capacity of the Soma wind farm to 240MW. This makes it the wind farm with the highest capacity that EDF Énergies Nouvelles has built in Turkey. Currently, EDF Énergies Nouvelles operates eight wind farms in Turkey with total gross installed capacity of 613MW.

## Disposal of Budapesti Erőmű ZRt. (BERT) in Hungary

On 30 June 2015, EDF and EP Energy announced the signature of an agreement to sell EDF's majority stake in the Hungarian company Budapesti Erőmű ZRt. (BERT). EP Energy will therefore acquire over 95% of the shares in a company that owns three gas-fired cogeneration plants that meet nearly 60% of the heat demand in Budapest, and that generate approximately 3% of Hungarian electricity. The transaction is subject to approval from the Hungarian competition and regulation authority, and the authorisation of the French Ministry for the Economy.

## Acquisition of the Salt Fork wind farm project in Texas

On 23 June 2015, EDF Énergies Nouvelles announced the acquisition of the Salt Fork wind farm project in Texas, via its North American subsidiary EDF Renewable Energy. With a maximum capacity of 200MW, the commissioning of this wind farm project, initially developed by Cielo Wind Power, is planned for the end of 2016.

The electricity generated by the first 150MW of Salt Fork will be sold to Garland Power & Light under a long-term power purchase agreement.

## Complete allocation of the proceeds from the Green Bond issued in November 2013

In November 2013, the Group successfully launched the first green bond in euros issued by a large company. The issuance raised €1.4 billion aimed at financing renewable energy projects of EDF Énergies Nouvelles. Allocation in full of the entire €1.4 billion was completed at the end of May 2015. These funds financed 13 renewable energy projects (wind, solar photovoltaic, and biomethane) in France and North America, developed by EDF Énergies Nouvelles. These projects have 1.8GW of total capacity and potential annual output of around 7TWh.

## Celebrating Electranova Capital's three year anniversary and its investment in an eighth start-up

On 27 May 2015, Electranova Capital, an investment fund managed by Idinvest Partners in partnership with EDF, and supported by BPI and Allianz, announced its 8th investment in the North American start-up FirstFuel. FirstFuel is specialised in artificial intelligence and would like to turn to the European market. This €90 million fund, €30 million of which are from EDF, devoted to green technologies and created in May 2012, has a stake in seven start-ups already, in diverse fields, ranging from new-generation batteries (Forsee Power) to radars or Lidars for installing offshore wind farms (Leosphère), and dedicated Internet of Things platforms (Actility). As part of the EDF R&D programme to open up to budding innovative companies, the objective of the fund is to help such companies to expand in high-growth markets, responding to key energy transition issues and strategic priorities for the EDF group.

## Finalisation of the EDF Luminus takeover of ATS

On 27 May 2015, the acquisition by EDF Luminus of a majority stake in ATS SA was finalised, after the Belgian Competition Authority expressed a favourable opinion. In addition to electrical equipment distribution, ATS offers fully integrated electricity and heating solutions: design and engineering, installation and maintenance of industrial electricity networks, automation projects, industrial refrigeration, and fire and water detection. EDF Luminus and ATS will thus be better able to assist their clients in the industrial, services, and public sectors, via an enhanced offering of energy efficiency and consumption optimisation solutions.

## The Board of Directors of EDF Luminus approved its IPO plan

On 13 May 2015, the EDF Luminus Board of Directors decided to initiate its plan to go public on Euronext Brussels. As per the EDF Luminus shareholders' agreement concluded on 16 April 2010 with the EDF group, the Belgian shareholders of EDF Luminus had released the notification of their IPO request in order to dispose of their shares. The EDF group currently holds 63.5% of the capital of EDF Luminus through its subsidiary EDF Belgium. The balance (36.5%) is held by the Belgian shareholders Publilec, Publilum, Socofe, VEH, Ethias, and Nethys. This IPO could be completed by the end of 2015, subject to market conditions and approval from the Belgian Financial Services and Markets Authority.

## Nuclear power plants in Belgium

On 25 March 2014, a planned outage of the reactors Doel 3 and Tihange 2 was announced, to conduct an extensive testing programme on the vessels of both reactors (in which EDF Luminus holds drawing rights of 10.2%). Following this announcement, Electrabel announced a second mechanical testing and metallurgical assessment programme on 12 June 2014. On 13 May 2015, Electrabel published a press release specifying that Doel 3 and Tihange 2 would remain unavailable until 1 November 2015, in order to give the federal agency for nuclear control (AFCN) additional time to finalise its complementary analyses.

# APPENDICES

**First application of IFRIC 21**

IFRIC 21 became mandatory on 1 January 2015 and is applied retrospectively, in compliance with IAS 8.

For the Group, the main consequence of this change in accounting method concerns the recognition of certain taxes, which are no longer spread over the year but recorded as soon as the triggering event for those taxes arises, which in most cases is during the first half-year.

The taxes concerned by this change in accounting method essentially relate to operation of the EDF group's businesses in France. Many of them are taxes for which the triggering event arises on 1 January, such as the tax on nuclear facilities, the tax on network firms (IFER), land tax, pylon tax and hydropower tax.

The impacts of application of IFRIC 21 on EDF net income for first-half 2014 amount to €(599) million. However, it has no significant impact on the annual consolidated financial statements.

# Consolidated income statements

| *(in millions of Euros)* | H1 2015 | H1 2014 [1] |
|---|---|---|
| Sales | 38,396 | 36,125 |
| Fuel and energy purchases | (19,495) | (18,293) |
| Other external expenses | (4,082) | (3,676) |
| Personnel expenses | (6,401) | (5,644) |
| Taxes other than income taxes | (2,674) | (2,620) |
| Other operating income and expenses | 3,403 | 2,941 |
| **Operating profit before depreciation and amortisation** | **9,147** | **8,833** |
| Net changes in fair value on Energy and Commodity derivatives, excluding trading activities | 24 | 122 |
| Net depreciation and amortisation | (4,375) | (3,753) |
| Net increases in provisions for renewal of property, plant and equipment operated under concessions | (55) | (86) |
| (Impairment) / reversals | (474) | (19) |
| Other income and expenses | 269 | 3 |
| **Operating profit** | **4,536** | **5,100** |
| Cost of gross financial indebtedness | (1,086) | (1,173) |
| Discount effect | (1,409 | (1,495) |
| Other financial income and expenses | 1,347 | 1,381 |
| **Financial result** | **(1,148)** | **(1,287)** |
| **Income before taxes of consolidated companies** | **3,388** | **3,813** |
| Income taxes | (985) | (1,274) |
| Share in income of associates and joint ventures | 201 | 103 |
| **Group net income** | **2,604** | **2,642** |
| **EDF net income** | **2,514** | **2,518** |
| **Net income attributable to non-controlling interests** | **90** | **124** |
| | | |
| **Earnings per share (EDF share) in Euros:** | | |
| Earnings per share | 1.14 | 1.23 |
| Diluted earnings per share | 1.14 | 1.23 |

*(1) The figures published for first-half 2014 have been restated for the impact of retrospective application of IFRIC 21*

# Consolidated balance sheets

## ASSETS

| *(in millions of Euros)* | 30/6/2015 | 31/12/2014 (1) |
|---|---|---|
| Goodwill | 10,510 | 9,694 |
| Other intangible assets | 8,974 | 8,884 |
| Property, plant and equipment operated under French public electricity distribution concessions | 50,718 | 50,257 |
| Property, plant and equipment operated under concessions for other activities | 8,071 | 7,851 |
| Property, plant and equipment used in generation and other tangible assets owned by the Group | 71,705 | 69,392 |
| Investments in associates and joint ventures | 11,314 | 10,983 |
| Non-current financial assets | 35,350 | 33,485 |
| Other non-current receivables | 2,139 | 2,024 |
| Deferred tax assets | 2,790 | 2,590 |
| **Non-current assets** | **201,571** | **195,160** |
| Inventories | 14,752 | 14,747 |
| Trade receivables | 22,282 | 23,176 |
| Current financial assets | 19,234 | 20,752 |
| Current tax assets | 552 | 600 |
| Other receivables | 9,079 | 8,793 |
| Cash and cash equivalents | 3,034 | 4,701 |
| **Current assets** | **68,933** | **72,769** |
| **Assets classified as held for sale** | **-** | **18** |
| Total assets | 270,504 | 267,947 |

*(1) The figures published for first-half 2014 have been restated for the impact of retrospective application of IFRIC 21*

# Consolidated balance sheets

## EQUITY AND LIABILITIES

| *(in millions of Euros)* | 30/6/2015 | 31/12/2014 (1) |
|---|---|---|
| Capital | 930 | 930 |
| EDF net income and consolidated reserves | 35,176 | 34,316 |
| **Equity (EDF share)** | **36,106** | **35,246** |
| Equity (non-controlling interests) | 5,652 | 5,419 |
| **Total equity** | **41,758** | **40,665** |
| Provisions related to nuclear generation – Back-end nuclear cycle, plant decommissioning and last cores | 43,751 | 42,398 |
| Provisions for decommissioning of non-nuclear facilities | 1,455 | 1,297 |
| Provisions for employee benefits | 23,071 | 23,060 |
| Other provisions | 1,856 | 1,841 |
| *Non-current provisions* | *70,133* | *68,596* |
| Special French public electricity distribution concession liabilities | 44,738 | 44,346 |
| Non-current financial liabilities | 47,744 | 47,274 |
| Other non-current liabilities | 4,899 | 4,956 |
| Deferred tax liabilities | 4,655 | 4,315 |
| **Non-current liabilities** | **172,169** | **169,487** |
| Current provisions | 4,976 | 5,254 |
| Trade payables | 11,849 | 14,864 |
| Current financial liabilities | 14,943 | 14,184 |
| Current tax liabilities | 511 | 441 |
| Other current liabilities | 24,298 | 23,052 |
| **Current liabilities** | **56,577** | **57,795** |
| **Liabilities related to assets classified as held for sale** | - | - |
| Total equity and liabilities | 270,504 | 267,947 |

*(1) The figures published for first-half 2014 have been restated for the impact of retrospective application of IFRIC 21*

# Consolidated cash flow statements

| *(in millions of Euros)* | H1 2015 | H1 2014 (1) |
|---|---|---|
| Operating activities: | | |
| Income before taxes of consolidated companies | 3,388 | 3,813 |
| Impairment (reversals) | 474 | 19 |
| Accumulated depreciation and amortisation, provisions and change in fair value | 4,688 | 3,914 |
| Financial income and expenses | 551 | 589 |
| Dividends received from associates and joint ventures | 241 | 620 |
| Capital gains/losses | (913) | (540) |
| Change in working capital | (588) | (54) |
| *Net cash flow from operations* | *7,841* | *8,361* |
| Net financial expenses disbursed | (911) | (859) |
| Income taxes paid | (781) | (1,264) |
| Net cash flow from operating activities | 6,149 | 6,238 |
| Investing activities: | | |
| Acquisitions / disposals of equity investments, net of cash (acquired/transferred) | 82 | (8) |
| Investments in intangible assets and property, plant and equipment | (7,259) | (6,249) |
| Net proceeds from sale of intangible assets and property, plant and equipment | 270 | 71 |
| Changes in financial assets | 423 | (7,304) |
| Net cash flow used in investing activities | (6,484) | (13,490) |
| Financing activities: | | |
| Transactions with non-controlling interests(2) | 30 | (19) |
| Dividends paid by parent company | (1,268) | (1,268) |
| Dividends paid to non-controlling interests | (141) | (93) |
| Purchases / sales of treasury shares | (13) | (8) |
| *Cash flows with shareholders* | *(1,392)* | *(1,388)* |
| Issuance of borrowings | 2,539 | 5,722 |
| Repayment of borrowings | (2,329) | (2,018) |
| Issuance of perpetual subordinated bonds | - | 3,970 |
| Payments to bearers of perpetual subordinated bond | (397) | (223) |
| Funding contributions received for assets operated under concessions | 69 | 75 |
| Investment subsidies | 279 | 97 |
| *Other cash flows from financing activities* | *161* | *7,623* |
| Net cash flow from financing activities | (1,231) | 6,235 |
| Net increase/(decrease) in cash and cash equivalents | (1,566) | (1,017) |
| Cash and cash equivalents - opening balance | 4,701 | 5,096 |
| Net increase/(decrease) in cash and cash equivalents | (1,566) | (1,017) |
| Effect of currency fluctuations | (120) | 30 |
| Financial income on cash and cash equivalents | 8 | 10 |
| Effect of reclassifications | 11 | (4) |
| Cash and cash equivalents - closing balance | 3,034 | 4,115 |

*(1) The figures published for first-half 2014 have been restated for the impact of retrospective application of IFRIC 21*
*(2) Contributions via capital increases or reductions and acquisitions of additional interests in controlled companies.*

# PRESS RELEASE

30 July 2015

EDF group, a leader in the European energy market, is an integrated energy company active in all areas of the business: generation, transmission, distribution, energy supply and trading. The Group is the leading electricity producer in Europe. In France, its production facilities are essentially nuclear and hydropower, with 97.6% of the electricity output $CO_2$-free. EDF's transmission and distribution subsidiaries in France operate 1,285,000 km of low and medium voltage overhead and underground electricity lines and around 100,000 km of high and very high voltage networks. The Group is involved in supplying energy and services to approximately 38.5 million customer accounts, 28.3 million of which are in France. The Group generated consolidated sales of €72.9 billion in 2014, 45.2% of which were outside of France. EDF is listed on the Paris Stock Exchange and is a member of the CAC 40 index.

## ***Disclaimer***

*This press release does not constitute an offer to sell securities in the United States or any other jurisdiction. No reliance should be placed on the accuracy, completeness or correctness of the information or opinions contained in this press release, and none of EDF representatives shall bear any liability for any loss arising from any use of this press release or its contents. The present document may contain forward-looking statements and targets concerning the Group's strategy, financial position or results. EDF considers that these forward-looking statements and targets are based on reasonable assumptions, which can be however inaccurate and are subject to numerous risks and uncertainties. There is no certainty that the forecast events will take place or that the expected results will actually be achieved. Important factors that could cause actual results, performance or achievements of the Group to differ materially from those contemplated in this document include in particular the successful implementation of EDF strategic, financial and operational initiatives based on its current business model as an integrated operator, changes in the competitive and regulatory framework of the energy markets, as well as risk and uncertainties relating to the Group's activities, its international scope, the climatic environment, the volatility of raw materials prices and currency exchange rates, technological changes, changes in general economic activities. 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 (AMF) on April 14, 2015, which is available on AMF's website at www.amf-france.org and on EDF's website at www.edf.com.EDF does not undertake nor does it have any obligation to update forward-looking information contained in this press release to reflect any unexpected events or circumstances arising after the date of this press release.*

Only print this document if absolutely necessary.


**EDF**
22-30, avenue de Wagram - 75382 Paris cedex 08

A French *société anonyme* (S.A.) with capital of € 924,433,331 - Paris Trade and Companies Register no. 552 081 317

www.edf.fr

**CONTACTS**

**Press**
Carole Trivi: +33 1 40 42 44 19

**Analysts and investors**
Kader Hidra: +33 1 40 42 45 53