

# Half-year results 2012



31 July 2012



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# H1 2012 key figures

in millions of euros

	H1 2011 <sup>(1)</sup>	H1 2012	Δ%	
<b>Sales</b>	33,464	36,222	8.2%	7.1% <sup>(2)</sup>
<b>EBITDA</b>	8,675	9,075	4.6%	3.3% <sup>(2)</sup>
<b>EDF net income</b>	2,647	2,768	4.6%	
<b>Net income excluding non-recurring items</b>	2,671	2,945	10.3%	
	31/12/2011	30/06/2012		
<b>Net financial debt in €bn</b>	33.3	39.7		
<b>Net financial debt/EBITDA ratio</b>	2.2	2.5		

(1) Data restated for the impact of the IAS 19 option (SoRIE method)

(2) Organic growth at constant scope and exchange rates

# Increase in operating results thanks to a diversified portfolio of businesses

- Drop in nuclear output tied to planned outages and outage extensions in France:
  - France: -10.6 TWh
  - United Kingdom: -1.2 TWh
- Increase in hydropower output in France: +5.9 TWh
- Increase in wind and solar power output in Europe
- Good performance of distribution in France due to positive weather effect

# Europe: major position in five key countries

## ■ France

- EDF leading two of Europe's largest industrial projects:
  - More than 90% of civil engineering completed for the Flamanville 3 EPR plant
  - Launch of works for the creation of a methane terminal in Dunkirk
- EDF EN: 3 of 4 sites won on the offshore calls for tender in France

## ■ Italy

- Takeover of Edison and launch of the mandatory public offer

## ■ United Kingdom

- Presentation of the Energy Market Reform project in May
- 7-year extension of the operating lifespan of UK plants<sup>(1)</sup>
- Testing on commissioning of the first unit of the CCG plant in West Burton

## ■ Poland

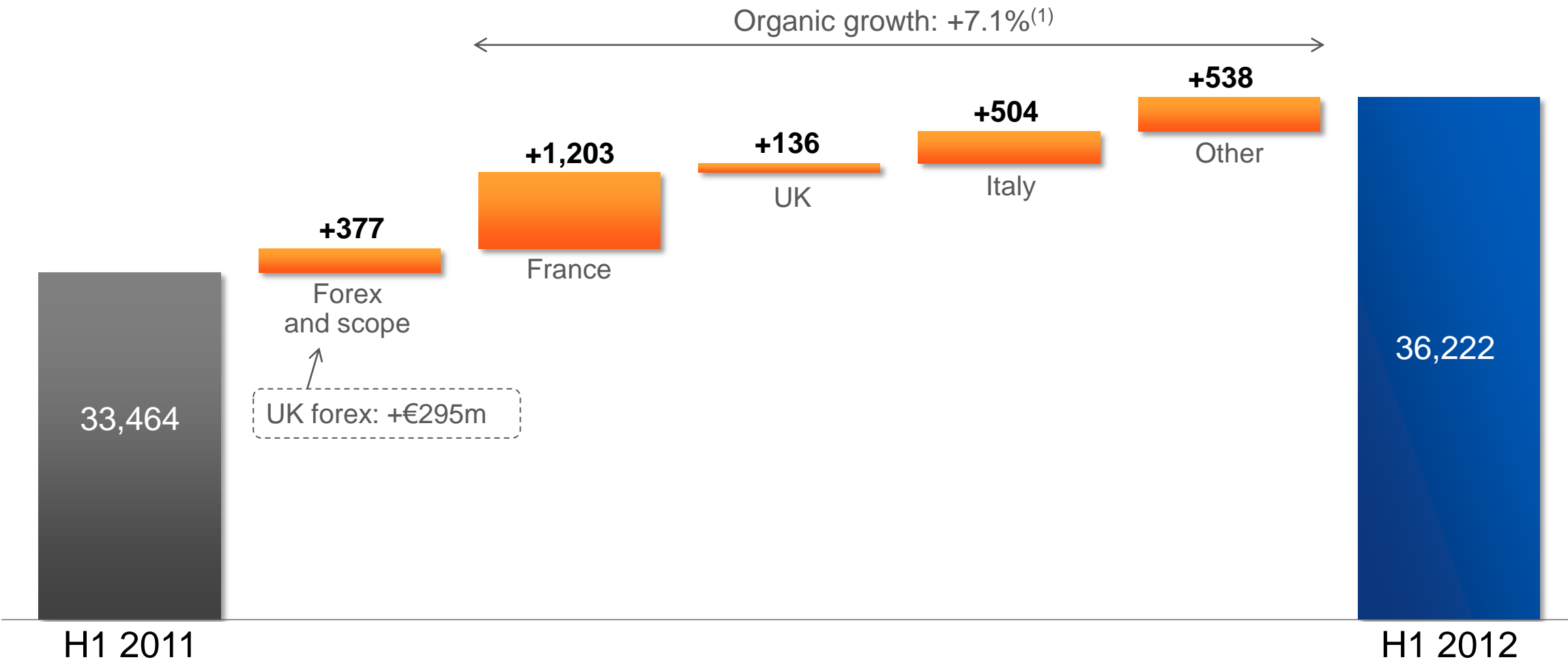
- 3<sup>rd</sup>-largest electricity producer with 24% market share in biomass

## ■ Belgium

- Position as the 2<sup>nd</sup>-largest energy company reinforced by entering Brussels residential market

# Sustained organic sales growth in France and in international businesses

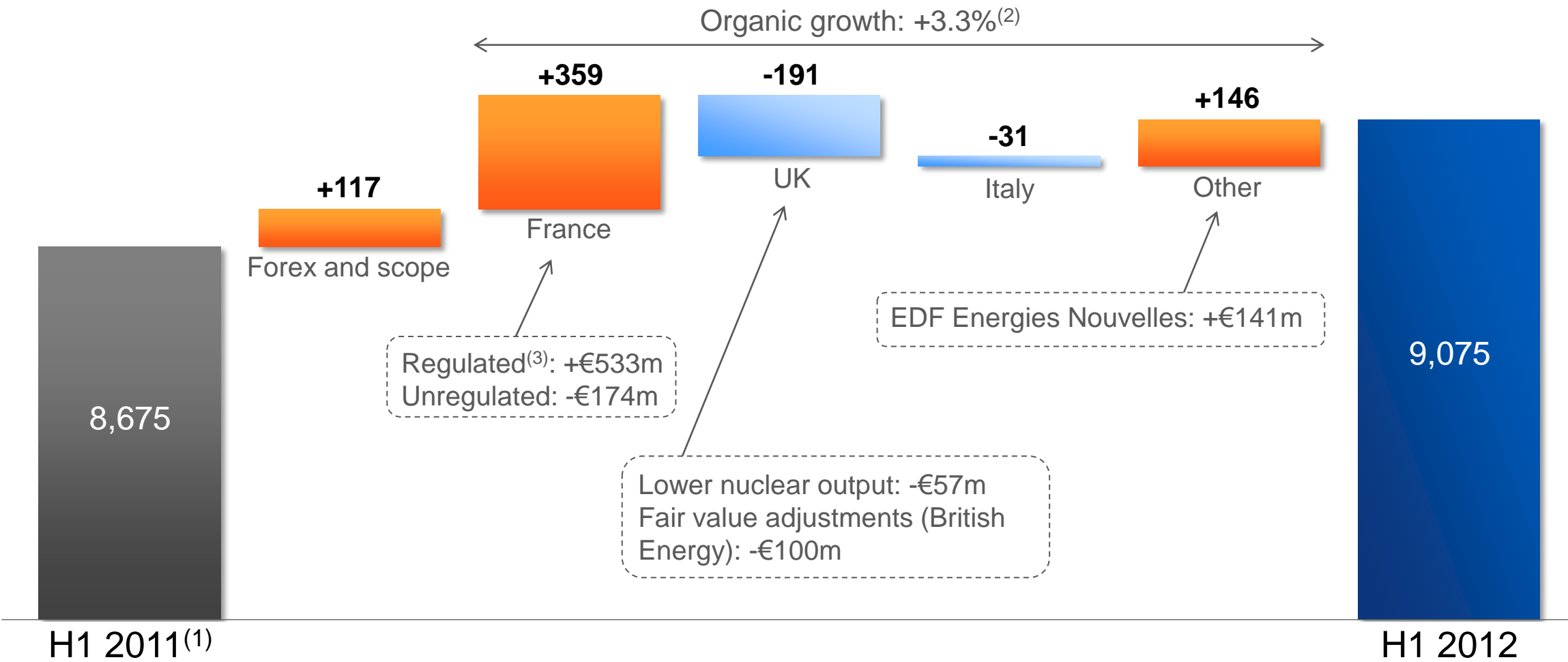
in millions of euros



(1) Organic growth at constant scope and exchange rates

# Organic growth in EBITDA thanks to France and EDF Energies Renouvelables

in millions of euros



(1) Data restated for the impact of the IAS 19 option (SoRIE method)

(2) Organic growth at constant scope and exchange rates

(3) ERDF and Island activities

# Organic growth of Group EBIT: +2.9%

in millions of euros

	H1 2011 <sup>(1)</sup>	H1 2012	Δ% Org. <sup>(2)</sup>
<b>EBITDA</b>	<b>8,675</b>	<b>9,075</b>	<b>3.3%</b>
Volatility related to the application of IAS 39	(28)	98	
Amortisation/depreciation expenses and provisions for renewal	(3,339)	(3,377)	
Impairments and other operating income and expenses	58	(194)	
<b>EBIT</b>	<b>5,366</b>	<b>5,602</b>	<b>2.9%</b>

(1) Data restated for the impact of the IAS 19 option (SoRIE method)

(2) Organic growth at constant scope and exchange rates



# Strong growth in net income excluding non-recurring items: +10.3%

in millions of euros

	H1 2011 <sup>(1)</sup>	H1 2012	Δ%
<b>EBIT</b>	<b>5,366</b>	<b>5,602</b>	<b>4.4%</b>
Financial income	(1,810)	(1,810)	0.0%
Income tax	(995)	(1,235)	24.1%
Share of net income from associates	262	343	30.9%
Net income, minority share	176	132	-25.0%
<b>EDF net income</b>	<b>2,647</b>	<b>2,768</b>	<b>4.6%</b>
<i>Excluding:</i>			
<i>Non-recurring items</i>	(24)	(177)	
<b>Net income excluding non-recurring items</b>	<b>2,671</b>	<b>2,945</b>	<b>10.3%</b>

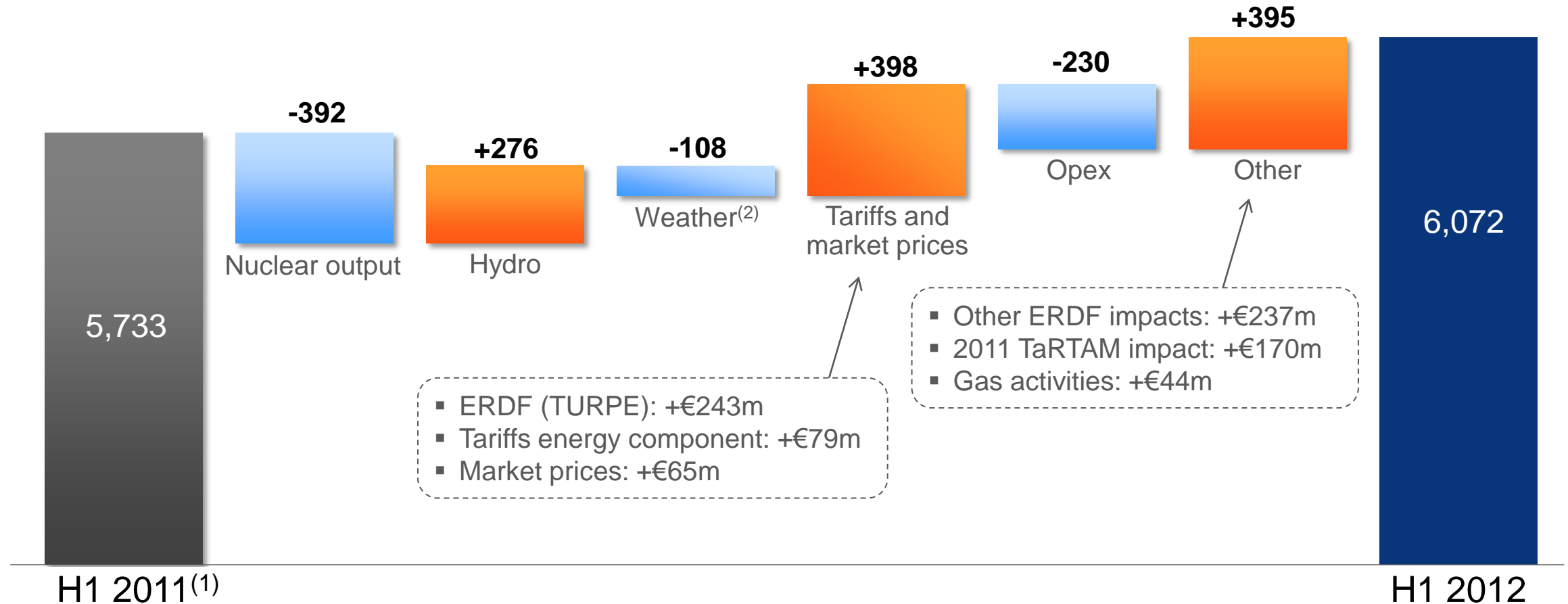
# Non-recurring items net of tax

*in millions of euros*

	H1 2011 <sup>(1)</sup>	H1 2012
ERDF – impact on the renewal provision of the re-estimation of the lifespan of certain assets	-	113
CENG impairment (United States)	-	(233)
Takeover of Edison	-	(51)
Other	(7)	(71)
Volatility related to the application of IAS 39	(17)	65
<b>Total non-recurring items net of tax</b>	<b>(24)</b>	<b>(177)</b>

# France: 6.3% organic EBITDA growth driven by distribution and solid control over Opex

in millions of euros



(1) Data restated for the impact of the IAS 19 option (SoRIE method)

(2) Net weather effect

# France: H1 2012 electricity upstream/downstream balance

in TWh

## Generation/Purchases

Δ H1 2012  
vs. H1 2011

274

+27

Net market purchases	17	+30
Purchase obligations	20	+2
LT & structured purchasing	2	-1
Fossil-fired	7	+1
Hydropower	20	+6
Nuclear	208	-11

EDF SA excluding Island activities

## Sales

Δ H1 2012  
vs. H1 2011

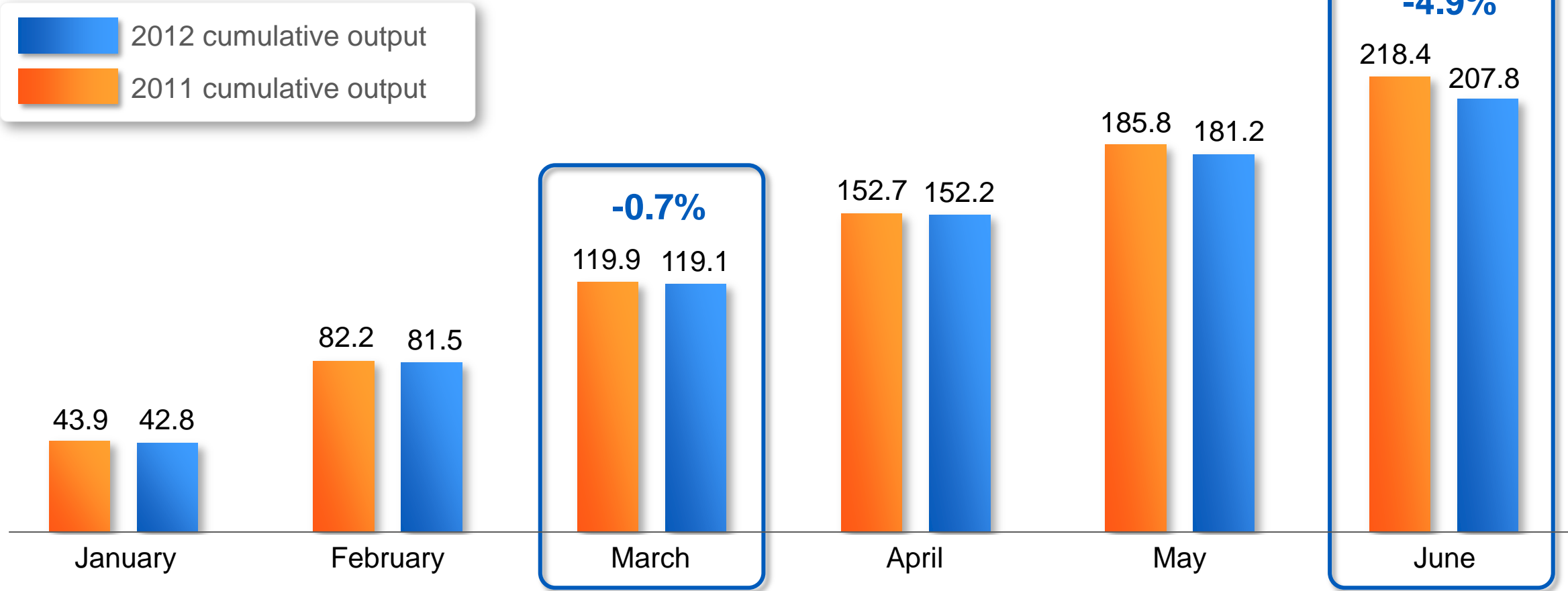
274

+27

NOME supply	30	+30
Auctions (VPP)	17	-3
Structured sales	28	-6
End-customers	199	+6

# France: nuclear output down in June due to outage extensions

in TWh



2012 nuclear output target revised: ≈415 TWh

# France: busier outage schedule in Q2 2012 and outage extensions

Number of outage days,  
nuclear fleet

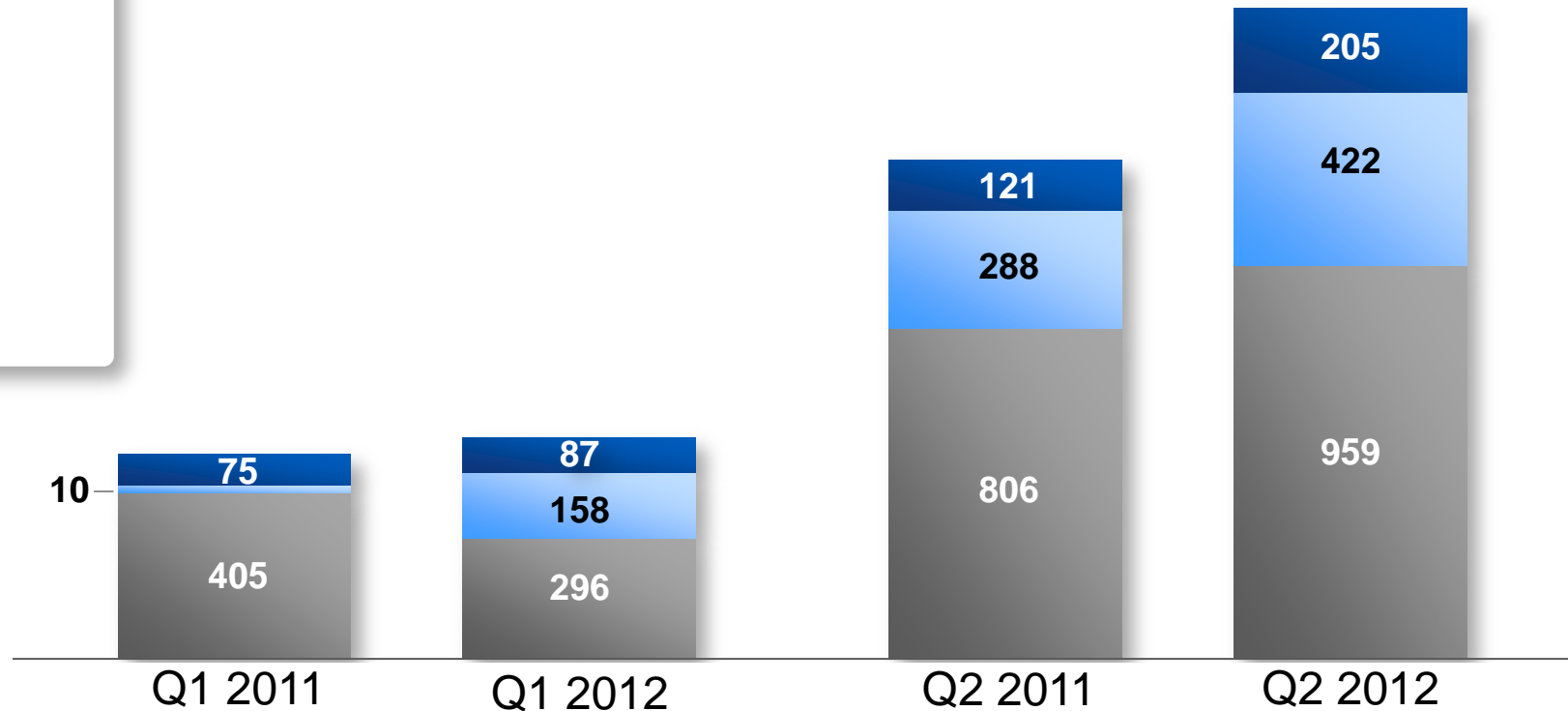
Unplanned outages



Outage extensions



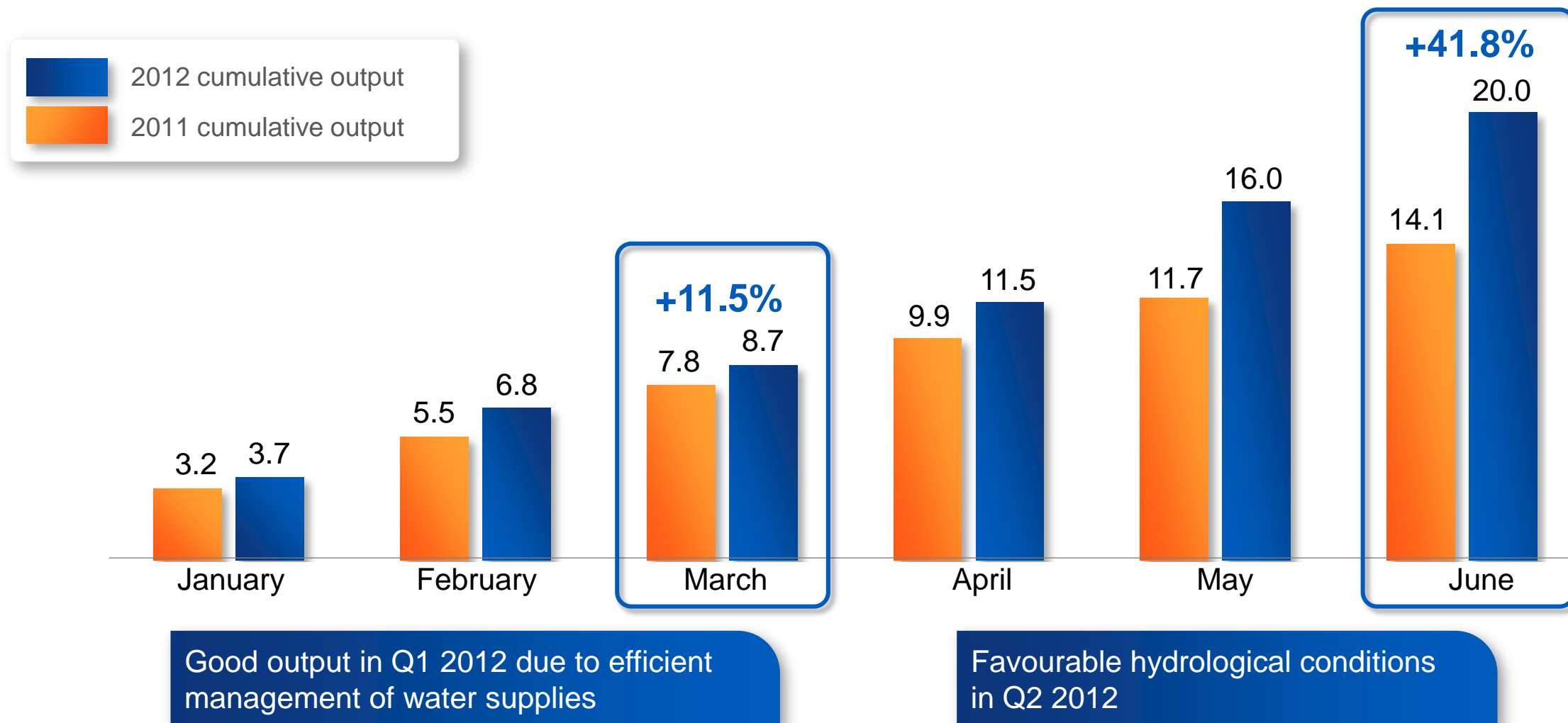
Planned outages



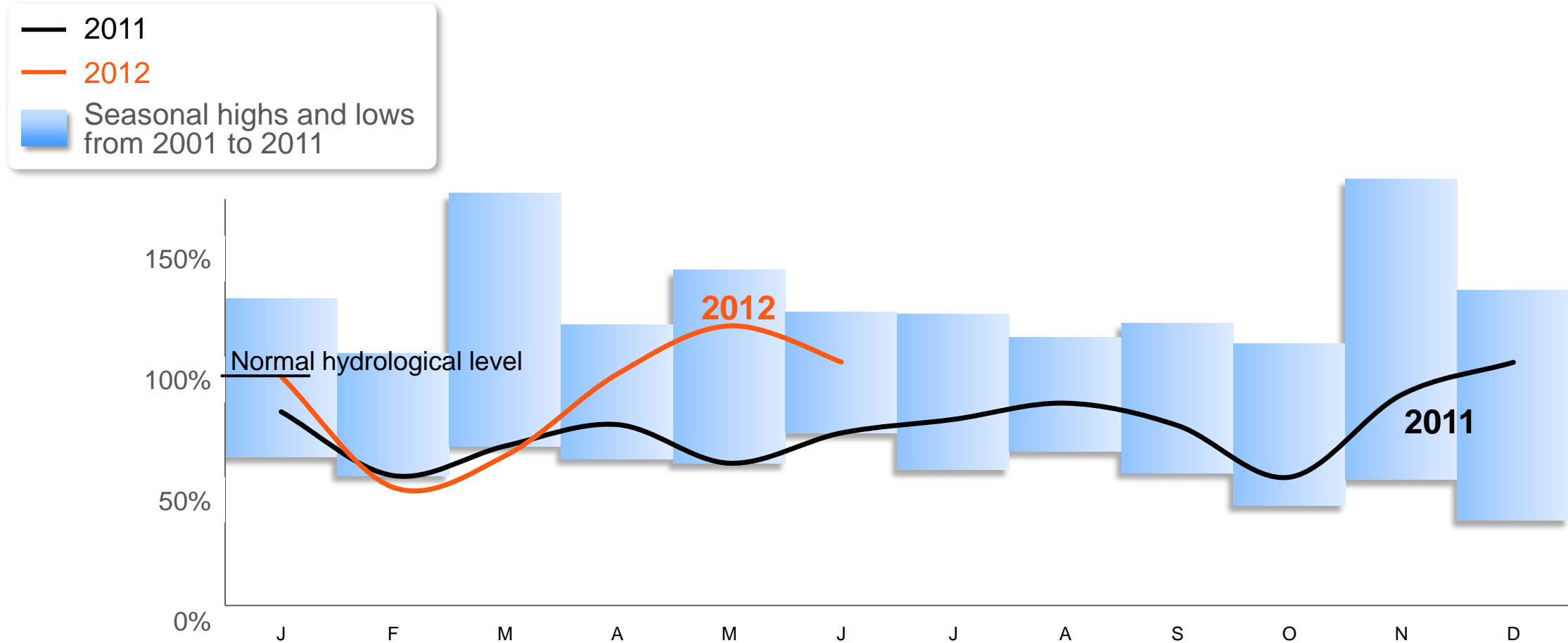
- H2 outage programme less than same period in 2011
- However, complementary works that will extend certain outages in H2

# France: strong increase in hydropower output<sup>(1)</sup>

in TWh



# Hydrological conditions back to normal at end-June due to rainy Q2 2012



Hydrological supplies were rebuilt to historical averages by the end of June 2012



# United Kingdom: nuclear performance in line with the output target, despite EBITDA reflecting the outage programme

in millions of euros

	H1 2011 <sup>(1)</sup>	H1 2012	Δ%	Δ% Org. <sup>(2)</sup>
Sales	4,390	4,821	9.8%	3.1%
<b>EBITDA before fair value impact</b>	<b>1,090</b>	<b>1,073</b>	<b>-1.6%</b>	<b>-8.3%</b>
Impact of fair value adjustment on the British Energy balance sheet acquisition	96	2	n/a	n/a
<b>EBITDA</b>	<b>1,186</b>	<b>1,075</b>	<b>-9.4%</b>	<b>-16.1%</b>

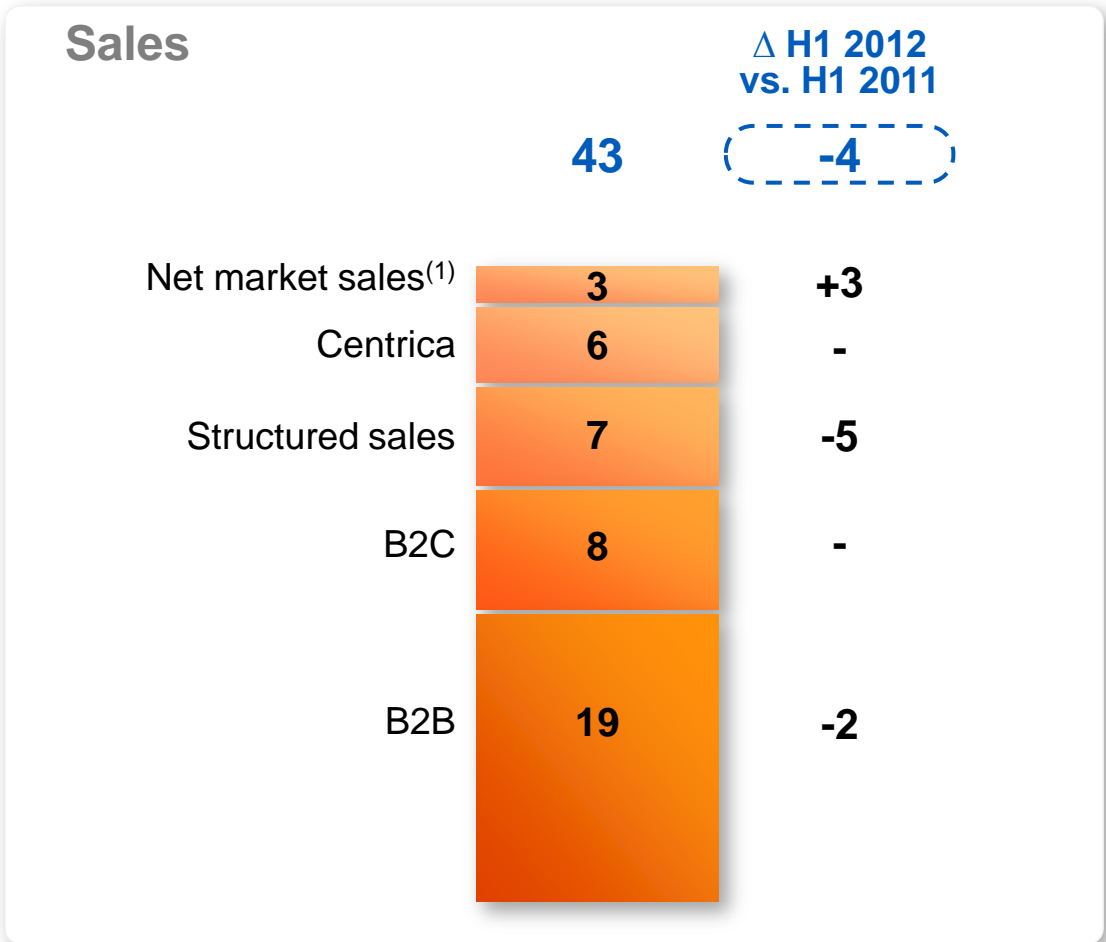
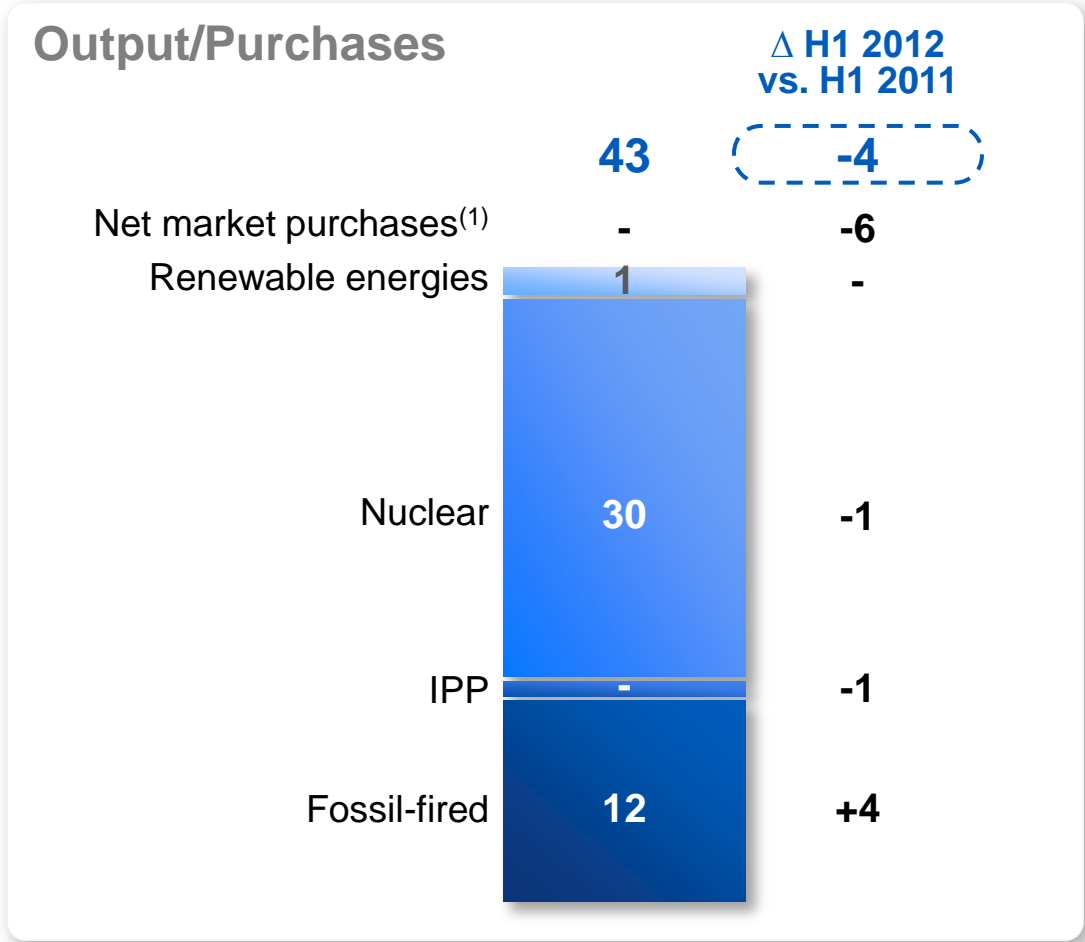
- Performance of nuclear plants in line with output target, despite a drop of -1.2 TWh tied to the outage programme
- Increase in the number of B2C accounts and B2B volume down amid a highly-competitive market
- End of the positive effect of the fair value revaluation from the British Energy balance sheet acquisition

(1) Data restated for the impact of the IAS 19 option (SoRIE method)

(2) Organic change at constant scope and exchange rates

# United Kingdom: higher fossil-fired output tied to good operating performance

in TWh



(1) Market purchases: 36 TWh – Market sales: 39 TWh

# Italy: impact of unfavourable economic conditions

in millions of euros

<b>Italy</b> Fenice, Edison (EDF's share <sup>(1)</sup> )	<b>H1 2011</b>	<b>H1 2012</b>	<b>Δ%</b>	<b>Δ% Org.<sup>(2)</sup></b>
<b>Sales</b>	3,052	3,607	18.2%	16.5%
<b>EBITDA</b>	218	211	-3.2%	-14.2%

## ■ Edison

- Positive scope effect from takeover
- EBITDA from electricity business down as margins continue to shrink vs. H1 2011 and less hydropower output amid lower demand
- Outcome of long-term gas supply negotiations with Libya and Qatar expected in H2 2012

(1) 48.96%, then fully consolidated after takeover of Edison

(2) Organic change at constant scope and exchange rates

# Takeover of Edison: strategic development with a positive impact on future Group net income

- Announcement on 24 May 2012 of the 78.96%<sup>(1)</sup> stake in Edison
  - Full consolidation of Edison
- Disbursement<sup>(2)</sup> limited to €100 million
- Provisional purchase price allocation
  - Revaluation of the brand
  - No impact on EBITDA
  - Very low impact on EDF net income offset by expected synergies

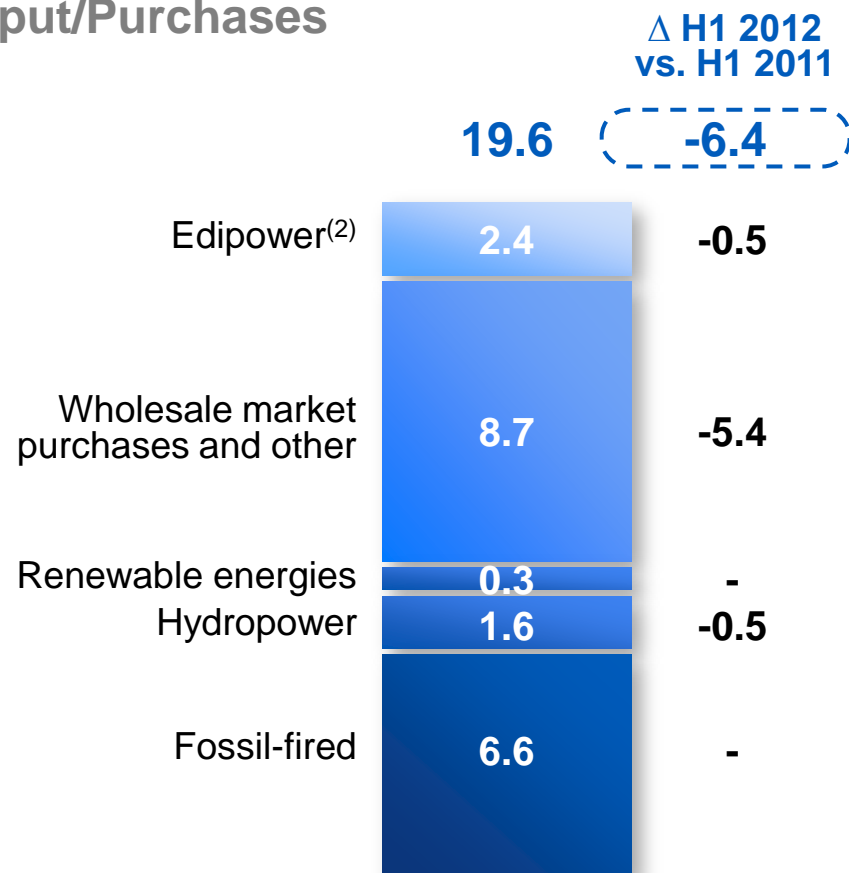
(1) 80.64% of voting rights

(2) Excluding acquired debt

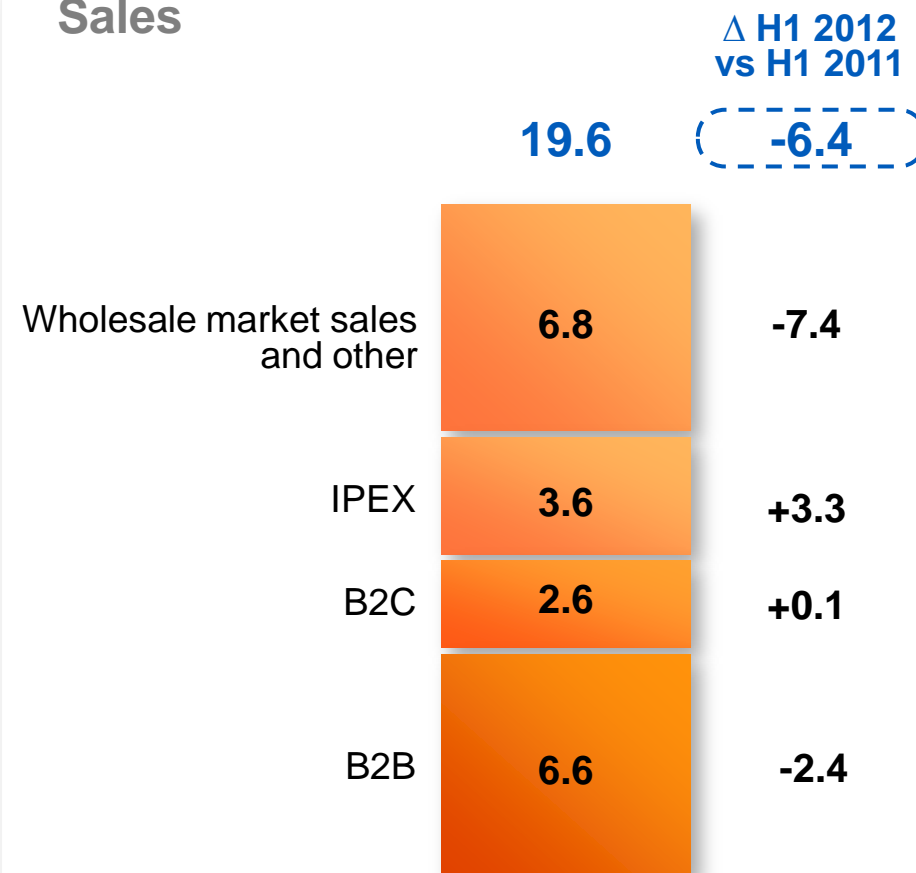
# Edison: Electricity in H1 2012 in Italy<sup>(1)</sup>

in TWh

## Output/Purchases



## Sales



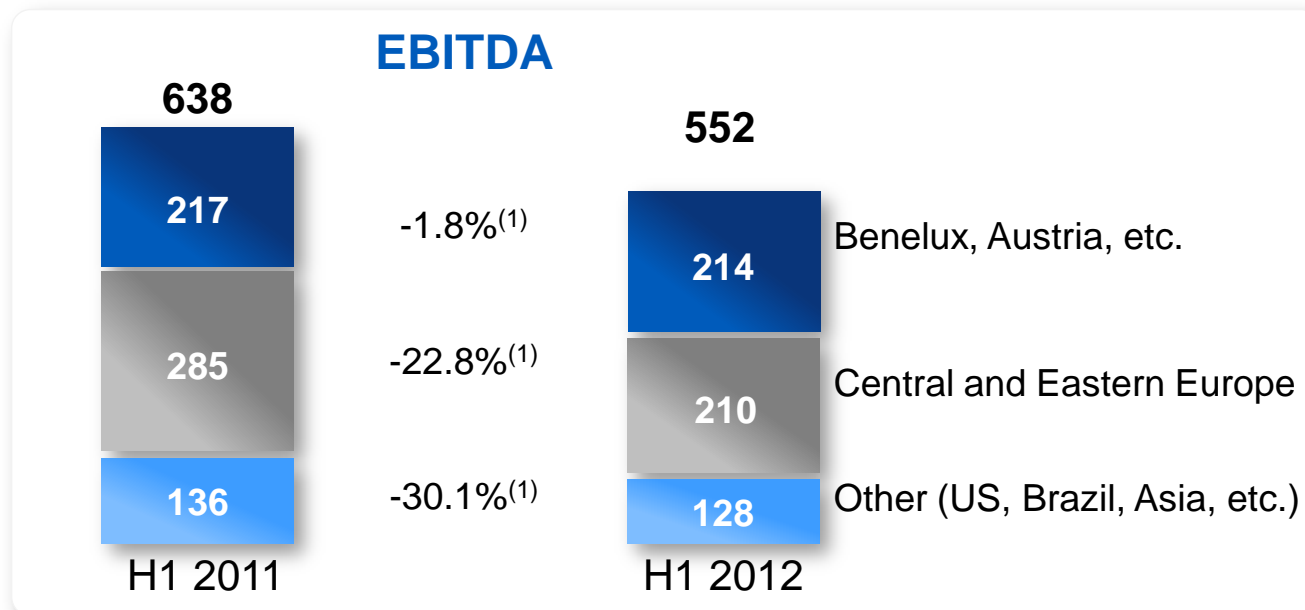
(1) On the open market, excluding CIP6 and captive

(2) Generation from 1 January to 24 May 2012

# Other International: unfavourable impact of regulatory and economic conditions

in millions of euros

	H1 2011	H1 2012	Δ%	Δ% Org. <sup>(1)</sup>
Sales	3,800	4,009	5.5%	6.3%
EBITDA	638	552	-13.5%	-17.2%

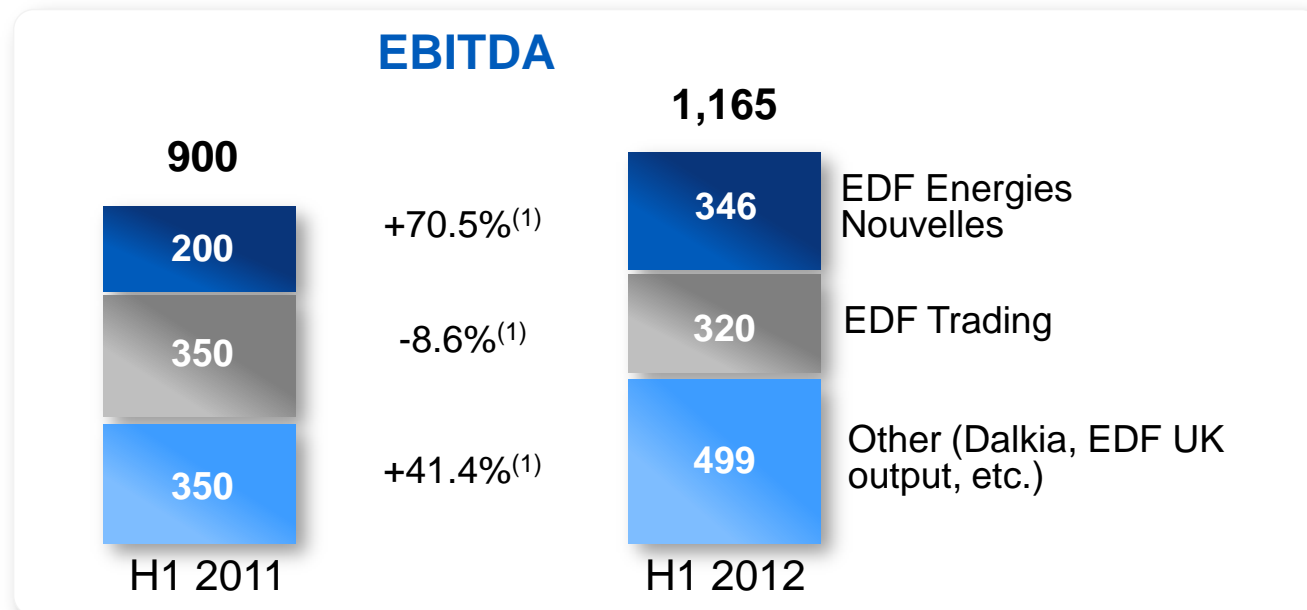


- **Belgium:** unfavourable regulatory changes, the effects of which are set to increase in H2
- **Central and Eastern Europe**
  - **Hungary:** end of cogeneration support in July 2011
  - **Slovakia:** lower distribution margin
  - **Poland:** increase in the price of coal and biomass fuel
- **Other:**
  - **United States:** deteriorated market conditions and nuclear output affected by unplanned outages and outage extensions
  - **Brazil:** drop tied mainly to maintenance outage of two gas turbines

# Other Activities: organic growth driven by renewable energies

in millions of euros

	H1 2011	H1 2012	Δ%	Δ% Org. <sup>(1)</sup>
<b>Sales</b>	2,727	3,079	12.9%	11.0%
<b>EBITDA</b>	900	1,165	29.4%	28.4%



## ■ EDF Energies Nouvelles:

- Higher wind and solar output in Europe and North America
- Buoyant activity of Development and Sale of Structured Assets

## ■ EDF Trading:

- Good performance in Europe
- Difficult market conditions in North America

# Operating cash flow up +10.4%

in millions of euros

	H1 2011 <sup>(1)</sup>	H1 2012	Δ%
<b>EBITDA</b>	<b>8,675</b>	<b>9,075</b>	<b>4.6%</b>
Non-cash items	(1,411)	(783)	
Net financial expenses disbursed	(1,007)	(814)	
Income taxes paid	(582)	(892)	
Other, including dividends received from associates	290	-	
<b>Funds from operations</b>	<b>5,965</b>	<b>6,586</b>	<b>10.4%</b>
Δ WCR	(855)	(2,458)	
o/w CSPE	(451)	(687)	
Net CAPEX	(4,805)	(5,884)	
<b>Free Cash Flow</b>	<b>305</b>	<b>(1,756)</b>	

3.3%<sup>(2)</sup>

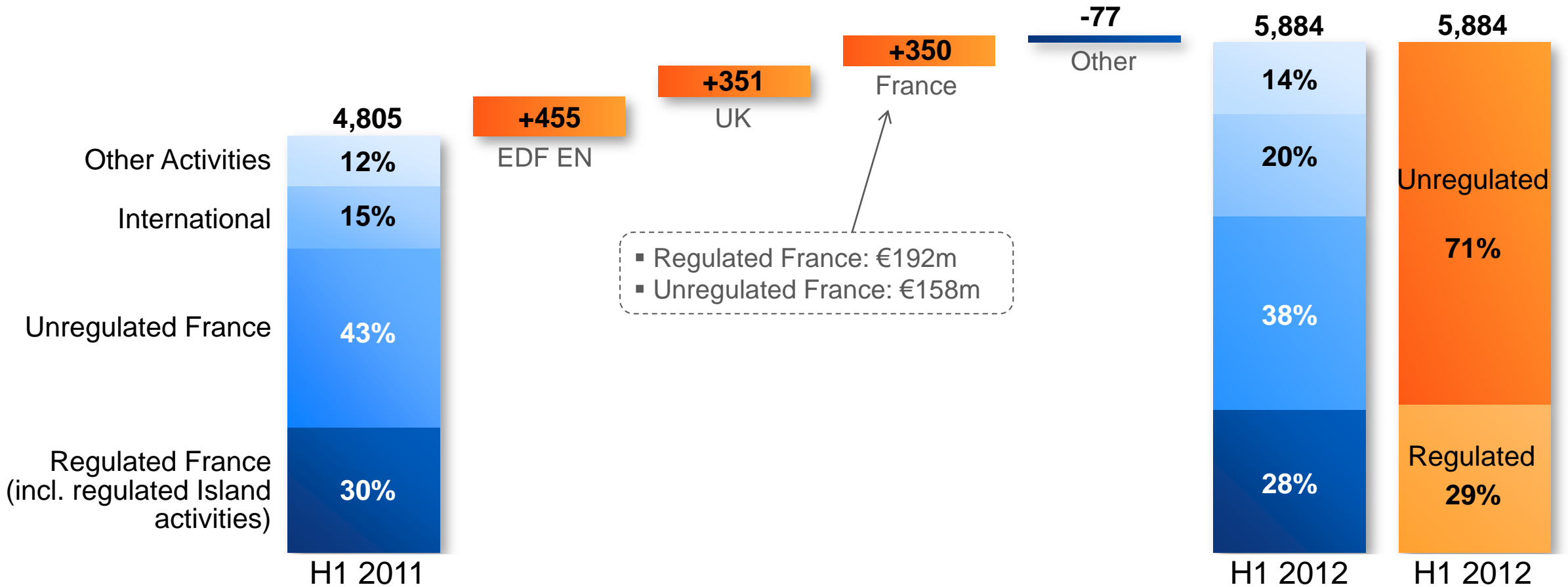
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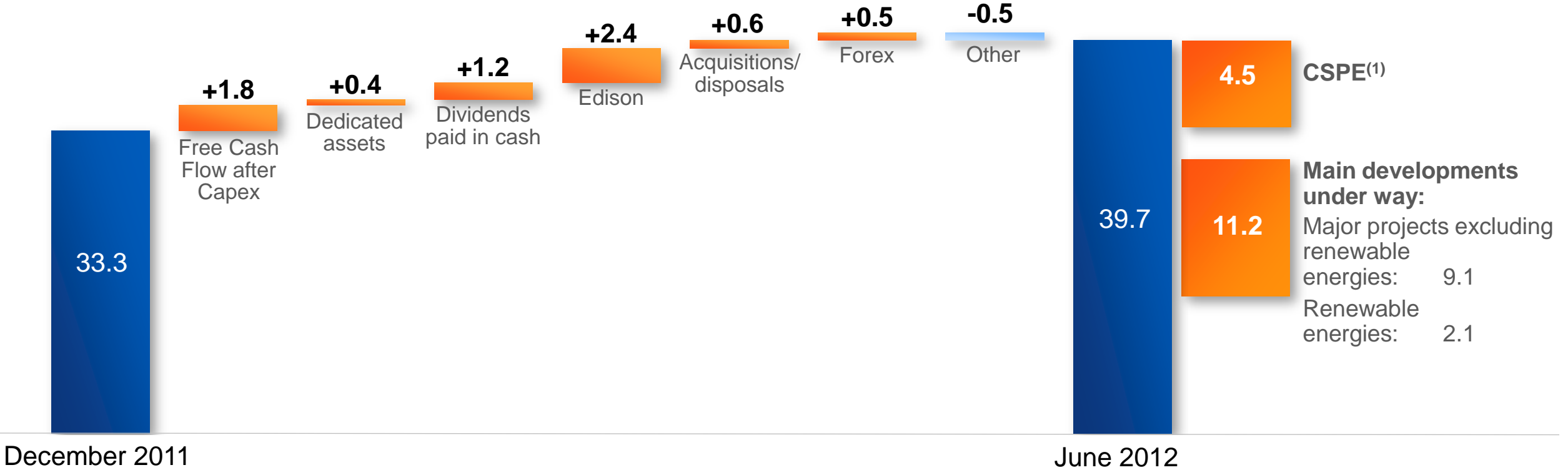
# Net CAPEX up +22.5%

*in millions of euros*



# Change in net financial debt marked by the consolidation of Edison

in billions of euros



# 2011–2015 guidance re-iterated

- Average annual growth of EBITDA<sup>(1)</sup>
- Average annual growth of net income excluding non-recurring items
- Net financial debt/EBITDA
- Dividend payout

4%-6%

5%-10%

< 2.5x

55%-65%

## For 2012:

- Targets in line with 2011-2015 guidance
- Dividend: at least stable

# Half-year results 2012



31 July 2012

