PRESS RELEASE
12 February 2015

Full-year results up in 2014
Solid performance in low-carbon energies
2018 ambition reiterated

- **Group EBITDA:** €17.3bn, +6.5% organic growth[1], +3.2% excluding Edison and the tariff catch-up[2]
- **A record-setting performance by low-carbon energies:**
  - French nuclear output: 415.9 TWh, the second best performance of the last six years
  - French CO_2 emissions[3]: 17 g/kWh, an all-time low
  - Renewable energy capacity under construction[4]: 2.2 GW, an all-time high
- **Net income excluding non-recurring items:** €4,852m, +17.9%
- **Net income – Group share:** €3,701m, +5.2**%**
- **Net financial debt/EBITDA:** 2.0x vs. 2.1x at 31 December 2013
- **Dividend proposed for 2014:** €1.25 per share in cash, equivalent to a 52% payout ratio[5] and 58% when excluding the tariff catch-up

Financial guidance for 2015:

- **Group EBITDA[6]:** organic growth of 0 to 3%
- **Net financial debt/EBITDA:** between 2x and 2.5x
- **Payout ratio of net income excluding non-recurring items post hybrid:** 55% to 65%

2018 ambition:

- **Enhanced action plan on cash flow generation levers:**
  - EBITDA growth, CSPE balance, WCR action plan, control of net investments
- **Cash flow after dividends[7]:** positive in 2018

EDF's Board of Directors, meeting on 11 February 2015, under the chairmanship of Jean-Bernard Lévy, approved the consolidated accounts of the financial year ending 31 December 2014.

Jean-Bernard Lévy, Chairman and Chief Executive Officer of EDF, said, *"2014 was a good year for EDF, which achieved solid operating and financial results, with, in particular, an excellent showing by low-carbon energies. In France, nuclear output exceeded our target and the Group achieved its lowest level of CO_2 emissions ever. EDF Énergies Nouvelles beat its record for new solar and wind power plant construction in the world. The energy transition is an opportunity for the Group to make the most of its unique technologies and skills. I believe that EDF has everything going for it to be a major player and thus to consolidate its global leadership."*

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[1] At constant scope and exchange rate
[2] Impact of the regularisation of regulated tariffs for the period from 23 July 2012 to 31 July 2013, following the French Council of State's decision of 11 April 2014
[3] Continental France and insular energy systems, excluding island generation
[4] EDF Énergies Nouvelles' gross capacity under construction, as of 31 December 2014
[5] Payout ratio applied to Net income excluding non-recurring items adjusted for the remuneration of hybrid issues booked as equity
[6] In organic terms and excluding the impacts of the €744 million catch-up on 2014 EBTDA following the French Council of State's decision of 11 April 2014
[7] Excluding Linky

Change in EDF Group's full-year results

In millions of euros	2013 restated*	2014	Chg. vs. 2013 restated (%)	Organic change (%)
Sales	71,916	72,874	+1.3	(1.4)
EBITDA	16,099	17,279	+7.3	+6.5
EBITDA excl. Edison and excl. tariff catch-up	15,131	15,734	4.0	3.2
EBIT	8,334	7,984	(4.2)	(4.3)
Net income – Group share	3,517	3,701	+5.2	+6.2
Net income per share	*1.84*	*1.78*[8]		
Net income excluding non-recurring items	4,117	4,852	+17.9	+18.7

***Restated figures**: 2013 figures have been restated for the impact of the retroactive application of IFRS 10 and 11

Change in EDF Group's EBITDA

In millions of euros	2013 restated	2014	Organic chg. (%)
France	10,778	12,198	+12.6[9]
United Kingdom	1,992	1,941	(8.5)
Italy	1,059	886	(17.3)
Other International	814	632	(21.4)
Other activities	1,456	1,622	+15.0
Total Group	**16,099**	**17,279**	**+6.5**

In a European energy sector that is undergoing deep changes and amidst an uncertain regulatory environment, EDF Group achieved higher earnings compared to 2013. Thanks to the record level of low-carbon energies in its power production mix, EDF once again reduced its CO_2 emissions, to 102 g/kWh at Group level and to 17 g/kWh in France, and confirmed its leadership in fighting climate change.

Group EBITDA rose by 6.5% on an organic basis to €17,279 million. With organic growth of 12.6%, French EBITDA benefitted from the solid performance of the nuclear fleet and the revision of 2012-2013 regulated tariffs, even though the environment was marked by a 25.4 TWh decline in consumption by end-customers, due to mild weather.

[8] EPS = (Net income, group share – hybrid payments)/average number of shares in circulation. In 2014, hybrid payments came to €388m.

[9] +5.8% when excluding the tariff revision

In the United Kingdom, EBITDA fell in organic terms by 8.5% to €1,941 million, driven down by the unplanned outages at Heysham 1 and Hartlepool nuclear plants in the second half.

In Italy, Edison's good operating performance allowed its EBITDA to exceed the €600 million-plus target excluding the non-recurring items of renegotiation and arbitration of gas contracts, with an increase of more than 10% in organic terms.

The Other International segment, which saw a 21.4% decline in EBITDA in organic terms, continued to be negatively impacted by adverse market conditions and mild weather in Belgium and Poland.

EBITDA in the Other Activities segment, up 15% in organic terms, reflects the good performances of EDF Énergies Nouvelles, with achieved organic growth of 6.2%, and of EDF Trading, which was up 19.9% in organic terms.

Operating performance: steady improvement in operating conditions

Nuclear output in France rose by 3% to 415.9 TWh, above the upper end of the Group's 410-415 TWh target range. This performance is due to the success of the action plan initiated in 2013, which halved the average duration of planned outage extensions in 2014. It also came with an improvement in nuclear safety, with a 9% decrease in automatic reactor shutdowns, an indicator of quality and thoroughness of operations.
In 2015, EDF scheduled a volume of planned outages equivalent to 2014, including the ongoing programme to replace large components and a 3rd 10-year inspection taking place for the first time on a 1,300 MW series plant, at Paluel. Against this backdrop, the Group is once again targeting a nuclear output between 410 and 415 TWh in 2015.

Hydropower output in France came to 37.5 TWh, a 12% decline that constitutes a return to normal compared to the exceptional output of 2013, which had enjoyed highly favourable hydraulic conditions.

Output by fossil-fuel-fired power plants in France came to 6.9 TWh, down 8.7 TWh compared to 2013. This decline was due to: on the one hand, a lower level of dispatch of fossil-fuel-fired power plant fleet, on the back of weather conditions and a less favourable spread between power prices and fossil fuel prices; and, on the other hand, to the shutdown of two coal-fired plants.

As a result, total output in continental France came to 460.3 TWh in 2014, down 1.5 TWh compared to 2013, a good performance in an environment in which end-customer consumption dropped by 7%, due mainly to mild weather.

CO_2 emissions in France[10] hit an all-time low at 8 million tonnes, or 17 g/kWh. This remarkable performance is due to both favourable weather and market conditions in 2014, as well as to a general trend in EDF's emissions. This policy is based mainly on adjusting fossil-fuel-fired power plants, with the modernisation of certain coal-fired units and the construction of more flexible gas-fired plants to replace closing coal-fired plants.

The distribution business in France achieved an exceptional operating performance, with an average 64-minute outage time[11] at ERDF, a nine-year low.

In the United Kingdom, nuclear output came to 56.3 TWh in 2014, down by 4.2 TWh. This was due mainly to the unplanned August 2014 outage of the Heysham 1 and Hartlepool plants. Following the boilers inspection, the

[10] Continental France and island energy systems, excluding island generation

[11] Excluding RTE and exceptional incidents

plants were brought back into service in late 2014 and early 2015 at reduced load. The rest of the nuclear fleet achieved very good output levels. EDF Energy expects an increase in nuclear output in 2015 compared to 2014.

Given the extensions in operating lives announced by EDF Energy, including at Dungeness B for 10 years until 2028, the expectation is an average life extension of eight years for the seven AGR (advanced gas-cooled reactors) power plants compared to the scheduled closure dates at the time of British Energy acquisition in January 2009.

In Italy, Edison reported a strong operating performance, driven mainly by almost 5 TWh in hydropower output, up 23% vs. 2013, which had clearly been a solid year for the hydropower fleet.

Increased control over operating costs

The Group stepped up its efforts to control its operating costs. Whereas the Spark cost control plan limited their increase to 1.1%[12] in 2013, the increase in operating costs continued to slow in 2014, to +0.9%[13].

Net income – Group share up 5.2%

Net income – Group share came to €3,701 million, up 5.2% vs. 2013, driven by the Group's operating and financial performance and in spite of the negative impact of non-recurring items.

Net financial expenses fell sharply in 2014 to -€2,551 million from -€2,942 million in 2013, thanks mainly to capital gains on dedicated assets disposals and, to a lesser extent, the lower cost of financial debt.

Net income – Group share includes -€1,151 million in non-recurring items, compared with -€600 million in 2013, mainly due to Benelux and Alpiq impairments and the positive impact in 2013 of the pension reform, which had no equivalent in 2014.
Restated for these items, net income excluding non-recurring items came to €4,852 million in 2014, up 17.9% from the €4,117 million in 2013.

Proposed dividend for 2014: €1.25 per share in cash

At its 11 February 2015 meeting, EDF's Board of Directors decided to seek shareholder approval for the payment of a €1.25 per share dividend for 2014 at the General Meeting that will decide whether to approve the annual accounts. This would correspond to a 52% payout of net income excluding non-recurring items post hybrid and 58% excluding the tariff catch-up.

When subtracting the interim dividend of €0.57 per share paid out in December 2014, the balance of the dividend to be paid out on the 2014 financial year comes to €0.68 per share for shares receiving the ordinary dividend and €0.805 per share receiving the loyalty dividend.

The proposed dividend would be paid out on 5 June 2015, the ex date is therefore set for 3 June 2015.

[12] At constant scope, exchange rates and accounting methods

[13] At constant scope and exchange rates

Net investments[14]: stable at €12 billion in 2014

Group's net investments came to €12 billion, almost unchanged from 2013 (€11.8 billion) when including the Dalkia investments consolidated over five months in 2014, and below the €13-13.5 billion range announced in February 2014. 48% of this investment effort was allocated to maintenance, 26% to development and 26% to regulated activities.

When excluding Linky, net investments in France were flat vs. 2013 at €8,734 million. In the United Kingdom, net investments rose by almost 30% to €1,519 million, due to new nuclear and greater disposals of wind farms in 2013 than in 2014. With an almost 7% increase to €634 million, EDF Énergies Nouvelles continues to roll out its business model, which is reflected in an especially ambitious capex along with a high volume of disposals within Development-Sale of Structured Assets (DSSA).

Ongoing strengthening of the financial structure

	31/12/2013[15]	31/12/2014
Net financial debt *(in billions of euros)*	33.4	34.2
Net financial debt / EBITDA	2.1x	2.0x

Net financial debt came to €34.2 billion at 31 December 2014, up €0.8 billion vs. 31 December 2013. The net financial debt / EBITDA ratio came to 2x, in the lower end of the Group's 2x-2.5x range.

The average maturity of the Group's gross debt at 31 December 2014 was raised to 13.2 years vs. 8.9 years at 31 December 2013. Meanwhile, the cost of financial debt declined slightly, as the expansion in gross debt was offset by a reduction in the average coupon, which came to 3.3% at the end of 2014, compared to 3.8% at the end of 2013, due mainly to fixed-to-floating operations.

In January 2014, the Group rolled out the second phase of its hybrid issuance programme launched in 2013 and raised €4 billion[16] in three currencies and four tranches, thus raising the financing by hybrid securities to €10.1 billion counted as equity. This issue is helping to match the Group's hybrid financing with its capital needs for development projects.

Operating cash flow came to €11.7 billion in 2014 vs. €12.6 billion in 2013, with a €678 million increase in income tax paid in 2014. This covers almost all the €12 billion in net investments.

Meanwhile, the change in working capital requirement came to -€1,041 million in 2014, driven by a number of exceptional factors: on the one hand, the increase in trade receivables due to the revision of 2012-2013 regulated tariffs for -€979 million which will not be cashed-in until 2015 and the increase in the CSPE operating receivable (-€699 million); and, on the other hand, the mild weather of 2014, which led to a decline in trade receivables.

[14] Net investments excluding Linky and strategic operations
[15] 2013 data have been restated for the impact of the retroactive application of IFRS 10 and 11
[16] Euro equivalents of amounts in dollars, euros and sterling

Meanwhile, the first effects of the WCR plan are beginning to impact positively the change in working capital requirement.

Hence, cash flow after net investments came to -€1,395 million, down from -€964 million in 2013.

Cash flow after dividends came to -€4,007 million vs. -€314 million in 2013, which benefitted from the withdrawal of dedicated assets after the allocation of the CSPE receivable (€2.4 billion) and from disposals in strategic operations (€0.8 billion).

2015 guidance

2014 was an eventful year in developments key to EDF Group's future. With the European Commission's approval received for the contract for difference and the Infrastructure UK guarantee, the Hinkley Point C new nuclear project in the UK has achieved an important milestone in moving towards a final investment decision[17]. With the consolidation of Dalkia's assets in France, the Group now has a platform sized to its ambitions in energy services. The innovative financing solutions from the partnership with Amundi open the door to an accelerated development of energy transition projects identified by the Group.

In 2015, the Group faces several major challenges to its financial equation. Industrial challenges involving: the existing French nuclear fleet with the roll-out of the so-called *"Grand Carénage"* programme; the finalisation of agreements and of the financing package for the Hinkley Point C project with a view to a final investment decision; and the conclusion of the current cycle of Edison gas contracts renegotiations. There will also be commercial challenges arising from the end of the yellow and green regulated tariffs and from the ARENH formula. Finally, energy policy challenges, with the expected adoption of the French energy transition law.

Against this backdrop, the Group announces the following financial guidance for 2015:

- **EBITDA Group[18]:** organic growth 0 to 3%
- **Net financial debt / EBITDA:** between 2x and 2.5x
- **Payout ratio, based on net income excluding non-recurring items post-hybrid[19]:** 55% to 65%

[17] The next steps before a final investment decision include: entering into agreements with the project's strategic and financial partners; approval by the European Commission and the UK government of the waste transfer contract arrangements; setting up the financing guarantee under the "Infrastructure UK" programme; the finalising of the contract for difference (CfD) and contracts with the main suppliers.

[18] At a constant scope and exchange rates, and when excluding the impacts of the regularisation of 2012-2013 regulated tariffs

[19] Net income excluding non-recurring items adjusted for payments on the hybrid issues booked as equity

Roadmap for positive cash flow[20] by 2018

The Group had announced its ambition in February 2014 to achieve positive cash flow after dividends excluding Linky in 2018.

Given the trends of 2014 in key components of the cash flow, the Group has put a roadmap in place for meeting this ambition.

Regarding EBITDA, the Group is striving to maximise its gross margin and step up its efforts in controlling operating expenses while taking into account the regulatory environment and changing markets.

The action plan also aims to continue improving working capital requirements, with an objective of €1.8 billion in optimised cash flow in 2018 on a like-for-like basis.

And, lastly, in accordance with what was announced in early 2014, the Group's net investment trajectory will peak in 2015, but brought down to €13 billion. Net investments excluding new developments should then gradually recede as projects are commissioned, reaching no more than €11 billion in 2018. The investments for new developments will be financed mostly by reallocating the proceeds from non-strategic assets disposals, the value of which will be optimised throughout the duration of the plan.

[20] After dividends, excluding Linky

The Group's main results by segment

France: a good operating performance despite the adverse weather impact

In millions of euros	2013 restated*	2014	Organic change (%)
Sales	**40,210**	**39,910**	**(0.2)**
EBITDA	**10,778**	**12,198**	**+12.6**
of which EBITDA Generation and Supply (unregulated)	*6,705*	*7,929*	*+17.3*
of which EBITDA regulated	*4,073*	*4,269*	*+4.8*

* *Figures restated for the impact of the retroactive application of IFRS 10 and 11*

In France, sales came to €39,910 million, down 0.2% in organic terms vs. 2013. EBITDA amounted to €12,198 million, hence 12.6% organic growth, 6.8% of which was due to the tariff catch-up.

In generation and supply (unregulated), EBITDA rose by 17.3% in organic terms. Restated for the impact of the revision of 2012-2013 regulated tariffs (€731 million), EBITDA rose by €430 million, or +6.4%. This growth is due mainly to the solid performance in nuclear output (+€289 million), the increase in the energy component (excluding transport and distribution) of regulated sales tariffs (+€413 million), and the decline in costs related to CO_2 emissions allowances. These positive items offset the adverse impact of the mild weather (-€141 million) and the decline in hydropower output (-€170 million), as 2013 featured excellent hydro conditions. The moderate increase (+0.7%) in other external expenses and personnel costs are due mainly to efforts to control costs and the solid results of nuclear reactors planned outages programme.

In regulated activities[21], EBITDA came to €4,269 million, for 4.8% organic growth, driven by the French island activities, which have benefitted from investments from the Group since 2009 with new power plants being commissioned by EDF PEI. In the distribution activities the adverse impact of mild weather (-€385 million) was offset partly by the increase in TURPE and lower costs associated to purchases to cover grid losses, due to lower electricity market prices.

In addition, the average outage time including all causes[22] was lowered to 64 minutes by ERDF in 2014, compared to 82 minutes in 2013, and a nine-year low. This reflects ramping up investments in quality of services, to €904 million in 2014, up 3.4% compared to 2013 and 47% compared to 2010.

[21] ERDF and French island activities
[22] Excluding RTE and exceptional incidents

**United Kingdom: performance down,
due mainly to unplanned outages in nuclear**

In millions of euros	2013 restated*	2014	Organic change (%)
Sales	**9,782**	**10,160**	**(1.9)**
EBITDA	**1,992**	**1,941**	**(8.5)**

** Figures restated for the impact of the retroactive application of IFRS 10 and 11*

In the United Kingdom, sales reached €10,160 million, down 1.9% in organic terms compared to 2013. EBITDA fell 8.5% in organic terms to €1,941 million, including a favourable forex impact of €116 million.

The decline in EBITDA reflects the 4.2 TWh decline in nuclear output, to 56.3 TWh, due to the unplanned August outages of the Heysham 1 and Hartlepool reactors, which returned to service in late 2014 and early 2015. The impact of these outages was partially offset by the very strong operating performance of the rest of the nuclear fleet.

Meanwhile, EDF Energy's supply businesses benefitted from increased B2C activity – despite the adverse weather impact on volumes of gas sold – thanks mainly to ongoing cost reductions and the increase in average product accounts (+194,000).

Italy: good operating performance when excluding the impact of gas renegotiations

In millions of euros	2013 restated*	2014	Organic change (%)
Sales	**12,689**	**12,687**	**(0.4)**
EBITDA	**1,059**	**886**	**(17.3)**

** Figures restated for the impact of the retroactive application of IFRS 10 and 11*

In **Italy**, sales came to €12,687 million, -0.4% in organic terms vs. 2013. EBITDA in the segment fell by 17.3% in organic terms to €886 million.

This figure is due to the decline in Edison's EBITDA to €801 million in 2014, a decline of €176 million (-18.2%) in organic terms due to the non-recurrent impacts of renegotiations and arbitration ruling on long-term gas contracts, impacts that were greater in 2013 (Algeria and Qatar) than in 2014 (Russia).

When adjusted for these impacts, EBITDA rose more than 10% in organic terms, reflecting the solid operating performance of Edison, driven in turn by highly favourable hydro conditions on the whole year and the optimisation of thermal power plants, whose flexibility has been leveraged.

The second round of negotiations on the Libyan gas contract is expected to conclude in the first half of 2015. This should bring to an end the cycle of price revisions on all contracts opened in late 2012.

Other international: unfavourable impact of economic and weather conditions

In millions of euros	2013 restated*	2014	Organic change (%)
Sales	**6,349**	**5,603**	**(11.1)**
EBITDA	**814**	**632**	**(21.4)**

** Figures restated for the impact of the retroactive application of IFRS 10 and 11*

Sales under **Other international** came to €5,603 million, down 11.1% in organic terms vs. 2013. EBITDA fell by 21.4% in organic terms, to €632 million.

EBITDA in Belgium fell by €158 million in organic terms, penalised mainly by lower volumes of gas sold, due to adverse weather, and by lower electricity margins due to challenging market conditions. The segment was also hit by the negative impact of the outages of the Doel 4 reactor between 4 August and 19 December 2014, and Doel 3 and Tihange 2 since March 2014.

In Poland, EBITDA declined, driven down by wholesale electricity prices and a decline in volumes of heat sold, because of the mild winter. These negative effects were only partly offset by an improvement in the margin on green energy generation and a return of support for combined heat and power (CHP).

However, Brazil's EBITDA benefitted from improved electricity margins, driven by favourable market conditions.

Other activities: Good operating performance throughout the segment

In millions of euros	2013 restated*	2014	Organic change (%)
Sales	**2,886**	**4,514**	**+0.8**
EBITDA	**1,456**	**1,622**	**+15.0**

** Figures restated for the impact of the retroactive application of IFRS 10 and 11*

Sales under **Other activities** rose by 0.8% in organic terms to €4,514 million. EBITDA rose by 15.0% in organic terms to €1,622 million.

EDF Énergies Nouvelles' EBITDA came to €690 million, up by €40 million (+6.2%) in organic terms vs. 2013, driven by Development-Sale of Structured Assets (DSSA) activity that was especially robust in 2014. EDF Énergies Nouvelles also continued to develop its operating and maintenance activity with almost 12 GW of capacity under management as of 31 December 2014, compared with 9 GW at end-2013.

EDF Trading delivered an EBITDA of €632 million in 2014, hence €105 million (+19.9%) of organic growth compared to 2013 and driven mainly by the strong performance of its North American activities.

Dalkia contribution to EDF Group EBITDA came to €32 million, due to its consolidation over five months and the one-off impact of the purchase accounting.

Main events since the release of third quarter 2014 results

EDF Énergies Nouvelles commissions several new installations

From 24 November 2014 to 29 January 2015, EDF Énergies Nouvelles announced the commissioning of several projects. In France, the wind farms of Trécon Clamanges (4 MW) in Champagne-Ardenne, and Plateau d'Andigny (21 MW) and Basse Thiérache Sud (24 MW) in Picardie were commissioned, along with the 5 MWp Toucan solar generation and storage plant, in French Guyana. In the United Kingdom, the Group brought the Barmoor (12 MW) wind farm into service, and in North America commissioned several farms: Hereford (200 MW) in the US, and phase 1 of Rivière-du-Moulin (150 MW) and The Granit and The Mitis (50 MW together) in Québec. In South Africa, EDF Énergies Nouvelles commissioned its first wind farm, the 60 MW Grassridge installation.

EDF signs new agreements with its long-standing partners in China

On 29 January 2015, within the framework of their strategic partnerships, EDF and China General Nuclear Power Group (CGN) announced signing of an agreement to share their experience of plant operation and engineering support for existing nuclear fleets, with the aim of preserving the highest safety levels and maintaining consistency between French and Chinese procedures and standards. EDF also signed an agreement with Huadian, a leading Chinese electrical utility, paying the way for future cooperation on joint projects in China as well as on the international level. The three key areas of focus of this agreement are combined-cycle gas-turbine power plants, hydro power plants operation and renewable energies.

Snam, GIC and EDF Invest welcome Crédit Agricole Assurances along their side within TIGF

On 28 January 2015, Snam, GIC and EDF Invest entered into an agreement with Crédit Agricole Assurances for it to acquire a 10% equity stake in TIGF. Upon completion of the transaction, Snam, GIC, and EDF Invest will receive slightly above €180 million and together with Crédit Agricole Assurances will hold respectively 40.5%, 31.5%, 18.0% and 10.0% of the share capital of TIGF indirectly. The completion of the transaction, which is subject to customary closing conditions, is expected to take place by the end of the first quarter 2015.

2015-2025 investment plan for the existing nuclear fleet in France

The 22 January 2015, EDF's Board of Directors approved in principle the major overhaul programme (so-called "*Grand Carénage*") aimed at refurbishing the French nuclear fleet, enhancing reactor safety, and, if conditions allow, extending their operating lives. The Board of Directors also expressed its wish that the capex plan would be conducted, monitored and controlled based on the most exacting standards.

This investment programme is estimated to reach a maximum of $€_{2013}$55 billion for the 58 reactors currently operating. This indicative figure will be confirmed later and gradually after the optimising of solutions for rolling out the programme, additional review work, and taking into account the multi-year energy plans (*"Programmations Pluriannuelles de l'Energie"* or *"PPE",* and strategic plan) provided for under the energy transition bill.

This industrial programme will be gradually implemented, in compliance with the energy transition law, multi-year energy plans, the opinions and orders of the French Nuclear Security Authority (ASN), as well as the procedures for authorisation for reactors to run for more than 40 years. Its accounting impact will be analysed in 2015.

Énergies Nouvelles operating and maintenance agreements

In December 2014, EDF Énergies Nouvelles announced the signing of several operating and maintenance (O&M) contracts to manage wind and solar farms on a proprietary basis and for third parties. The largest of these contracts involve 656 MW in the US, 599 MW in Italy, and 588 MW in Canada.

Agreement with Gazprom for the acquisition of EDF's stake in South Stream

On 29 December 2014, EDF and Gazprom signed an agreement for the acquisition by Gazprom of EDF's 15% stake (via its EDF International subsidiary) in the South Stream gas pipeline project (South Stream Transport BV[23]). Following the transaction, EDF will recover the capital invested to date, calculated coherently with existing agreements.

EDF Group joins Eletronorte and CHESF in Brazil for the construction of the SINOP hydroelectric dam

On 12 December 2014, EDF, through its affiliate EDF Norte Fluminense, acquired a 51% stake in SINOP Energy Company (CES), in charge of constructing and operating the SINOP hydroelectric dam. The two other stakeholders are Eletronorte (24.5%) and CHESF (24.5%), both subsidiaries of Eletrobras. Construction of the 400 MW dam began in spring 2014 and it is scheduled to enter commercial service in the second half of 2017. Based on analysis of the governance arrangements between CES shareholders, EDF Group's investment is classified as joint venture under IFRS 10 and accounted for by the equity method.

Payment of an interim cash dividend of €0.57 per share for fiscal year 2014

On 10 December 2014, EDF's Board of Directors under the chairmanship of Jean-Bernard Lévy, EDF Group Chairman and Chief Executive Officer, decided to pay out an interim cash dividend of €0.57 per share for fiscal year 2014.

Findings of the IAEA's safety review of EDF's nuclear fleet

On 9 December 2014, the findings of the "Corporate OSART" mission were published by IAEA. This is the first assessment of integration of safety in the organising and functioning of the Group's corporate services, after a first review of this type with the Czech group CEZ, in 2013. This review was conducted over a period of two weeks by an Operational Safety Review Team (OSART) consisting of experts from third-country nuclear safety regulatory agencies. It dealt mainly with the management of serious accidents, human resources, technical support, communication and maintenance. The findings of the assessment are highly satisfactory, with no discrepancy found in comparison with IAEA standards and 17 good practices identified that could become international standards.

[23] South Stream Transport BV was 50% held by Gazprom, alongside ENI (20%), Wintershall and EDF (15% each). This company had been set up to build the subsea portion of South Stream gas pipeline.

Governance and Combined General Meeting of 21 November 2014

The Combined Ordinary/Extraordinary General Meeting of shareholders held on 21 November 2014 modified EDF's bylaws in accordance with order n°2014-948 of 20 August 2014 pertaining to governance and corporate actions of companies with a public shareholder. Shareholders also voted on the group's new Board of Directors membership. The Board of Directors now has 11 directors appointed by the General Meeting, six directors elected by employees and a representative of the French state. The seven following directors were reappointed at the 21 November 2014 meeting: Olivier Appert, Philippe Crouzet, Bruno Lafont, Bruno Léchevin, Marie-Christine Lepetit, Colette Lewiner and Christian Masset. Four new directors were appointed by shareholders: Jean-Bernard Lévy, Gérard Magnin, Laurence Parisot and Philippe Varin. Monsieur Régis Turrini was appointed the French state's representative on EDF's Board of Directors.
Mr Jean-Bernard Lévy was appointed EDF Chairman and Chief Executive Officer by a ministerial order of 27 November 2014.

Flamanville EPR: Scheduled revised

On 18 November 2014, EDF announced that preparatory work in connection with the project review with all suppliers has shown a shift in the construction schedule, and that the plant is now planned to start in 2017. The schedule revision results mainly from a delay in delivering equipment such as the lid and internal structures to the vessel; and difficulties relating to the implementation of regulations on equipment under nuclear pressure (ESPN), for which Flamanville 3 is a first-of-a-kind, in particular on a set of assembly carried out by Areva and its subcontractors. The project review will allow, with the group of subcontractors, to define accurately the consequences of the information now available to the Group in order to take all the necessary decisions for the completion of construction.

APPENDICES

Application of IFRS 10 and 11

The application of these standards became mandatory on 1 January 2014.

The main consequences of this change in accounting method include:

- IFRS 11 application leads to EDF group's joint arrangements being treated as joint ventures and accounted for under the equity method, except a few non-significant entities that will be treated as joint operations (consolidation of the share of assets, liabilities, charges and income pertaining to interests held). The main companies affected by this move to equity accounting are Dalkia International (sold on 25 July 2014), CENG, ESTAG, SSE (sold on 27 November 2013) and some subsidiaries of EDF Énergies Nouvelles and Edison.
- The new definition of control given by IFRS 10 does not significantly change the scope of consolidation of the Group

This change in method is accounted for retroactively, in accordance with IAS 8. 2013 comparative data have been restated accordingly.

Consolidated income statements

(In millions of euros)	2014	2013 [1]
Sales	72,874	71,916
Fuel and energy purchases	(36,704)	(38,116)
Other external expenses	(9,181)	(8,287)
Personnel expenses	(11,785)	(11,291)
Taxes other than income taxes	(3,593)	(3,481)
Other operating income and expenses	5,668	5,358
Operating profit before depreciation and amortisation	**17,279**	**16,099**
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities	203	14
Net depreciation and amortisation	(7,940)	(7,154)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(157)	(227)
(Impairment) / reversals	(1,189)	(617)
Other income and expenses	(212)	219
Operating profit	**7,984**	**8,334**
Cost of gross financial indebtedness	(2,243)	(2,262)
Discount effects	(2,996)	(2,931)
Other financial income and expenses	2,688	2,251
Financial result	**(2,551)**	**(2,942)**
Income before taxes of consolidated companies	**5,433**	**5,392**
Income taxes	(1,839)	(1,896)
Share in net income of associates and joint ventures	179	262
Group net income	3,773	3,758
EDF net income	3,701	3,517
Net income attributable to non-controlling interests	72	241
Earnings per share (EDF share) in euros:		
Earnings per share	1.78	1.84
Diluted earnings per share	1.78	1.84

(1) Figures for 2013 have been restated for the impact of retroactive application of IFRS 10 and 11.

Consolidated balance sheets

ASSETS

(In millions of euros)	31.12.2014	31.12.2013 [1]
Goodwill	9,694	9,081
Other intangible assets	8,884	7,860
Property, plant and equipment operated under French public electricity distribution concessions	50,257	48,796
Property, plant and equipment operated under concessions for other activities	7,851	7,450
Property, plant and equipment used in generation and other tangible assets owned by the Group	69,392	64,561
Investments in associates and joint ventures	10,989	11,479
Non-current financial assets	33,485	29,611
Other non-current receivables	2,024	1,924
Deferred tax assets	2,626	2,171
Non-current assets	195,202	182,933
Inventories	14,747	14,204
Trade receivables	23,176	21,892
Current financial assets	20,752	17,847
Current tax assets	600	554
Other current receivables	8,793	7,239
Cash and cash equivalents	4,701	5,096
Current assets	72,769	66,832
Assets classified as held for sale	18	1,154
Total assets	267,989	250,919

(1) Figures for 2013 have been restated for the impact of retroactive application of IFRS 10 and 11.

Consolidated balance sheets

EQUITY AND LIABLITIES *(In millions of euros)*	31.12.2014	31.12.2013 [1]
Capital	930	930
EDF net income and consolidated reserves	34,261	33,277
Equity (EDF share)	*35,191*	*34,207*
Equity (non-controlling interests)	5,419	4,998
Total equity	**40,610**	**39,205**
Provisions related to nuclear generation – Back-end nuclear cycle, plant decommissioning and last cores	42,398	40,427
Provisions for decommissioning of non-nuclear facilities	1,297	1,182
Provisions for employee benefits	23,060	18,381
Other provisions	1,841	1,480
Non-current provisions	*68,596*	*61,470*
Special French public electricity distribution concession liabilities	44,346	43,454
Non-current financial liabilities	47,274	41,413
Other non-current liabilities	4,956	5,001
Deferred tax liabilities	4,315	4,242
Non-current liabilities	**169,487**	**155,580**
Current provisions	5,254	4,834
Trade payables	14,864	14,157
Current financial liabilities	14,184	14,647
Current tax liabilities	441	1,340
Other current liabilities	23,149	21,156
Current liabilities	**57,892**	**56,134**
Liabilities related to assets classified as held for sale	**-**	**-**
Total equity and liabilities	267,989	250,919

(1) Figures for 2013 have been restated for the impact of retroactive application of IFRS 10 and 11.

Consolidated cash flow statements

(In millions of euros)	2014	2013 [(1)]
Operating activities:		
Income before taxes of consolidated companies	5,433	5,392
Impairment (reversals)	1,189	617
Accumulated depreciation and amortisation, provisions and changes in fair value	8,981	9,245
Financial income and expenses	1,068	1,488
Dividends received from associates and joint ventures	672	369
Capital gains/losses	(1,311)	(880)
Change in working capital	(1,041)	(1,711)
Net cash flow from operations	*14,991*	*14,520*
Net financial expenses disbursed	(1,752)	(1,719)
Income taxes paid	(2,614)	(1,936)
Net cash flow from operating activities	10,625	10,865
Investing activities		
Acquisitions / disposals of equity investments, net of cash (acquired/transferred)	1,308	749
Investments in intangible assets and property, plant and equipment	(13,721)	(13,042)
Net proceeds from sale of intangible assets and property, plant and equipment	314	229
Change in financial assets	(294)	357
Net cash flow used in investing activities	(12,393)	(11,707)
Financing activities:		
Transactions with non-controlling interests	259	(7)
Capital increase subscribed by minorities	96	169
Dividends paid by parent company	(2,327)	(2,144)
Dividends paid to non-controlling interests	(229)	(301)
Purchases/sales of treasury shares	2	4
Cash flows with shareholders	*(2,199)*	*(2,279)*
Issuance of borrowings	6,894	5,158
Repayment of borrowings	(7,470)	(8,263)
Issuance of perpetual subordinated bonds	3,970	6,125
Payments to bearers of perpetual subordinated bonds	(388)	(103)
Funding contributions received for assets operated under concessions	177	171
Investment subsidies	239	87
Other cash flows from financing activities	*3,422*	*3,175*
Net cash flow from financing activities	1,223	896
Net increase/(decrease) in cash and cash equivalents	(545)	54
Cash and cash equivalents - opening balance	5,096	5,035
Net increase/(decrease) in cash and cash equivalents	(545)	54
Effect of currency fluctuations	113	14
Financial income on cash and cash equivalents	17	16
Effect of reclassifications	20	(23)
Cash and cash equivalents - closing balance	4,701	5,096

(1) Figures for 2013 have been restated for the impact of retroactive application of IFRS 10 and 11.

EDF Group, one of the leaders in the European energy market, is an integrated energy company active in all areas of the business: generation, transmission, distribution, energy supply and trading. The Group is the leading electricity producer in Europe. In France, it has mainly nuclear and hydropower generation facilities where 97.6% of the electricity output is CO_2-free. EDF's transmission and distribution subsidiaries in France operate 1,285,000 km of low and medium voltage overhead and underground electricity lines and around 100,000 km of high and very high voltage networks. The Group is involved in supplying energy and services to approximately 37.8 million customers, of which 28.3 million in France. The Group generated consolidated sales of €72.9 billion in 2014, of which 45.2% outside of France. EDF is listed on the Paris Stock Exchange and is a member of the CAC 40 index.

Disclaimer

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