DEAR SHAREHOLDERS,

We would like to take this opportunity to comment the key figures of our 2017 results, the highlights of the year and our outlook for 2018-2019.

EDF's results for 2017 are in line with forecasts: 2017 was a difficult year, mainly because of unfavourable market conditions (the impact of lower wholesale electricity prices in Europe in 2015 and 2016) and a decline in nuclear and hydro generation in France. Despite this difficult environment, EDF has achieved its objectives and continues to make profits. Moreover, for the first time in several years, the Group's debt has decreased substantially: -€4.4 billion in 2017, thanks in particular to the capital increase and disposals. I would like to thank the teams of the EDF Group who worked hard to enable us to obtain these good results, and also our shareholders for their renewed confidence.

" EDF HAS LAID A SOLID FOUNDATION FOR 2018, WHICH WILL BE THE YEAR OF THE REBOUND. "

EDF has continued this year with the deployment of its CAP 2030 strategy, with three priorities: innovation to serve our customers, carbon-free and renewable-based generation and development outside of Europe.

EDF has laid a solid foundation for 2018, which will be the year of the rebound. The Group will have increased its equity by nearly €9 billion by mid-2018, thanks in particular to the success of its capital increase in 2017 and the option to pay the dividend in shares for the 2015, 2016 and 2017 fiscal years.

The full execution of our performance plan announced in April 2016 has continued with a strong momentum, both in terms of reducing operating expenses and the realisation of our asset disposal plan.

2017 was also characterized by the Group's strong acceleration in renewable energies. The Group increased its installed net solar and wind capacities by 23%. Solar and wind electricity generation increased by 13%. And in particular, EDF launched an unprecedented Solar Plan. It calls for the building 30GW of installed capacity in France between 2020 and 2035, with the first projects starting in 2020, in line with EDF's goal of doubling its renewable energy capacity by 2030.

Thanks to the efforts that have been made, the EDF Group laid a solid and healthy foundation, with good prospects for 2018. Market prices are up slightly, particularly in France and in the United Kingdom, and nuclear output in France is expected to increase (more than 395TWh). In 2018, the Group will pursue the acceleration of renewable energies and the development of service activities.

2019 will benefit from the continued implementation of the performance plan. In addition, nuclear output is expected to be lower than in 2018, due in part to the transition between the commissioning of Flamanville 3 and the closure of Fessenheim, and to an increased number of long outages (ten-year inspections). The evolution of wholesale prices is still uncertain, but 2019 prices will no longer be affected by the effect of the hedges made on the basis of low prices in 2015 and 2016.

The strong acceleration in renewable energies, the refounding of the French nuclear industry, with EDF in the lead after the acquisition of Framatome, and the launch of new, innovative commercial offers to confront increased competition are all demonstrations of EDF responsiveness and will be key factors in the rebound expected in 2018.

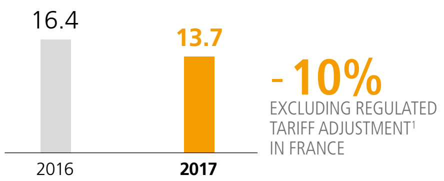
I thank you for your confidence.

Jean-Bernard Lévy,
Chairman and Chief Executive Officer

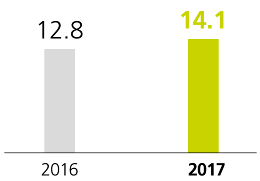
2017 ANNUAL RESULTS - KEY FIGURES

In billions of euros

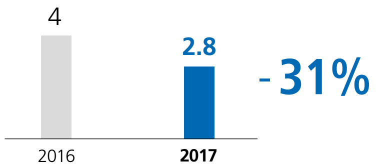
EBITDA



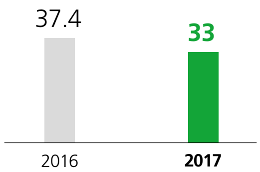
TOTAL NET INVESTMENTS[2]



NET INCOME EXCLUDING NON-RECURRING ITEMS[3]



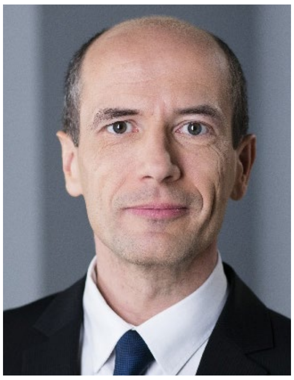
NET FINANCIAL DEBT[4]



2018 TARGETS CONFIRMED

- Operating expenses[5]: -€0.8bn compared to 2015
- EBITDA[6]: €14.6 - 15.3bn
- Asset disposals plan since 2015: ~ €10bn[7]
- Total net investments excluding acquisitions and the 2015-20 disposal plan: ≤ €15bn
- Target payout ratio of the net income excluding non-recurring items[8]: 50%

[1] Excluding the impact related to the positive effect in 2016 of the regulated sales tariff adjustment for the period from 1 August 2014 to 31 July 2015 following the French State Council's decision of 15 June 2016.
[2] Excluding acquisition of Framatome in 2017 and excluding the 2015-2020 asset disposal plan.
[3] Net income excluding non-recurring items is not defined by IFRS, and is not directly visible in the consolidated income statement. It corresponds to the Group net income excluding non-recurring items and net changes in fair value on Energy and Commodity derivatives, excluding trading activities, net of tax.
[4] Net financial debt is not defined in the accounting standards and is not directly visible in the Group's consolidated balance sheet. It comprises total loans and financial liabilities, less cash and cash equivalents and liquid assets. Liquid assets are financial assets consisting of funds or securities with initial maturity of over three months that are readily convertible into cash and are managed according to a liquidity-oriented policy.
[5] Sum of personnel expenses and other external expenses. At comparable consolidation scope and exchange rates. At constant pension discount rates. Excluding change in operating expenses of the service activities.
[6] At comparable exchange rates and "normal" weather conditions, on the basis of a nuclear output in France assumption of >395TWh. At constant pension discount rates.
[7] Disposals signed or realised.
[8] Adjusted for the remuneration of hybrid bonds accounted for in equity.



INTERVIEW WITH XAVIER GIRRE

Group Senior Executive Vice President, Group Finance

What are the main financial results for the EDF Group in 2017 and how should they be analysed?

First of all, although our 2017 results are, as announced, down compared to 2016, they are in line with the objectives set at the beginning of last year. We announced last year that 2017 would mark a low point in regards to France for three main reasons: first, the fall in electricity prices, which weighed on 2017 with a delay, because of the hedging mechanism implemented over approximately 24 months and lower electricity rates in August 2016, which were only partially offset by the increase in 2017; then there was the relative decline in our market shares, which weighed on our results, and finally, to a lesser extent, there was the 82TWh in ARENH requests, which led us to buy electricity at a high cost. To these anticipated factors came a drop in nuclear power generation and hydro generation in France.

The Group's **Sales** totalled €69.6 billion in 2017 and **EBITDA** amounted to €13.7 billion, down 10% (at comparable scope and exchange rate and restated for the impact of the tariff adjustment in 2016).

Net income – Group share amounted to €3.2 billion, up 11.3% compared to 2016, due in particular to the positive impact of the capital gain on the sale of RTE. **Net income excluding non-recurring items** was down 31% to €2.8 billion, reflecting the drop in EBITDA.

The actions undertaken over the last two years to reduce the Group's debt are bearing fruit. After stabilising in 2016, the Group's **net financial debt** fell sharply by €4.4 billion in 2017, thanks in particular to the success of the disposal plan and the success of the capital increase. Net debt stood at €33 billion, with a **net financial debt to EBITDA ratio** of 2.4x, in line with our objectives.

What were the other areas of improvement during this difficult year?

The perfect execution of the performance plan enabled us to compensate for the unfavourable factors that we faced.

2017 was marked by an acceleration of the cost reduction programme. As a result, the €700 million reduction in operating expenses compared to 2015 was achieved one year ahead of schedule.

The disposal plan of €10 billion over 2015-2020 is 80% complete and should be almost finalised by the end of 2018, two years in advance. These disposals are consistent with our strategy and allowed us to generate strong capital gains.

Given that the performance plan is proceeding ahead of schedule, are you going to broaden it?

The good results that have been obtained have led the Group to broaden its performance plan.

The plan to control operating expenses, set at €800 million for the end of 2018 compared to 2015 (compared to the initial target of €700 million) has been increased to €1.1 billion for 2019 (i.e. +€100 million compared to the previous target of €1 billion).

STRONG ACCELERATION IN RENEWABLE ENERGIES

2017 was a record year for renewable energies. The Group's installed net solar and wind capacities increased by 23%[1]. The level of electricity output of these two renewable energies reached a record level with 13.8TWh, an increase of 13.3%[2].

Many achievements and major projects were realised in 2017. In Brazil, for example, the first two units of the Pirapora solar plant (284MWp), the largest solar power station in Latin America, were commissioned. The construction of the Sinop dam (400MW), also in Brazil, is progressing well. The commissioning authorisation is expected at the end of 2018. In Dubai, EDF is participating in the construction of the largest solar power station in the world, in partnership with Masdar (800MWp). In India and in North America, wind farms have been commissioned. In the United Kingdom, an innovative offshore wind farm has been commissioned in Blyth (41.5MW) and construction has started on the West Burton B (49MW) battery storage project.

In addition to these developments, **EDF is consolidating its position as the leader in renewable energies in Europe**, with significant and targeted acquisitions: Futuren, with a wind portfolio in France, Germany, Italy and Morocco; OWS, a company specialising in the operation and maintenance of offshore wind farms in Germany. The Group is strengthening its skills in the value chain of renewable energies.

EDF's Solar Plan foresees 30GW of installed capacity in France between 2020 and 2035, with the first projects starting in 2020. The financial commitment required from the Group for its implementation is already in line with its financial trajectory. Thanks to financing through partnerships, the Group's equity contribution is expected to be around €200 million per year over a period of 15 years. In addition, EDF's Solar Plan will also contribute to the development of a robust and competitive solar sector.

[1] Capacity representing the share owned by the Group.
[2] Generation by entities accounted for using the full consolidation method.

DIVIDEND PROPOSED FOR 2017 €0.46 PER SHARE

with the option for payment in new shares

A dividend of €0.46 per share, corresponding to 60% of the dividend payout ratio of the net income excluding non-recurring items[1], with the option to pay the dividend balance in new shares, will be proposed to the Shareholders' Meeting on 15 May 2018.

Taking into account the interim dividend of €0.15 per share paid in December 2017, the balance of the dividend to be distributed for the 2017 fiscal year amounts to €0.31 per share for the shares benefiting from the ordinary dividend, and €0.356 per share for shares benefiting from the loyalty dividend.

[1] Adjusted for the remuneration of hybrid bonds accounted for in equity.

REGISTERED SHAREHOLDERS,

issuer or bank-managed, you may subscribe to

e-convocation

for the Shareholders' Meeting.

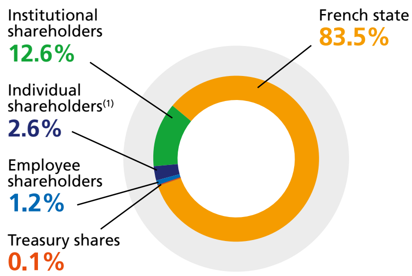
To participate, please visit the Planetshares website

https://planetshares.bnpparibas.com/login

STRUCTURE CAPITAL

As of 31 December 2017

Total number of shares: **2,927,438,804**



(1) Excluding employees.

IMPORTANT DATES

- **9 May** - 2018 first quarter sales
- **15 May** - Combined Shareholders' Meeting
- **31 July** - 2018 half-year results

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