PRESS RELEASE
29 July 2016

2016 half-year results stable
Extension of the depreciation period of the 900MW fleet to 50 years[1]
Very good performance in renewable energies
2016 financial targets maintained

- **EBITDA**: €8.9 billion, nearly stable (-0.7% organic variation) in challenging market conditions in France and the UK
- **Net income excluding non-recurring items[2]**: €3.0 billion, +1.4%
  - +€0.3 billion from the positive effect of the extension to 50 years of the accounting depreciation period of the PWR[3] 900MW series[1]
- **Net income – Group share**: €2.1 billion, -17.2%, essentially in relation to asset impairments
- **Nuclear output**:
  - France: 205.2TWh, down 2.5% due in particular to additional inspections resulting in the extension of certain planned outages
  - United Kingdom: 30.9TWh, up 1.8%, good operational performance
- **Renewable energies:**
  - More than 6TWh generated by EDF Énergies Nouvelles, +16%
  - 1.6GW of capacity under construction
- **Net financial debt[4]/EBITDA ratio**: 2.1x, stable vs. 31/12/2015

Outlook

As announced on 19 July 2016, the Group maintains its financial objectives for 2016, taking into account in particular the expected tariff adjustment and the revision of the nuclear output targets in connection with the outage extensions now planned in order to conduct additional inspections:

- **EBITDA**: €16.3 – 16.8 billion
- **Net financial debt/EBITDA ratio**: between 2x and 2.5x
- **Payout ratio of Net income excluding non-recurring items[5]**: 55% to 65%

The ambition of a positive cash flow in 2018 after dividends, excluding Linky, new developments and asset disposals is maintained.

---

[1] Excluding Fessenheim
[2] Net income excluding non-recurring items and excluding net changes in fair value of energy and commodity derivatives, excluding trading activities net of tax
[3] Pressurized Water Reactor
[4] Net financial debt comprises total loans and financial debt, less cash and cash equivalents and liquid assets. Liquid assets are financial assets consisting of funds or securities with an initial maturity of over three months, easily convertible into cash, and managed as part of an objective to maintain liquidity. It also takes into account the Group's loan to RTE
[5] Adjusted for interest payments on hybrid issues booked in equity

EDF's Board of Directors meeting on 28 July 2016, under the chairmanship of Jean-Bernard Lévy, approved the condensed consolidated half-year financial statements at 30 June 2016.

Jean-Bernard Lévy, EDF Chairman and Chief Executive Officer, stated:
"In a context of increased competition and in an environment marked in recent months by a significant drop in electricity prices on the wholesale market, the Group posted good operational results and is able to confirm its financial objectives for 2016. Thanks to the hard work of our teams, nearly 75% of customers previously subscribed to Green and Yellow regulated tariffs chose EDF, which remains the largest supplier of electricity to businesses and local authorities in France. EDF also recorded this half-year very good growth in the area of renewable energies, consistent with the Group's CAP 2030 strategy: EDF EN output in TWh is up 16% compared to the same period in 2015, while French hydropower generation has increased 6.5%. These solid results confirm EDF's leadership in renewable energies in Europe."

Change in EDF group's half-year results

In millions of euros	H1 2015	H1 2016	Change (%)	Organic change (%)
Sales	38,873	36,659	-5.7	-4.6
EBITDA	9,147	8,944	-2.2	-0.7
EBIT	4,536	4,512	-0.5	
Net income – Group share	2,514	2,081	-17.2	
Net income excluding non-recurring items	2,928	2,968	1.4	

Change in EDF group's half-year EBITDA

In millions of euros	H1 2015	H1 2016	Organic change (%)
France	6,359	6,181	-2.8
United Kingdom	1,312	1,118	-8.9
Italy	246	328	+36.2
Other International	352	363	+11.6
Other activities	878	954	+12.0
Total Group	**9,147**	**8,944**	**-0.7**

In a context of continued intensification of competition and a sharp drop in market prices, especially in early 2016, the Group's operational results were nearly stable for the first half of the year, thanks in particular to the good performance of its regulated activities and renewable energy activities.

The EDF group continued to deliver cost reductions. Operational expenditures were down 1.6% in organic terms compared to the first half of 2015. This change is in line with the action plan presented to the Board of Directors on 22 April, which provides for a reduction in operating expenses of at least €1 billion in 2019 compared to 2015.

Group EBITDA amounted to €8,944 million, down 2.2% and was relatively stable in organic terms (-0.7%) compared to the first half of 2015.

In France, EBITDA was down 2.8% in organic terms, penalised mainly by the combined effect of the decline in electricity prices and the end of the Yellow and Green regulated tariffs on 31 December 2015.

In the United Kingdom, EBITDA was down 8.9% in organic terms compared to the first half of 2015 due to a difficult market environment, but is supported by good operational performance of its nuclear fleet.

In Italy, EBITDA rose 36.2% in organic terms thanks to the recovery of margins from the renegotiations of the Libyan gas contract.

EBITDA in the Other International segment was up 11.6% in organic terms, driven in particular by the increase in output in most countries.

In the Other activities segment, EBITDA was up 12% in organic terms, thanks mainly to growing activity from EDF Énergies Nouvelles.

Net income excluding non-recurring items amounted to €2,968 million in the first half 2016, up 1.4% compared to the first half of 2015, with a positive effect of €310 million related to the extension to 50 years of the accounting depreciation period of the PWR 900MW series[6] in France.
Group net income amounted to €2,081 million in the first half of 2016, down €433 million compared to the first half of 2015, or -17.2%, mainly due to the effect of asset impairments.

During the first half of 2016, the Group continued to implement its plan to optimise investments. Net investments amounted to €5,569 million in 2016, down €876 million compared to the first half of 2015.

Operating cash flow amounted to €7,959 million in the first half of 2016, compared to €6,738 million in the first half of 2015, an increase of €1,221 million (+18.1%). This change is due notably to the refund in 2016 of the prepaid income tax instalments made in 2015 and lower financial charges disbursed. Cash flow after investments was up significantly, reaching €670 million thanks to the optimisation of investments and despite an increase in the working capital requirement.
Group cash flow[7] was positive at €107 million. This takes into account the payment in shares of the majority of the balance of the dividend for 2015.

	31/12/2015	30/06/2016
Net financial debt *(in billions of euros)*	37.4	36.2
Net financial debt/EBITDA	2.1x	2.1x

The Group's net financial debt was €36.2 billion at 30 June 2016. It was €37.4 billion on 31 December 2015. This decrease of €1,187 million was mainly due to a positive Group cash flow (+€107 million) and to a favourable currency effect (+€1,036 million) due to the depreciation of the exchange rate of the pound sterling.

The net financial debt/EBITDA ratio was 2.1x at 30 June 2016, stable compared to 31 December 2015 and within the 2x to 2.5x range set by the Group for the 2016 fiscal year.

[6] Excluding Fessenheim
[7] Cash flow after dividends

Extension to 50 years of the accounting depreciation period of the PWR 900 MW series excluding Fessenheim in France

In the first half 2016, all of the technical, economic and governance conditions necessary to align the accounting depreciation period of the French nuclear fleet with the Group's industrial strategy were met. The consolidated financial statements at 30 June 2016, approved by the Board of Directors on 28 July 2016, include the extension from 40 years to 50 years of the depreciation period for the PWR 900MW series plants excluding Fessenheim on 1 January 2016 and does not prejudice the decisions to authorise the continued operation which will be made unit by unit by the French nuclear safety authority (ASN) after each 10-year visit.

This change in the accounting depreciation period is part of the Group's industrial strategy to extend the operating life of the French nuclear fleet beyond 40 years. It is based on the technical capacity of the facilities to run for at least 50 years, supported by international benchmarks, as well as the progressive investments made as part of the "Grand Carénage" programme. These investments will allow the PWR 900 MW series to approach as closely as possible the safety level of the EPR, one of the highest in the world, after their 4th 10-year inspection (VD4). The content of the VD4s is being progressively converged on the accepted topics and on the commitments made by the company, as indicated by the ASN's response to the review of guidance documents sent to EDF in April 2016. EDF also takes into account the ASN's complementary requests in terms of studies, inspections and works.

Moreover, the extension of the accounting depreciation period of the 900MW units is compatible with the objectives of the PPE of 1 July 2016.

The extension of the depreciation period of the PWR 900MW series excluding Fessenheim had the effect, in the income statement, of reducing the asset depreciation expenses and the costs of unwinding the discount in the amount of €0.5 billion at 30 June 2016, with a reduction estimated at €1 billion for the whole of 2016. The impact on net income excluding non-recurring items was +€0.3 billion at 30 June 2016 and estimated at €0.6 billion for 2016.

The impacts on the balance sheet correspond to a reduction in nuclear provisions of €2.1 billion at 1 January 2016 – including €1.7 billion in the scope of dedicated assets – due to postponements in scheduling. As a consequence, the coverage ratio of dedicated assets reached 105.2 % as of 30 June 2016.

The depreciation period of the other series of France's nuclear fleet (1,300MW and 1,450MW), which are much more recent, currently remains at 40 years, as the conditions for an extension were not met. The later extension of the other more recent series remains part of the Group's industrial strategy, which will be implemented according to energy policy goals.

Main Group results by segment

France: performance impacted by the effect of lower market prices and the end of regulated Yellow and Green tariffs

	H1 2015	H1 2016	Organic change (%)
Sales	**20,791**	**20,381**	**-2.0**
EBITDA	**6,359**	**6,181**	**-2.8**
O/w EBITDA generation and supply (unregulated)	*3,885*	*3,450*	*-11.2*
O/w EBITDA distribution networks	*2,085*	*2,200*	*+5.5*
O/w EBITDA French islands' activities	*389*	*531*	*+36.5*

In France, sales reached €20,381 million, down 2% in organic terms compared to the first half of 2015. EBITDA dropped to €6,181 million, an organic decrease of 2.8%.

In generation and supply (unregulated) activities, EBITDA was down 11.2% in organic terms.
In the context of a sharp drop in market prices, especially early in the year, EBITDA was penalised by the increase in volumes sold at less favourable price conditions. This increase is due in particular to the lack of ARENH volumes and to the consequences of the end of the Yellow and Green tariffs on sales volumes and prices.

Nuclear output came to 205.2TWh, down 5.2TWh compared to the first half of 2015 due to mild weather and to the extension of certain planned outages linked to additional inspections. These adverse factors were mitigated by good industrial performance and safety, with few unplanned outages and a historically low number of automatic reactor outages. The change in nuclear output had a negative effect on EBITDA of -€161 million in the first half of 2016, compared to the same period in 2015.
On the basis of the nuclear output at the end of June and the extensions of outages planned for the second half-year, the Group has revised its target for nuclear output for 2016 from 408-412TWh to 395-400TWh[8].

At the same time, hydropower generation reached 25.5TWh[9], an increase of 1.5TWh compared to the first half of 2015, driven by a significant improvement in hydro conditions, corresponding to a positive impact of +€40 million compared to the first half of 2015.

Over the period, EBITDA also benefitted from the tariff increase that took place on 1 August 2015, amounting to +€185 million for the energy component.

In distribution network activities, EBITDA increased 5.5% in organic terms. These activities benefitted from the 0.4% increase of the TURPE on 1 August 2015, and from a lower cost of purchases to cover losses due to the drop in market prices.

[8] Please refer to the press release "2016 targets update" of 19 July 2016
[9] Hydropower generation after deduction of pumped volumes represented 22.1TWh in the first half of 2016

Over the entire France segment, operating expenses were slightly lower, thanks to the cost reduction plan launched in 2015 and reinforced in the first half 2016. This reduction in Opex was particularly steep in the area of sales, thanks to the adaptation of the cost structure to the competitive conditions and in thermal power due to lower demand.

United Kingdom: competitive environment and challenging market conditions, partially offset by strong nuclear generation

In millions of euros	H1 2015	H1 2016	Organic change (%)
Sales	**6,030**(1)	**4,985**	**-11.4**
EBITDA	**1,312**	**1,118**	**-8.9**

(1) €477m of net power sales on the wholesale electricity markets (excluding trading activities) relating to the year ended 30 June 2015 have been reclassified from energy purchases to sales

In the United Kingdom, sales were down 11.4% in organic terms compared to the first half of 2015, amounting to €4,985 million. EBITDA was down €194 to €1,118 million, representing an organic decline of 8.9%, after deducting an unfavourable exchange effect of €77 million.

This change reflected lower realised electricity prices, partially offset by a further improved operating performance of the nuclear fleet. Nuclear output in the first half of 2016 amounted to 30.9TWh, up 0.5TWh (+1.8%) compared to the first half of 2015.

B2C activity was marked by a decrease in electricity volumes sold to end customers, due to a lower number of product accounts in a context of increased competition, and by lower pricing.

Furthermore, EBITDA was supported by the organic decline in Opex, reflecting the efforts made by EDF Energy across all its activities.

Italy: recovery of margins on gas sales
following the positive outcome of supply contract renegotiations

In millions of euros	H1 2015	H1 2016	Organic change (%)
Sales	**5,811**	**5,551**	**-4.2**
EBITDA	**246**	**328**	**+36.2**

In Italy, sales in the first half of 2016 amounted to €5,551 million, down 4.2% in organic terms compared to the first half of 2015. EBITDA increased 36.2% in organic terms to €328 million.

Despite the effect of the drop in Brent prices on E&P activities, EBITDA of Hydrocarbons activities displayed strong organic growth. This change reflects the recovery, during the first half-year, of the margins on gas sales, the outcome of the arbitration on Libyan gas contract at the end of 2015 and of the revision of the price formula agreed on with ENI in June 2016.

In Electricity activities, EBITDA was impacted by the drop in hydropower generation, especially in the first quarter of the year, by the continued decline in the average selling prices of electricity and by lower margins in the thermal power plants.

Other International: good operational performance in all areas

In millions of euros	H1 2015	H1 2016	Organic change (%)
Sales	**2,923**	**2,622**	**-6.6**
EBITDA	**352**	**363**	**+11.6**

Sales in the **Other International** segment amounted to €2,622 million, down 6.6% in organic terms compared to the first half of 2015. EBITDA increased 11.6% in organic terms to €363 million.

In Belgium, EBITDA was up 22.7% in organic terms, thanks to the good performance of the nuclear generation following the restarting of the Doel 3 and Tihange 2 reactors. EDF Luminus strengthened its position as the leader in onshore wind power in Belgium, with a 42% increase in output compared to the first half of 2015. EBITDA also benefited from the strong level of activity for ancillary services.

In Poland[10], EBITDA amounted to €127 million with organic growth of 19.8% compared to the first half of 2015 thanks to the good performance of EDF Polska. This performance reflects the increase in the generation of electricity and heat as a result of a more favourable weather in 2015 and improved availability of assets, for which the modernisation works are nearing completion. In Poland, EBITDA also benefited from the increase in heat tariffs and realised electricity prices.

Brazil participates in the growth of the segment's EBITDA with an organic increase of +€52 million due to the positive effect of the annual tariff review under Norte Fluminense’s Power Purchase Agreement (PPA), and favourable spot purchases during maintenance periods.

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

[10] Polish activities of EDF EN and Dalkia are part of the “Other activities” segment

Other activities: strong growth of EDF Énergies Nouvelles

In millions of euros	H1 2015	H1 2016	Organic change (%)
Sales	**3,318**	**3,120**	**-7.3**
EBITDA	**878**	**954**	**+12.0**

Sales in the **Other activities** segment amounted to €3,120 million, down 7.3% in organic terms compared to the first half of 2015. EBITDA was up 12% organically to €954 million.

EDF Énergies Nouvelles contributed €554 million to the Group's EBITDA, an organic increase of 48.3 % compared to the first half of 2015. This change reflects the concentration of Development and Sale of Structured Assets activities on this first half-year, supported in particular by the rationalisation of the portfolio in Europe, as well as by the positive impact of the new partnership with Enbridge in offshore wind projects in France. EBITDA of EDF Énergies Nouvelles also benefited from higher output related to capacity commissioned in the second half of 2015.

EBITDA of Dalkia was €135 million, down €9 million (-6.7%) in organic terms, due in particular to unfavourable price effects and milder weather than in the first half of 2015.

EBITDA of EDF Trading amounted to €188 million, down €89 million (-28.6%) in organic terms compared to the first half of 2015. This change reflects, on one hand, the transfer of the management of electricity under Purchase Obligation to the France segment (with no impact at the Group level) and, on the other, adverse market conditions.

Main highlights since the first quarter 2016 press release

Hinkley Point C : EDF's Board of Directors approves the final investment decision

At its meeting on 28 July 2016, EDF's Board of Directors made the final investment decision and gave the President the authorisation to ensure its full execution in the framework of the signature process of all the contracts and agreements necessary to build the two nuclear reactors at Hinkley Point C (HPC) in Somerset, in south-west England.

Following this decision, the conditions have been met to allow EDF to sign the contracts with the British Government, EDF's historic partner China General Nuclear Power Generation (CGN), and the main suppliers of the project.

The HPC Project is a major element of the Group's CAP 2030 strategy. The two EPR reactors at Hinkley Point will strengthen EDF's presence in Britain, a country where its subsidiary EDF Energy already operates 15 nuclear reactors and is the largest electricity supplier by volume.

HPC will also enable the Group to mobilise all its significant nuclear engineering skills following the final investment decision. The first concrete of reactor 1 of HPC, scheduled for mid-2019, will coincide with perfect continuity with the start-up of the EPR at Flamanville, scheduled for the end of 2018.

HPC is a unique asset for French and British industries as it will benefit the whole of the nuclear sectors in both countries and will support employment at major companies and smaller enterprises in the industry.

Update on strategic partnership between EDF and AREVA

On 28 July 2016, EDF and AREVA signed a memorandum of understanding that formalised the status of the progress of discussions concerning their contemplated partnership. This memorandum has three sections.

Firstly, this non binding memorandum deals with the contemplated acquisition by EDF of an exclusive control of a new company, NEW AREVA NP (NEW ANP), to be set-up, which will be transferred existing AREVA NP's assets and activities relating to the design and supply of nuclear reactor and equipment, fuel design and supply and the services to the nuclear installed base, to the exclusion, in particular, of the assets, liabilities and staff related to the achievement of the Olkiluoto 3 EPR project.

It provides for a majority control (at least 51% of shares and voting rights) of NEW ANP by EDF, a minimum stake of 15% and a maximum stake of 25% held by AREVA as part of a strategic partnership, and the potential participation of other minority partners up to 34%.

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.

Secondly, the memorandum aims also to set-up a dedicated company - 80% owned by EDF and 20% owned by AREVA NP (then by NEW ANP) - in charge of the design and construction of the nuclear island for new build projects, in France and abroad. Its creation is targeted on the first quarter of 2017, regardless of the acquisition of an exclusive control of NEW AREVA NP by EDF.

The objective pursued by the setting up of this company is to improve the preparation and management of projects as well as the export offering of the French industry on the Nuclear Island by developing offers that are more competitive and adapted to client needs, all while ensuring the continuation of partnerships with the major industrial companies in Japan and China. This company will form part of a generator/supplier model, which has been tried and tested in several countries.

Lastly, EDF and AREVA restate their intent to 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.

The parties agreed on an indicative price (100% of equity value[11]) for NEW ANP of 2.5 billion euros[12] at the closing date. This amount is likely to be adjusted, firstly, upward or downward depending on the financial statements prepared on the date of completion of the transaction, and secondly, with a possible price earn-out of up to 325 million euros subject to the achievement of certain performance objectives measured after the closing date, proportionate to the participation acquired by EDF in NEW ANP. This price corresponds to a 2017 forecasted EBITDA multiple of 8x[13].

The memorandum also provides that EDF, NEW ANP and their affiliates will be fully immunised against risks and costs related to the achievement of the Olkiluoto 3 project and will receive proper protection against the risks resulting from irregular findings in the manufacturing tracking records of equipment and components at Le Creusot and Saint Marcel and Jeumont, if any.

On the basis of a 51% to 75% stake held by EDF, all the financial terms enable the Group to preserve its financial trajectory.

A specific due diligence regarding the manufacturing process at Le Creusot is currently run, and a complementary due diligence phase will begin starting from August in order to enable EDF and AREVA to sign binding agreements before the end of November 2016.

Prior to signing binding agreements, the Group will proceed with the consultation of its employee representative bodies.

The negotiation of the participation of other potential partners will progress in parallel and the closing of the transaction is planned before the end of 2017, subject in particular to approval from the relevant merger control authorities.

EDF - Caisse des Dépôts and CNP Assurances: exclusive negociations for a long-term partnership with RTE

On 28 July 2016, EDF, Caisse des Dépôts and CNP Assurances started exclusive negociations to form a long-term partnership for the development of Réseau de Transport d'Electricité (RTE).

EDF announced that it has started exclusive negociations with Caisse des Dépôts and CNP Assurances to form a long-term partnership for the development of RTE. This partnership with major public players in infrastructure funding in France will strengthen RTE's public service remit. Caisse des Dépôts and CNP Assurances would also take a 49.9% stake in RTE on the basis of an indicative value of €8.45 billion for 100% of RTE equity.

If this operation is confirmed, the relevant employee representative bodies will be informed and consulted prior to the final agreements being signed. The transaction could be close in the first half of 2017, once the necessary regulatory approvals have been obtained.

EDF, Caisse des Dépôts and CNP Assurances intend to use the partnership to support RTE's ambitious investment strategy for the efficiency of electricity transmission infrastructure. This will provide a boost to the energy transition, while strengthening RTE's public footing and long-term economic and social model. As a result of the deal, RTE would retain its current regulatory status as independent transmission system operator under the EU Directive.

This announcement reflects the statement expressed to RTE and EDF's CEO by the Minister of Finance and the Public Accounts and the Minister of Economy, Industry and Digital in their joint statement of 22 April, 2016.

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

[12] "Non binding" figure with no transfer of liability related to Olkiluoto 3, nor financial debt at the closing date, and including proper protection against the risks resulting from irregular findings in the manufacturing tracking records of equipment and components at Le Creusot and Saint Marcel and Jeumont, if any. The figure will be subject to adjustment at closing.

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

Compensation associated with the closure of the Fessenheim nuclear plant: information to the Board of Directors and details on the company calendar

On 28 July 2016, EDF's CEO, Jean-Bernard Lévy, informed the Board of Directors on the progress of discussions with the government about the draft compensation protocol associated with the closure of the Fessenheim nuclear power plant.

These discussions have already allowed to define the principles for compensation, which would be based on:

- a fixed initial portion corresponding to the anticipated costs associated with the closure of the plant and covering the costs of retraining staff, decommissioning, the INB tax (Installation Nucléaire de Base - basic nuclear facilities) and "post-operation" costs,
- a variable portion resulting, when appropriate, in subsequent payments to cover the shortfall for EDF. This shortfall would be determined according to market prices until 2041 and would take into account the actual volumes generated by the 900MW series nuclear plants operating during this period.

This information has also been communicated to EDF's Works Council, in addition to the information that it has already received. The information-consultation process involving staff representative bodies will be launched, within the statutory timescales, so that, during the Works Council meeting on 14 September, this information may be examined and allow the council to issue an opinion at the end of the procedure.

As a reminder, the closure of the Fessenheim plant results in a right to compensation, as the French Constitutional Council pointed out in its decision on 13 August 2015 when examining the constitutionality of the law on energy transition for green growth of 17 August 2015.

Finalisation of the acquisition by EDF of Studsvik's waste management activities in Sweden and in the United Kingdom

On 28 July 2016, EDF finalised the acquisition of Studsvik's assets and facilities for waste treatment by metal recycling, incineration and pyrolysis situated at the Nykoping site in Sweden, as well as the Workington Metal Recycling Facility (MRF) in the UK.

The finalisation of this transaction is part of the agreement on nuclear plant decommissioning and radioactive waste management activities announced on 20 April 2016 by EDF and Studsvik.

It follows the lifting of conditions precedent, in particular the obtaining of all necessary authorisations and permits from the relevant authorities for the waste treatment activities in question.

The finalisation of the acquisition of Studsvik's radioactive waste treatment activity significantly increases EDF's industrial treatment capabilities and represents a major milestone for the Group's development in radioactive waste management and the decommissioning of nuclear plants.

The French government announces its choice of the Azzurra consortium (Atlantia/Aeroporti di Roma/EDF) as favoured buyer

On 28 July 2016, the French government announced that the consortium formed by the Italian group Atlantia and EDF Invest had been selected as the favoured buyer for the State's 60% stake in Aéroports de la Côte d'Azur, the company that manages the airports of Nice, Cannes-Mandelieu and Saint Tropez.

The buyer should be confirmed in the next few months, once the final terms of the operation have been approved.

The Group plans to allocate this investment to the Infrastructures pocket of EDF Invest, alongside other investments including shareholdings in TIGF, Porterbrook, Géosel and RTE.

Public electricity tariffs

In its ruling of 13 July 2016, the CRE confirmed its proposal, previously announced on June 27, to decrease regulated electricity sales tariffs for Blue residential customers by 0.5% and for Blue non-residential customers having subscribed to a power level of 36 kVA or less by 1.5%.
The Minister of Environment, Energy and the Sea stated on 13 July 2016 that it would not oppose the CRE's proposal and that the reduction would enter into effect on 1 August 2016.

The CRE's proposal comes in a context marked by two judgements from the State Council on 19 May and 15 June 2016, which concluded:

- in the dismissal on the merits of the proceedings for annulment of the decree of 28 October 2014, thereby confirming the construction of tariffs by the "stacking" method;
- in the annulment, to legal uncertainty, of the Ministerial Order of 28 July 2014 which cancelled the 5% increase of the blue tariffs projected by the decree of 26 July 2013 and scheduled to enter into effect on 1 August 2014. The government is enjoined to make, within three months starting from 15 June 2016, a retrospective decree for the period from 1 August 2014 to 31 October 2014;
- in the partial annulment of the decree of 30 October 2014 due to the insufficient level of residential Blue tariffs and Green tariffs, set without integrating the entire tariff catch up recognised at that date. The government is enjoined to make, within three months starting from 15 June 2016, a retrospective decree covering the period from 1 November 2014 to 31 July 2015.

EDF will pay close attention to how the retroactive decrees are formulated and will implement these decrees upon their publication, most likely in the form of retrospective bills for customers who are affected by these regulated tariffs.

The EDF Group enters into wind energy in China, the world's largest renewable energy market

On 12 July 2016, the EDF Group announced its first wind power project in China. EDF Énergies Nouvelles, its subsidiary dedicated to renewable energy, has acquired a majority share in UPC Asia Wind Management (AWM), which develops and builds wind power projects in China.
Following this acquisition, EDF Energies Nouvelles owns an 80% stake in the UPC AWM holding, based in Hong Kong. Its partners UPC China, a long-standing local developer, and the US-based investment fund Global Environment Fund (GEF) remain shareholders with a 20% share of the company.
This new partnership venture has been made possible thanks to EDF Group's strong roots in the country, where it has been present for over 30 years through activities in nuclear, thermal and hydro generation as well as energy services.
China has become the world's leading renewable energy market, with strong growth expected in the coming years. The Chinese government aims to reach 200 gigawatts (GW) in installed wind power capacity by 2020, an average increase of 15GW per year.
China is a priority market for EDF. The Group is Europe's first major energy company to move into the Chinese renewable energy market with high ambition.
Thanks to this new partnership, the Group increases its wind energy portfolio by over 1.3GW (under development, construction or operation in China).

Industrial start-up of the Dunkirk LNG terminal

On 8 July 2016, the Dunkirk terminal welcomed its first shipment of Liquefied Natural Gas (LNG), which will enable it to launch the industrial commissioning of the plant. After four and a half years of construction, the past months have been devoted to numerous tests of the plant without gas. During the summer, the terminal will be tested under normal operating conditions. In late September, the terminal should be ready for the start of commercial service and made available to EDF and Total, both clients of Dunkerque LNG.

Founding of Nachtigal Hydro Power Company

On Thursday, 7 July, in Yaounde (Cameroon), EDF formalised, together with the State of Cameroon and the World Bank Group, the creation of the Nachtigal Hydro Power Company, to launch the Nachtigal hydropower project, a 420MW power plant. 40% of its capital is owned by EDF International, 30% by the State of Cameroon and 30% by the International Finance Corporation (IFC). The final investment decision is expected in 2017.

Consultation phase of the multi-year energy plan (PPE) draft

On 1 July 2016 the French Minister of Environment, Energy and Sea submitted the draft of the multi-year energy plan (PPE) to the National Energy Transition Council, to the Committee of Experts for Energy Transition and to the Environmental Authority. After the consultation phase, the PPE will be approved by decree. The purpose of the PPE is to establish operationally the guidelines for the energy policy stipulated by the energy transition law for green growth.

Results of the option for the payment of the balance of the dividend to be paid out on the 2015 financial year

On 28 June 2016, EDF announced that the option for the payment of the balance of the dividend in shares for the 2015 fiscal year was widely chosen by EDF's shareholders: 92.22% of the rights were exercised (excluding loyalty dividend) in favour of a payment in shares following the option period which took place between 6 June 2016 and 20 June 2016 included.
The issue price of the new shares was €10.08 per share, equal to 90% of the average opening price of the EDF shares listed on the Euronext Paris regulated market over the twenty trading days prior to 12 May 2016, date of the Combined Shareholders' Meeting, less the amount of the balance of the dividend, rounded up to the next highest euro cent.
This transaction resulted in the issuance of 93,112,364 new shares (representing approximately 4.62% of the share capital, taking into account the issuance), delivered and admitted for trading on Euronext Paris starting on 30 June 2016. The balance in cash to be paid to the shareholders who opted for the payment in shares amounted to around €0.7 million.

Mitsubishi Heavy Industries and EDF sign memorandum of understanding on collaboration in civil nuclear power

On 28 June 2016, Shunichi Miyanaga, President & CEO of MHI, and Jean-Bernard Lévy, Chairman & CEO of EDF, signed a memorandum of understanding with the goal of strengthening the links between the French and Japanese nuclear power industries, recognising the strategic interest of combining EDF's and MHI's strengths in certain fields of civil nuclear energy. Specifically, EDF and MHI agreed to enhance their strategic cooperation in the following areas:

- an updated cooperation framework regarding the ATMEA joint venture, including the involvement of EDF in ATMEA's business operations;
- mutual support to ensure the smooth execution of the ATMEA1 projects, in particular in Turkey and Vietnam;
- the potential participation of MHI as a partner in the French nuclear landscape reorganization with the acquisition of a minority equity interest in AREVA NP;
- other potential collaborations, based on their respective technologies and expertise in the global market.

EDF Group commissions France's most powerful wind farm, the Ensemble Eolien Catalan facility

On 24 June 2016, the EDF Group announced the commissioning of the Ensemble Eolien Catalan wind farm, a 96 MW facility located in the Languedoc-Roussillon-Midi-Pyrénées region. The wind farm is equipped with "stealth" wind turbines, the world's first solution favouring the coexistence of wind farms and weather radars.
The Ensemble Eolien Catalan wind farm is located in the municipalities of Baixas, Calce, Pézilla-la-Rivière and Villeneuve-la-Rivière, Pyrénées-Orientales department. Developed, built, commissioned and operated by EDF Énergies Nouvelles, a subsidiary of the EDF Group dedicated to renewable energy, the wind farm is comprised of 35 turbines, each with a unit capacity of 2-3MW.
The 96MW Ensemble Eolien Catalan facility is now France's most powerful wind farm, ahead of Salles-Curan (87MW), commissioned by EDF Energies Nouvelles in 2008. Output is equivalent to the annual electricity consumption of 120,000 people, or 25% of the department's population.
With the commissioning of this new facility, the Group operates 51% of the wind power capacity located in the region and a total of over 1.1 GW across France.

EDF and GE inaugurate the Bouchain natural gas combined cycle plant

On 17 June 2016, EDF and General Electric (GE) inaugurated the first-ever natural gas combined-cycle plant equipped with GE's 9HA turbine in Bouchain (French county Nord), attended by Jean-Bernard Lévy, Chairman and CEO of EDF, and Steve Bolze, President and CEO of GE Power.
With a generating capability of more than 605MW, the 9HA turbine developed and produced by GE is the most efficient gas turbine in the world. The plant achieved a record efficiency rate during commissioning performance tests of up to 62.22%, and proved to be highly flexible and capable of reaching full power in less than 30 minutes. EDF and GE are the first companies to introduce such a flexible and energy-efficient new turbine.
With such an optimized energy yield, the Bouchain combined cycle plant contributes to improving EDF's carbon footprint, and production efficiency. Its CO_2 emissions are reduced by approximately 55% compared to a standard thermal power plant. Moreover, its considerable flexibility and responsiveness are major strengths that boost the power grid's security, in addition to helping develop renewable energy technologies.
The EDF and GE alliance to build the Bouchain combined cycle plant is innovative in that the two companies co-developed and designed the installation, bringing together their best practices as equipment supplier and utility.

The EDF Group makes the shift into self-consumption

On 2 June 2016, EDF Energies Nouvelles announced the launch, through its subsidiary EDF ENR, of a commercial offering dedicated to self-consumption: *Mon Soleil & Moi* (My Sun & Me).
Mon Soleil & Moi is now EDF ENR's only residential offering. This programme allows customers to use energy produced by their own solar panels and to store part of it for their use when needed. The offer enables customers, through a range of simple tools, to maximize their self-consumption rate; the installation is sized according to actual needs. Customers can monitor their consumption in real time online, on a tablet or with a smartphone. This allows customers to manage their energy expenses and, if desired, store the excess electricity produced by their battery.
Energy storage and decentralised modes of generation are key challenges for EDF, which devotes significant investments to meeting the expectations of its customers and network operators. For example, EDF launched the first 100%-solar "microgrid" project in the Cirque de Mafate on Reunion Island, promoting the energy independence of isolated villages. EDF is also developing new battery technologies (zinc air, lithium air, etc.) in its R&D centres. EDF Energies Nouvelles has commissioned a solar power plant with storage, equipped with an electrical equipment control system to help smooth power generation and participate in the stability of the Guyana network. It has also developed an energy storage system in the United States that combines batteries and computerised

control software to remotely manage the frequency peaks on the electricity grid. The objective is to anticipate and support technological breakthroughs in the world of energy and electricity.

Acquisition of TIRU by Dalkia

On 31 May 2016, Dalkia, the Group subsidiary dedicated to energy services, announced the acquisition of a 75% equity share in TIRU. Dalkia acquired 51% of the company's capital held by EDF and 24% held by Veolia. This alliance will allow both companies to better meet the current challenges of energy transition locally and to couple TIRU's expertise in waste recovery with Dalkia's local presence, especially in the field of heating networks.

APPENDICES

Consolidated income statements

(en millions d'euros)	H1 2016	H1 2015[1]
Sales	36,659	38,873
Fuel and energy purchases	(18,764)	(19,972)
Other external expenses	(3,991)	(4,082)
Personnel expenses	(6,333)	(6,401)
Taxes other than income taxes	(2,727)	(2,674)
Other operating income and expenses	4,100	3,403
EBITDA	8,944	9,147
Net changes in fair value of energy and commodity derivatives, excluding trading activities	(77)	24
Net depreciation and amortisation	(3,916)	(4,375)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(15)	(55)
(Impairment)/reversals	(300)	(474)
Other operating income and expenses	(124)	269
Operating activities:	4,512	4,536
Cost of gross financial debt	(953)	(1,086)
Discount effect	(1,367)	(1,409)
Other financial income and expenses	1,096	1,347
Financial income	(1,224)	(1,148)
Income before taxes of consolidated companies	3,288	3,388
Income tax	(960)	(985)
Share of net income from associates and joint ventures	(162)	201
NET INCOME EXCLUDING NON-RECURRING ITEMS	2,166	2,604
O/w net income - Group share	2,081	2,514
O/w net income attributable to non-controlling interests	85	90
Earnings per share (EDF share) in euros		
Earnings per share	0,88	1,14
Diluted earnings per share	0,88	1,14

(1) €477m of net power sales on the wholesale electricity markets (excluding trading activities) relating to the year ended 30 June 2015 have been reclassified from energy purchases to sales

Consolidated balance sheets

ASSETS

ASSETS *(in millions of euros)*	30/06/2016	31/12/2015
Goodwill	9,180	10,236
Other intangible assets	7,540	8,889
Property, plant and equipment operated under French public electricity distribution concessions	52,172	51,600
Property, plant and equipment operated under concessions for other activities	7,786	7,645
Property, plant and equipment used in generation and other tangible assets owned by the Group	68,854	71,069
Investments in associates and joint ventures	10,667	11,525
Non-current financial assets	34,976	35,238
Other non-current liabilities	2,029	1,830
Deferred tax assets	3,505	2,713
Non-current assets	196,709	200,745
Inventories	14,010	14,714
Trade receivables	20,950	22,259
Current financial assets	26,048	27,019
Current tax assets	157	1,215
Other receivables	9,457	8,807
Cash and cash equivalents	2,984	4,182
Current assets	73,606	78,196
Assets classified as held for sale	-	-
TOTAL ASSETS	270,315	278,941

Consolidated balance sheets

LIABILITIES

EQUITY AND LIABILITIES *(in millions of euros)*	30/06/2016	31/12/2015
Capital	1 007	960
EDF net income and consolidated reserves	33,711	33,789
Equity (EDF share)	**34,718**	**34,749**
Interests attributable to non-controlling interests	4,896	5,491
Total equity	**39,614**	**40,240**
Provisions related to nuclear generation - Back-end nuclear cycle, plant decommissioning and last cores	41,741	44,825
Provision for decommissioning excluding nuclear facilities	1,456	1,447
Provisions for employee benefits	20,880	21,511
Other provisions	1,955	2,190
Non-current provisions	*66,032*	*69,973*
Special French public electricity distribution concession liabilities	45,392	45,082
Non-current financial liabilities	49,903	54,159
Other non-current liabilities	5,362	5,126
Deferred tax liabilities	4,243	4,122
Non-current liabilities	**170,932**	**178,462**
Current provisions	5,284	5,354
Trade payables	10,333	13,284
Current financial liabilities	19,511	17,473
Current tax liabilities	1,361	506
Other current payables	23,280	23,622
Current liabilities	**59,769**	**60,239**
Liabilities related to assets classified as held for sale	**-**	**-**
TOTAL EQUITY AND LIABILITIES	270,315	278,941

Consolidated cash flow statements

(en millions d'euros)	H1 2016	H1 2015
Operating activities:		
Income before taxes of consolidated companies	3,288	3,388
Impairment/(reversals)	300	474
Accumulated depreciation and amortisation, provisions and change in fair value	4,308	4,688
Financial income and expenses	462	551
Dividends received from associates and joint ventures	210	241
Capital gains/losses	(447)	(913)
Change in working capital	(1,720)	(588)
Net cash flow from operating activities	*6,401*	*7,841*
Net financial expenses disbursed	(800)	(911)
Income taxes paid	638	(781)
Net cash flow from operating activities	6,239	6,149
Investing activities:		
Acquisitions/disposals of equity investments, net of cash (acquired/transferred)	222	82
Investments in intangible assets and property, plant and equipment	(6,577)	(7,259)
Net proceeds from sale of intangible assets and property, plant and equipment	79	270
Changes in financial assets	(584)	423
Net cash flow used in investing activities	(6,860)	(6,484)
Financing activities:		
Transactions with non-controlling interests[1]	2	30
Dividends paid by EDF	(81)	(1,268)
Dividends paid to non-controlling interests	(119)	(141)
Purchases/sales of treasury shares	4	(13)
Cash flows with shareholders	*(194)*	*(1,392)*
Issuance of borrowings	638	2 539
Repayment of borrowings	(1,019)	(2,329)
Payments to bearers of perpetual subordinated bonds	(401)	(397)
Funding contributions received for assets operated under concessions	69	69
Investment subsidies	405	279
Other cash flows from financing activities	*(308)*	*161*
Net cash flow from investing activities	(502)	(1,231)
Net increase/(decrease) in cash and cash equivalents	(1,123)	(1,566)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	4,182	4,701
Net increase/(decrease) in cash and cash equivalents	(1,123)	(1,566)
Effect of currency fluctuations	(99)	(120)
Financial income on cash and cash equivalents	7	8
Effect of reclassifications	17	11
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	2,984	3,034

(1) Contributions via capital increases or reductions and acquisitions of additional interests in controlled companies.

PRESS RELEASE

29 July 2016

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. Leader in low-carbon energy in the world, the Group has developed a diversified generation mix based on nuclear power, hydropower, new renewable energies and thermal power. The Group is involved in supplying energy and services to approximately 37.6 million customers accounts, 27.8 million of which are in France. The Group generated consolidated sales of €75 billion in 2015, 47.2% of which were outside of France. EDF is listed on the Paris Stock Exchange.

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 the 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 however be 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 the general economic situation. Detailed information regarding these uncertainties and potential risks is available in the EDF Reference Document filed with the Autorité des marchés financiers on 29 April 2016, available on the 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 what you need.

EDF SA
22-30, avenue de Wagram
75382 Paris cedex 08
Capital of 1,006,625,695.50 euros
552 081 317 R.C.S. Paris

www.edf.fr

CONTACTS

Press: +33(1) 40 42 44 19

Analysts and investors: +33(1) 40 42 40 38