PRESS RELEASE
31 July 2018

2018 half-year results
Confirmation of the 2018 rebound
2018 targets for EBITDA and debt ratio upgraded

Key figures of the 2018 half-year results

EBITDA		€8.2bn *+18.9% org.*[1]
Net income excluding non-recurring items[2]		€1.7bn *+27.0%*[3]
Net income – Group share		€1.7bn *-13.9%*
Net financial debt		€31.3bn *-€1.7bn*[4]
Electricity Output		
Nuclear France	202.6TWh	*+2.7%*
Nuclear United Kingdom	30.2TWh	*-5.9%*
Hydropower France	29.3TWh	*+37.6%*
EDF Énergies Nouvelles	7.9TWh	*+14.8%*[5]

Confirmation of the rebound

- Strong growth in EBITDA in the first half
- Nuclear and hydropower output up sharply in France
- Progress of the reduction of operating expenses[6] in line with the target of €1.1bn over 2015-2019

Strengthened balance sheet

- Disposal plan expected to be completed before end-2018:
  - Sale of EDF's stake in the Dunkirk LNG terminal[7] signed on 12 July 2018
  - Sale in progress of a real estate asset portfolio
- Control of net financial debt

Continuation of the deployment of CAP 2030

Renewable energies

- Launch of the Electricity Storage Plan in addition to the Solar Power Plan
- Confirmation of the three French offshore wind projects in Fécamp, Courseulles-sur-Mer and Saint-Nazaire
- Acquisition of the "Neart na Gaoithe" offshore wind power project in Scotland (450MW)

Customers & Energy services

- Regulated electricity tariff validated by the Conseil d'Etat, excluding large company sites
- Reinforcement of Edison on downstream activities:
  - Purchase of Gas Natural Vendita Italia, increasing the Italian customer portfolio by ~ 50%
  - Acquisition of control of Zephyro (71.3% of company's ordinary share capital), one of the Italian leaders on the energy efficiency

Nuclear

- Flamanville 3: corrective actions on welds in the main secondary system and schedule and target construction costs adjustment
- Taishan 1: first grid connection of the EPR
- Jaitapur: signing of a strategic cooperation agreement with GE Power for the planned construction by NPCIL of six EPRs in India
- Signing of a set of agreements consolidating the decommissioning and radioactive waste management industrial sector
- Integration of Framatome following its acquisition end-2017

Innovation and transformation

- "Parlons Énergies" (Let's Talk Energies) dialogue to share and enrich the Group's strategic vision (20,000 employees involved)
- Signing of a partnership agreement with Dassault Systèmes and Capgemini to digitally transform EDF's nuclear engineering
- Signing of a partnership agreement with McPhy and equity investment (21.7%) for the development of carbon-free hydrogen

Sustainable development

- Continuation of efforts to reduce the Group's carbon footprint:
  - Commitment to reduce direct emissions of CO2 by 40% over the period 2017 - 2030 (-35% achieved over 2013 - 2017)

2018 targets

• Operating expenses[6]:	-€0.8bn compared to 2015
• EBITDA[8]:	€14.8-15.3bn
• Cash flow[8,9] excluding Linky[10], new developments and 2015-20 asset disposal plan:	~0
• Asset disposals[11] since 2015:	~€10bn
• Total net investments excluding acquisitions and 2015-20 disposal plan:	≤ €15bn
of which net investments excluding Linky[10], new developments and 2015-20 disposal plan:	~€11bn
• Net financial debt/EBITDA[8]:	≤ 2.5x
• Target payout ratio of net income excluding non-recurring items[12]:	50%

EDF's Board of Directors meeting on 30 July 2018, under the chairmanship of Jean-Bernard Lévy, approved the condensed consolidated financial statements at 30 June 2018.

Jean-Bernard Lévy, EDF's Chairman and CEO, stated:

" The half-year results confirm the rebound announced for 2018, thanks to a solid operational performance and to the continuation of the cost reduction efforts. This rebound has been supported by favourable hydrological conditions. Through the combined efforts of all its employees, the Group is pursuing its transformation and the deployment of CAP 2030 strategy in the service of the energy transition."

Change in EDF group's half-year results

(in millions of Euros)	H1 2017[13]	H1 2018[3]	Change (%)	Organic change (%)
Sales	33,298	35,175	+5.6	+4.0
EBITDA	6,996	8,231	+17.7	+18.9
EBIT	3,882	3,650	-6.0	
Net income – Group share	2,005	1,726	-13.9	
Net income excluding non-recurring items[2]	1,370	1,739	+27.0	

Change in EDF group's half-year EBITDA

(in millions of Euros)	H1 2017[13]	H1 2018	Organic change (%)
France – Generation and supply activities	2,453	3,578	+45.9
France – Regulated activities	2,400	2,663	+11.0
EDF Énergies Nouvelles	451	360	-22.0
Dalkia	155	159	+2.6
Framatome	-	86	-
United Kingdom	627	485	-16.9
Italy	426	407	-4.5
Other international	275	117	-4.4
Other activities	209	376	+80.9
Total Group	**6,996**	**8,231**	**+18.9**

[1] Organic change at comparable scope and exchange rates
[2] Net income excluding non-recurring items is not defined by IFRS, and is not directly visible in the Group's consolidated income statement. It corresponds to the Group's share of net income (EDF net income) excluding non-recurring items, net changes in the fair value of energy and commodity derivatives (excluding trading activities), and net changes in the fair value of debt and equity securities, net of tax
[3] IFRS 9 "Financial Instruments" is effective starting on 1 January 2018, with no retrospective application in 2017
[4] Compared to 31/12/2017
[5] Organic change
[6] 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
[7] Following this sale, the evaluation of the long-term LNG regasification capacity reservation contract between EDF and Dunkerque LNG should result in the recognition of an onerous contract provision. The result of the sale, net of the provision that would be recognised, should thus be limited
[8] At comparable exchange rates and "normal" weather conditions, on the basis of a nuclear output in France assumption of >395TWh. At constant pensions discount rates
[9] Excluding eventual interim dividend for the 2018 fiscal year
[10] Linky is a project led by Enedis, an independent EDF subsidiary as defined in the French Energy Code
[11] Disposals signed or realised
[12] Adjusted for interest payments on hybrid bonds booked in equity
[13] The data published for the half year ending on 30 June 2017 has been restated for the impact of the application of the IFRS 15 standard on sales (without impact on EBITDA) and the change in segmental reporting (IFRS 8)

The results of the first half of 2018 confirm the expected rebound in the Group's EBITDA this year. At €8.2 billion, EBITDA for the first half of 2018 was up 18.9% organically compared to the first half of 2017. This performance is mainly driven by the France - Generation and supply activities thanks to a sharp increase in nuclear and hydropower generation and improved price conditions on the wholesale markets. In addition, EDF Trading benefitted from a context of volatility in commodities markets and more favourable prices. Moreover, actions to optimise and reduce operating costs, mainly carried out in France, also contributed to this performance.

The financial result corresponds to a financial expense of €1,637 million, €649 million more than in the first half of 2017. This is mainly due to the fact that the discount rate for nuclear provisions in France decreased by 10 basis points compared to 31 December 2017, whereas the rate was stable in the first half of 2017. In addition, significant capital gains from disposals of dedicated assets were recorded in the first half of 2017 (in application of IAS 39), whereas net changes in the fair value of debt and equity securities in the first half of 2018 had little effect, in line with the evolution of the markets over the half year[14]. Moreover, the cost of gross financial debt continues to improve.

The Group’s net income excluding non-recurring items stood at €1,739 million for the first half of 2018, an increase of 27% compared to the first half of 2017.

The Group’s share of net income totalled €1,726 million in the first half of 2018, down compared to the first half of 2017 (-13.9%), due primarily to the positive effect of the capital gain recorded for the sale of 49.9% of CTE[15] that took place in the first half of 2017, without equivalent in 2018.

Net investments excluding Linky[16], new developments[17] and disposals amounted to €4,762 million, down €151 million from the first half of 2017. Linky investments and new developments amounted to €1,577 million, an increase of €661 million, due to the acceleration of investments in the Linky program[16] and the Hinkley point C project. In addition, no transaction was closed under the disposal plan during the first half of the year, whereas very significant disposals were recorded in the first half of 2017.

Operating cash flow amounted to €6,981 million in the first half of 2018 compared to €4,156 million in the first half of 2017, an increase of €2,825 million. This change was mainly the result of the increase in EBITDA, the drop in the income taxes paid and a decrease in net financial expenses disbursed.

Group cash flow[18] reached +€1,599 million, compared to +€1,482 million in the first half of 2017, when €4.3 billion in strategic disposals were made. This improvement was supported by both a favourable change in WCR and by the absence of a cash allocation to the dedicated assets.

	31/12/2017	**30/06/2018**
Net financial debt[19] *(in billions of Euros)*	33.0	31.3
Net financial debt/EBITDA[20]	2.4x	2.1x

The Group’s net financial debt amounted to €31,275 million at 30 June 2018. It was €33,015 million at 31 December 2017. The ratio of net financial debt/EBITDA stood at 2.1x at 30 June 2018.

[14] As a reminder, IFRS 9 is applied as of 1 January 2018, without restatement of the previous year
[15] The company that holds 100% of RTE's shares (an independent EDF subsidiary as defined in the French Energy Code)
[16] Linky is a project led by Enedis, an independent EDF subsidiary as defined in the French Energy Code
[17] New developments: in particular the UK NNB, Italian acquisition and offshore wind
[18] Cash flow after dividends without taking into consideration the capital increase
[19] Net financial debt is not defined by accounting standards and is not directly visible in the Group’s consolidated income statement. 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
[20] The ratio at 30 June 2018 is calculated based on cumulative EBITDA for the second half of 2017 and the first half of 2018

Main Group results by segment
France – Generation and supply activities

(in millions of Euros)	H1 2017	H1 2018	Organic change (%)
Sales[21]	**13,056**	**13,652**	**+4.6**
EBITDA	**2,453**	**3,578**	**+45.9**

Sales in France - Generation and supply activities in the first half of 2018 amounted to €13,652 million, up +4.6% in organic terms compared to the first half of 2017.

EBITDA recorded an organic increase of 45.9% compared to the first half of 2017 to reach €3,578 million.

Nuclear output amounted to 202.6TWh, an increase of 5.4TWh compared to the end of June 2017. This increase can be explained by the improved availability of the fleet at the beginning of the year compared to the first half of 2017, which was marked by several reactor outages linked to the manufacturing records of the Creusot plant and by the “carbon segregation” issue.

Hydropower output[22] stood at 29.3TWh, up 37.6% (+8TWh) compared to the first half of 2017, thanks to exceptional hydro conditions. This represents the highest hydro output over a half year in the last fifteen years.

This increase in nuclear and hydropower output had a very favourable impact on EBITDA estimated at €544 million.

EBITDA also benefitted from the improvement in price conditions on the wholesale markets for an estimated total of €469 million. This change is related to purchases (in particular to cover ARENH requests) made at prices lower than those of the first half of 2017 and to sales made under more favourable price conditions.

The impact of the changes in regulated electricity sale tariffs[23], excluding the Energy Saving Certificates component (whose impact on EBITDA is neutral) and the delivery components in the tariff “stacking” calculation, led to an estimated decrease of €79 million compared to the first half of 2017.

The weather effect had a positive impact of an estimated €67 million (+0.4TWh) compared to the first half of 2017.

Downstream market conditions[24] had an impact of +€4 million compared to the first half of 2017. In fact, competitive intensity (-6.9TWh) was offset in the first half of 2018 by positive price effects on new market offers.

Under the EDF group’s performance plan, operating expenses[25] were brought down by €159 million compared to the first half of 2017 (-3.7%) through actions to optimise purchases and to control of payroll costs. These measures are being applied across all entities, notably through reductions in support costs and in cost-to-serve, and the optimisation of costs for the hydropower and thermal fleet.

[21] Breakdown of sales across the segments, before inter-segment eliminations

[22] Hydro output, excluding island activities before deduction of pumped volumes. For your information, after deduction of pumped volumes: 17.6TWh in H1 2017 and 25.5TWh in H1 2018

[23] Tariff changes of +1.7% at 1 August 2017 on the “blue” residential and non-residential tariffs (incorporating in particular the indexation of the TURPE 5 distribution tariffs of +2.71% at 1 August 2017) and +0.7% and +1.6% respectively at 1 February 2018

[24] Excluding Energy Saving Certificates component on market offers

[25] Sum of personnel expenses and other external expenses. At comparable consolidation scope and exchange rate. At constant pension discount rates. Excluding change in operating expenses of the service activities.

France – Regulated activities[26]

(in millions of Euros)	H1 2017	H1 2018	Organic change (%)
Sales[27]	**8,142**	**8,405**	**+3.2**
EBITDA	**2,400**	**2,663**	**+11.0**

Sales in France - Regulated activities in the first half of 2018 amounted to €8,405 million, up +3.2% in organic terms compared to the first half of 2017.

EBITDA amounted to €2,663 million, up 11.0% in organic terms (+€263 million) compared to first half of 2017, driven by:

- The positive impact of the TURPE 5 indexation on 1 August 2017[28] for an estimated total of €64 million
- Growth in volumes delivered in connection with the positive weather effect for an estimated €39 million
- Growth of the grid connection services activity (€47 million)
- The reduction in operating expenses excluding storms (+€37 million)
- Lower intensity of significant weather events, especially storms, and other diffuse effects (+€76 million)

[26] Regulated activities include Enedis, ÉS and island activities
[27] Breakdown of sales across the segments, before inter-segment eliminations
[28] Indexation as of 1 August 2017 of the TURPE 5 Distribution of +2.71% and the TURPE 5 Transport of +6.76%

Renewable energies

EDF Énergies Nouvelles

(in millions of Euros)	H1 2017	H1 2018	Organic change (%)
Sales[29]	**620**	**735**	**+9.2**
EBITDA	**451**	**360**[30]	**-22.0**
of which EBITDA generation	*374*	*435*	*+10.7*

Sales in EDF Énergies Nouvelles in the first half of 2018 amounted to €735 million, up 9.2% in organic terms compared to the first half of 2017.

EBITDA amounted to €360 million, down 22.0% in organic terms compared to the first half of 2017.

EBITDA of generation recorded an organic increase of 10.7% to €435 million. This trend was driven by an output of 7.9TWh in the first half of 2018, representing an organic growth of 14.8% (+€40 million), thanks to the projects commissioned in 2017.

The contribution of the Development and Sales of Structured Assets activities was down (-€98 million)[30].

Lastly, development costs rose by €38 million in particular to support growth projects.

The gross capacity commisionned service by EDF Énergies Nouvelles amounted to 0.7GW in the first half of 2018. The net capacities installed at the end of June 2018 were 8.1GW, an increase of 1.4GW compared to the end of June 2017. The gross portfolio of projects under construction at the end of June 2018 amounted to 1.7GW (0.7GW wind and 1GW solar).

Group Renewables[30,31]

(in millions of Euros)	H1 2017	H1 2018	Change (%)
Sales[29]	**1,959**	**2,352**	**+20.1**
EBITDA	**917**	**1,106**	**+20.6**
Net investments	**(224)**	**(424)**	**x2**

EBITDA for all of Group Renewables amounted to €1,106 million in the first half of 2018, up 20.6%. In addition to wind and solar generation, it benefitted from a sharp rise in hydro generation in France more than offsetting lower spot market prices. The commissioning and acquisitions of wind and solar power assets in 2017 had a significant positive effect at the end of June 2018.

[29] Breakdown of sales across the segments, before inter-segment eliminations

[30] Significant sale of a 49% minority stake in twenty-four of the UK wind projects made in the first half.of 2018 This operation does not contribute to EBITDA because EDF Énergies Nouvelles retains a controlling stake

[31] For the renewable energy generation optimized within a larger portfolio of generation assets, in particular relating to the French hydro fleet after deduction of pumped volumes, sales and EBITDA are estimated, by convention, as the valuation of the output generated at spot market prices (or at purchase obligation tariff) without taking into account hedging effects, and include the valuation of the capacity, if applicable

Energy services

Dalkia

(in millions of Euros)	H1 2017	H1 2018	Organic change (%)
Sales[32]	**1,787**	**2,009**	**+6.6**
EBITDA	**155**	**159**	**+2.6**

Sales in Dalkia in the first half of 2018 amounted to €2,009 million, up 6.6% in organic terms compared to the first half of 2017.

EBITDA amounted to €159 million, up 2.6% in organic terms compared to the first half of 2017. This trend was driven by the strengthening of competitiveness in connection with the operating performance plan, which generated €14 million in costs savings over the first half of 2018. The signing or renewal of numerous commercial contracts contributed to this dynamic, such as the creation of a heating network in Perpignan or the energy efficiency contract signed with the hospital of St-Etienne for fifteen years. On the other hand, activity was penalised by maintenance operations on several important installations.

Group Energy Services[33]

(in millions of Euros)	H1 2017	H1 2018	Change (%)
Sales[32]	**2,240**	**2,605**	**+16.3**
EBITDA	**208**	**214**	**+2.9**
Net investments	**(92)**	**(99)**	**+7.6**

EBITDA for Group Energy Services amounted to €214 million in the first half of 2018, up 2.9%. It benefited notably from the integration of Imtech in the United Kingdom in 2017 and from selective acquisitions in Italy and Belgium.

[32] Breakdown of sales across the segments, before inter-segment eliminations
[33] Group Energy Services consist of Dalkia, street lighting, heating networks, decentralised low-carbon generation based on local resources, control of consumption and electric mobility

Framatome

(in millions of Euros)	H1 2017	H1 2018	Organic change (%)
Sales[34]	**-**	**1,500**	**-**
EBITDA[35]	**-**	**194**	**-**
EBITDA EDF group contribution		**86**	

Sales in Framatome in the first half of 2018 amounted to €1,500 million. A significant share of sales was realised with other entities of the Group.

Framatome's contribution to Group EBITDA amounted to €86 million in the first half of 2018. Framatome standalone EBITDA amounted to €194 million (including the margin realised with other entities of the EDF group).

Framatome experienced sustained activity in the Fuel business and a slight slowdown in the Installed Base business, particularly in the United States.

With the acquisition of Schneider Electric's nuclear Instrumentation & Control (I&C) business in North America in February 2018, Framatome is developing its engineering expertise and expanding its portfolio of I&C solutions. Moreover, Framatome supplied a complete Instrumentation & Control system for the Tianwan No. 3 plant (VVER pressurised water reactor with a net installed capacity of 1,000MW).

The Components activity is gradualy recovering following the authorisation obtained from the ASN in January 2018 to resume forged parts manufacturing in the Creusot site.

In addition, EBITDA benefitted from reduction in operating and structure costs. It includes, for the first half of the year, a charge of €21 million in connection with the revaluation of inventories, carried out as part of Framatome's purchase price allocation.

[34] Breakdown of sales across the segments, before inter-segment eliminations
[35] Breakdown of EBITDA across the segments, before inter-segment eliminations

United Kingdom

(in millions of Euros)	H1 2017	H1 2018	Organic change (%)
Sales[36]	**4,427**	**4,605**	**+4.8**
EBITDA	**627**	**485**	**-16.9**

In the United Kingdom, sales amounted to €4,605 million in the first half of 2018, up 4.8% in organic terms.

EBITDA amounted to €485 million, down 16.9% in organic terms compared to June 2017.

EBITDA was negatively affected by the decline in nuclear output and the decrease in nuclear realised prices compared to the first half of 2017. Nuclear output amounted to 30.2TWh, or -2.0TWh, compared to June 2017, mainly because of Hunterston B outage as well as Sizewell B outage extension which was reconnected to the grid on 31 January 2018.

The supply activities benefitted from increases in residential tariffs. On the other hand, the customer portfolio was down (-2% compared to the end of December 2017) in a highly competitive environment.

Italy

(in millions of Euros)	H1 2017	H1 2018	Organic change (%)
Sales[36]	**3,820**	**4,113**	**+4.3**
EBITDA	**426**	**407**	**-4.5**

In Italy, sales in the first half of 2018 reached €4,113 million, up 4.3% in organic terms from the first half of 2017. EBITDA recorded an organic decrease of 4.5% to €407 million.

In Electricity activities, EBITDA increased by €37 million compared to the first half of 2017, mainly due to the good performance of hydroelectric generation and the performance of the ancillary services.

EBITDA of Hydrocarbons activities was down €52 million organically compared to June 2017. Gas activities were penalised mainly by unfavourable price trends affecting the margin of long-term contracts due to the steady rise in the Brent price since 2016. In this context, the exploration-production activities benefited from positive price effects and higher volumes notably following the commissioning of a new field in Algeria.

[36] Breakdown of sales across the segments, before inter-segment eliminations

Other international

(in millions of Euros)	H1 2017	H1 2018	Organic change (%)
Sales[37]	**1,706**	**1,147**	**-0.9**
EBITDA	**275**[38]	**117**	**-4.4**

Sales in the Other international segment amounted to €1,147 million, down by 0.9% in organic terms compared to the first half of 2017. EBITDA recorded an organic decrease of 4.4% to €117 million.

In Belgium, EBITDA recorded an organic increase of 13% to €79 million. This change was driven notably by strong growth in EDF Luminus' renewable electricity generation, thanks to the increase in installed wind capacity and more favourable wind conditions than in the first half of 2017. Installed capacity amounted to 390.5MW at the end of June 2018, up 26.2% compared to the end of June 2017. However, the overall performance was affected by the extended outages at nuclear plants operated by the Engie Group, which negatively affected EBITDA by approximately €19 million. In addition, the drop in nuclear realised prices and the continued strong commercial competition had a negative impact.

Brazil's EBITDA (€34 million, or -36%) was negatively affected by the impact of planned maintenance operations that led to significant purchases on the market to cover the long-term supply contract in a bullish market environment.

Other activities

(in millions of Euros)	H1 2017	H1 2018	Organic change (%)
Sales[37]	**1,259**	**1,284**	**+3.2**
EBITDA	**209**	**376**	**+80.9**

Sales in Other activities amounted to €1,284 million, up 3.2% in organic terms over the first half of 2017. EBITDA recorded an organic increase of 80.9% to reach €376 million.

EBITDA at EDF Trading amounted to €346 million in the first half of 2018, an organic increase of 86.1% compared to the first half of 2017. This change was driven by the return of volatility in commodities markets, good performance in the United States and favourable weather conditions in the first quarter of 2018. Activities related to LNG (Liquefied Natural Gas) also contributed to this performance, which was driven by rising Asian demand and an upward price environment for oil.

Moreover, on 3 July 2018, EDF Trading and JERA announced the signing of binding agreements to form a common platform for the optimisation and trading of liquefied natural gas.

[37] Breakdown of sales across the segments, before inter-segment eliminations
[38] 2017 data, including EDF Polska's sales in Poland for an EBITDA of €133 million, sold on 13 November 2017

Main events[1] since the 2018 first quarter press release

Major Events

Group Renewables

EDF Énergies Nouvelles[2]

- EDF Renewables sold a 49% minority stake in twenty-four of its wind farms in the United Kingdom (approximately 550MW) (see press release of 29 June 2018).
- EDF Énergies Nouvelles is accelerating its growth in renewable energies in France and announced that after exceeding its growth targets in 2017 in France, EDF Énergies Nouvelles is continuing its expansion in 2018 and working to contribute to EDF's Solar Plan (see press release of 6 June 2018).
- The completion of the three offshore wind projects at Fécamp, Courseulles-sur-Mer and Saint-Nazaire, which EDF Énergies Nouvelles is developing with its partners Enbridge Inc. and WPD, has been confirmed (see press release of 20 June 2018).

EDF Nouveaux Business

- EDF and McPhy have signed a partnership agreement for the development of carbon-free hydrogen in France and abroad (see press release of 5 June 2018).

Group Energy Services

- Edison, through its subsidiary Fenice, acquired control of Zephyro SpA. and launched a takeover bid (see press release of 2 July 2018).
- EDF launched two Skills (applications) on Alexa, the intelligent voice service from Amazon (see press release of 21 June 2018).
- EDF won a contract for the development of a sustainable neighbourhood in Moscow (see press release of 25 May 2018).

Nuclear industry

- Welds of the main secondary system of the Flamanville EPR: EDF set up corrective actions and adjusted the schedule and target construction costs (see press release 25 July 2018).
- Framatome announced the ramp-up of its operations at the Creusot Forge site (see press release of 18 July 2018).
- The Group clarified the safety and security of EDF's nuclear power plants in France (see press release of 5 July 2018).
- The Taishan 1 EPR was connected to the grid (see press release of 29 June 2018).
- EDF signed, at the World Nuclear Exhibition, a set of agreements securing the position of the nuclear decommissioning and radioactive waste management sector (see press release of 28 June 2018). These included:
    - EDF and Veolia signed a partnership agreement for the decommissioning of nuclear power plants and the treatment of radioactive waste (see press release of 26 June 2018).

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[1] A full list of press releases is available on EDF's website www.edf.fr
[2] A full list of EDF Énergies Nouvelles' press releases is available on the website www.edf-energies-nouvelles.com

   - EDF acquired Oreka Solutions, a start-up specializing in digital technology in support of nuclear decommissioning projects (see press release of 26 June 2018).

- EDF, Dassault Systèmes and Capgemini signed a partnership agreement for the digital transformation of EDF's nuclear engineering (see press release of 27 June 2018).
- EDF Nouveaux Business: EDF and GE signed a strategic cooperation agreement as part of the Industrial Way Forward signed in March 2018 with the Indian energy company NPCIL for the construction of 6 EPRs in India by NPCIL (see press release of 26 June 2018).

Disposal plan

- The EDF group entered into binding agreements for the sale of its stake in the capital of the LNG terminal of Dunkerque LNG (see press release of 12 July 2018)[3].

Other significant events

- EDF announced the acceleration of the off-grid market in Africa by focusing on a new offer and local skills (see press release of 18 July 2018).
- EDF Trading and JERA announced the creation of a common optimisation and trading joint venture for LNG (Liquefied Natural Gas) (see press release of 3 July 2018).
- EDF announced the results of the option for payment of the balance of the dividend to be paid out in new shares for the 2017 financial year: 93.39% of the rights were exercised in favour of a payment in shares following the option period which took place between 25 May 2018 and 11 June 2018 included. (see press release of 15 June 2018).
- EDF signed a global responsible employer agreement with IndustriALL and PSI (see press release of 29 May 2018).
- Mobilised in the fight against global warming, EDF committed to reducing its direct CO_2 emissions by 40% by 2030 and to pursuing the goal of achieving carbon neutrality of France by 2050 (see press release of 15 May 2018).
- EDF finalised the acquisition of 750MW of generation assets (gas and peak) to support the development of its renewable activities in Chile (see press release of 10 May 2018).

[3] Following this sale, the evaluation of the long-term LNG regasification capacity reservation contract between EDF and Dunkerque LNG should result in the recognition of an onerous contract provision. The result of the sale, net of the provision that would be recognised, should thus be limited.

APPENDICES :

Consolidated income statement

(in millions of Euros)	**H1 2018**	H1 2017 restated [1]
Sales	35,175	33,298
Fuel and energy purchases	(16,751)	(16,920)
Other external expenses	(4,038)	(3,733)
Personnel expenses	(6,836)	(6,286)
Taxes other than income taxes	(2,694)	(2,687)
Other operating income and expenses	3,375	3,324
Operating profit before depreciation and amortisation	**8,231**	**6,996**
Net changes in fair value on energy and commodity derivatives, excluding trading activities	19	(196)
Net depreciation and amortisation	(4,410)	(4,212)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(66)	(41)
(Impairment)/reversals	(68)	(32)
Other income and expenses	(56)	1,367
Operating profit	**3,650**	**3,882**
Cost of gross financial indebtedness	(785)	(879)
Discount effect	(1,707)	(1,283)
Other financial income and expenses	855	1,174
Financial result	**(1,637)**	**(988)**
Income before taxes of consolidated companies	**2,013**	**2,894**
Income taxes	(625)	(712)
Share in net income of associates and joint ventures	365	(93)
GROUP NET INCOME	**1,753**	**2,089**
EDF net income	**1,726**	**2,005**
Net income attributable to non-controlling interests	**27**	**84**
Earnings per share (EDF share) in euros:		
Earnings per share	0.46	0.66
Diluted earnings per share	0.46	0.66

(1) The comparative figures at 30 June 2017 have been restated according to IFRS 15. For IFRS 9, applicable from 1 January 2018, the transition provisions do not require restatement and the comparative figures are therefore as previously published.

Consolidated balance sheet

ASSETS *(in millions of Euros)*	30/06/2018	31/12/2017 restated (1)
Goodwill	10,121	10,036
Other intangible assets	9,722	8,896
Property, plant and equipment operated under French public electricity distribution concessions	55,437	54,739
Property, plant and equipment operated under concessions for other activities	7,561	7,607
Property, plant and equipment used in generation and other tangible assets owned by the Group	77,215	75,622
Investments in associates and joint ventures	7,618	7,249
Non-current financial assets	37,309	36,787
Other non-current receivables	1,908	2,168
Deferred tax assets	1,084	1,220
Non-current assets	**207,975**	**204,324**
Inventories	13,756	14,138
Trade receivables	15,231	16,843
Current financial assets	31,716	24,953
Current tax assets	250	673
Other current receivables	6,365	7,219
Cash and cash equivalents	3,957	3,692
Current assets	**71,275**	**67,518**
TOTAL ASSETS	**279,250**	**271,842**

(1) The comparative figures at 31 December 2017 have been restated according to IFRS 15

EQUITY AND LIABILITIES *(in millions of Euros)*	30/06/2018	31/12/2017 restated (1)
Capital	1,505	1,464
EDF net income and consolidated reserves	42,450	39,893
Equity (EDF share)	***43,955***	***41,357***
Equity (non-controlling interests)	7,967	7,341
Total equity	**51,922**	**48,698**
Provisions related to nuclear generation - back-end of the nuclear cycle, plant decommissioning and last cores	47,709	46,410
Provisions for decommissioning	2,028	1,977
Provisions for employee benefits	19,590	20,630
Other provisions	2,240	2,356
Non-current provisions	***71,567***	***71,373***
Special French public electricity distribution concession liabilities	46,670	46,323
Non-current financial liabilities	49,084	51,365
Other non-current liabilities	4,918	4,864
Deferred tax liabilities	2,788	2,362
Non-current liabilities	**175,027**	**176,287**
Current provisions	5,831	5,484
Trade payables	12,000	13,994
Current financial liabilities	18,281	11,142
Current tax liabilities	411	187
Other current liabilities	15,778	16,050
Current liabilities	**52,301**	**46,857**
TOTAL EQUITY AND LIABILITIES	**279,250**	**271,842**

(1) The comparative figures at 31 December 2017 have been restated according to IFRS 15

Consolidated cash flow statement

(in millions of Euros)	**H1 2018**	H1 2017
Operating activities:		
Income before taxes of consolidated companies	**2,013**	**2,894**
Impairment/(reversals)	68	32
Accumulated depreciation and amortisation, provisions and changes in fair value	5,017	4,420
Financial income and expenses	296	429
Dividends received from associates and joint ventures	124	76
Capital gains/losses	50	(2,039)
Change in working capital	1,434	482
Net cash flow from operations	***9,002***	***6,294***
Net financial expenses disbursed	(730)	(828)
Income taxes paid	140	(827)
Net cash flow from operating activities	**8,412**	**4,639**
Investing activities:		
Acquisitions of equity investments, net of cash acquired	(296)	(115)
Disposals of equity investments, net of cash transferred (1)	45	1,822
Investments in intangible assets and property, plant and equipment	(7,713)	(6,535)
Net proceeds from sale of intangible assets and property, plant and equipment	123	487
Changes in financial assets	(479)	(3,276)
Net cash flow used in investing activities	**(8,320)**	**(7,617)**
Financing activities:		
EDF capital increase	-	4,005
Transactions with non-controlling interests (2)	1,285	224
Dividends paid by parent company	(60)	(75)
Dividends paid to non-controlling interests	(113)	(102)
Purchases/sales of treasury shares	-	-
Cash flows with shareholders	***1,112***	***4,052***
Issuance of borrowings	2,299	1,870
Repayment of borrowings	(3 154)	(2,132)
Payments to bearers of perpetual subordinated bonds	(378)	(394)
Funding contributions received for assets operated under concessions	56	66
Investment subsidies	301	344
Other cash flows from financing activities	***(876)***	***(246)***
Net cash flow from financing activities	**236**	**3,806**
Net increase/(decrease) in cash and cash equivalents	**328**	**828**
CASH AND CASH EQUIVALENTS - OPENING BALANCE	**3,692**	**2,893**
Net increase/(decrease) in cash and cash equivalents	328	828
Effect of currency fluctuations	(22)	(33)
Financial income on cash and cash equivalents	7	11
Effect of reclassifications	(48)	105
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	**3,957**	**3,804**

(1) In 2017, this item includes an amount of €1,282 million relating to the partial sale of the electricity transmission entity Coentreprise de Transport d'Électricité or CTE, the company that holds RTE's shares.

(2) Contributions via capital increases or capital reductions and acquisitions of additional interests or disposals of interests in controlled companies.
In 2018, this item includes an amount of €797 million relating to the sale of 49% of EDF Renewables' wind farms , and a receipt of €361 million relating to CGN's payment for the NNB Holding Ltd. and Sizewell C Holding Co capital increases (€220 million at 30 June 2017).

PRESS RELEASE

31 July 2018

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