
Payment in shares of the 2015 interim dividend

QUESTIONS & ANSWERS

1) What is a share-based payment of dividends?

The dividend (or interim dividend or final dividend) can be paid in several ways. It is usually paid in cash but the dividend can also be paid in shares.

If a shareholder chooses this option, he or she receives a round number of shares, with an adjustment in cash if necessary.

Shareholders choose between these two formulas if they are eligible for payment of the dividend in shares.

2) Why EDF pays an interim dividend?

The distribution of an interim dividend complies with the EDF's dividend policy announced to the market. Moreover, it is a relatively common practice among listed companies (CAC 40 companies like Engie, LVMH, Orange, Pernod Ricard, Thales, Total and Vinci also pay an interim dividend in France).

3) Why does EDF offer the option of payment of an interim dividend in shares?

On the occasion of the Shareholder's Meeting of 19 May 2015, and in accordance with Article 25 of EDF's articles of associations, the Board was authorized to propose to the shareholders the payment of an interim dividend with the option to choose between a payment in cash or in shares.

The payment of dividend in shares or the interim dividend has a significant interest for EDF in terms of cash and equity if this option is retained by shareholders.

Shareholders who choose to reinvest their dividend in the company contribute to supporting EDF's future investments and corporate projects.

It also allows shareholders to build up their holdings of EDF shares under advantageous conditions as they usually receive a discount.

4) As the French Government is the majority shareholder in EDF, what is its choice?

The Government, the majority shareholder in EDF, announced in a statement on 5 November 2015 that it would **choose payment of 2015 interim dividend in shares.**

5) What is the issue price of these new shares and how is it determined?

The issue price of new shares is 15.07 €. It corresponds to:

The average of the opening market prices of EDF's shares during the twenty trading days prior to the Board of Director's decision	17.3075 €
Less the interim of dividend attached to this share, whether 0.57€	- 0.57 €
Subtotal	16.7375 €
Less a discount of 10 %	- 1.6738 €
Issue price per share (rounded up to the nearest euro cent)	15.07 €

If the amount for which the option is exercised does not correspond to a whole number of shares, the shareholders will receive the nearest lowest number of whole shares, plus cash compensation for the difference.

6) Are there conditions that must be met to receive payment of an interim dividend in shares?

As subscription for the payment in shares rounds down to the nearest whole number, only shareholders owning 27 shares or more can choose to receive payment of the dividend in shares. The minimum number of shares depends on the shareholder's tax situation and the rules established by his or her financial intermediary.

Shareholders residing outside France should inquire, by themselves, about the conditions relating to this option and which may apply under the law applicable in their place of residence.

This option is available to all shareholders residing in a member country of the European Union or in countries party to the Agreement on the European Economic Area (EEA).

The option to receive interim dividend in shares is not available to shareholders residing in the United States of America, Japan, Canada, Australia or in any country where this option requires registration with, or approval by, the local market regulators. Therefore, orders from these countries will not be accepted. Shareholders residing outside France should inquire as to whether local restrictions apply and comply with these restrictions.

7) How do shareholders find out how many shares they can subscribe for?

Shareholders will receive a form (corporate action notice) from their financial intermediary, which will be mailed out starting 20 November 2015 and that displays the possible choice between cash and shares.

8) How do Social Security payments and withholding tax work if shareholders choose to receive payment in shares?

Those contributions or withholding are directly collected¹ on the dividend amount by the financial intermediary, in the same conditions as the payment in cash.

For the record, for natural persons residing in France, the Social Security payments on dividends in 2015 is 36.5%.

¹ Special provisions apply if the shares are held in a share savings plan ("PEA").

9) How is calculated the number of shares which is possible to subscribe for?

Hereunder an example for a natural person residing in France¹ (out option to a flat-rate withholding tax):

A	Number of EDF's shares currently held	36	72	96
	(from the same establishment)			
B	Interim dividend	0.57	0.57	0.57
C	Gross total deposit to collect (A x B)	20.52	41.04	54.72
	Social Security payments (C x 36.5%)	7.49	14.98	19.97
D	Total net deposit of Social Security payments	13.03	26.06	34.75
	Issue price of the share	15.07	15.07	15.07
	Rounded down : number of shares	0	1	2
E	Value of attributed shares	0	15.07	30.14
D-E	Difference to collect in cash	13.03	10.99	4.61

10) When must shareholders choose their payment option?

As soon as they receive the form from their bank, which will be mailed out starting 20 November 2015.

To indicate their choice, shareholders simply have to return the completed and signed form, but only if opting for share-based payments (some financial intermediaries offer shareholders the option of making their choice online).

11) Is there a deadline for making the choice?

YES: Your bank must be notified of your choice by 8 December 2015. If replying by mail, shareholders should factor in the time needed for postal delivery.

All forms received after 8 December 2015, for any reason, will be disregarded and shareholders will automatically receive their dividend in cash.

12) Is the choice that shareholders are making this time also valid for future transactions?

NO: If the option to receive payment in shares of all or part of the dividend is offered again in the future, EDF shareholders will be asked again to indicate their preference.

13) What is the deadline for becoming an EDF shareholder in order to receive the interim dividend and to make the choice to receive payment in shares?

Usually, to receive a dividend on a share, you must own the share on the day the coupon is detached. For payment of the interim dividend in shares, the dividend is detached on the first day of the shareholder's option period.

With regard to the 2015 interim dividend, the detached date (the "ex date") is 20 November 2015 and so you must have purchased your EDF shares by the close of trading on 19 November 2015.

14) When do shareholders become full owners of these new shares?

The (new) shares will be delivered on 18 December 2015 to the financial institutions, which will then credit the shares to the accounts of the shareholders concerned. They are immediately available. These new shares have the same features and confer the same rights as the old shares and are issued with current dividend eligibility, that is, they carry a right to any distribution decided after their issue.

15) What is the tax treatment on this transaction?

The standard tax rate on dividends, whether paid in shares or in cash, will be applied.

16) Can the bank charge shareholders a fee when they choose payment of the dividend in shares?

Payment of a dividend, whether in cash or in shares, to shareholders residing in France usually is not subject to a fee by a retail bank². In particular, there are no fees on reinvesting a dividend paid in shares.

² There is no fee payable by shareholders unless their financial institution specifies that a fee is due from the customer in its financial terms and conditions:

- on cash payments (payment of the dividend in cash or payment of the difference in cash where share-based payment is selected, with the option of rounding down to the nearest whole number),
- on transfers (payment of the difference where share-based payment is selected, with the option of rounded up to the nearest whole number).