



€45,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Électricité de France SA (the "**Issuer**" or "**EDF**" or "**Électricité de France**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**") to qualified investors and the public in France or in any other Member State of the European Economic Area (the "**EEA**") where this Base Prospectus has been notified to the competent authority in that Member State in accordance with the Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended (the "**Prospectus Directive**"). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 45,000,000,000 (or the equivalent in other currencies at the date of issue of any Notes).

Application has been made to the Autorité des marchés financiers (the "**AMF**") for approval of this Base Prospectus in its capacity as competent authority under the Prospectus Directive. This Base Prospectus received the visa no. 17-490 on 15 September 2017 from the AMF. Application may be made (i) to Euronext Paris during the period of 12 months from the date of this Base Prospectus for Notes issued under the Programme to be admitted to trading and/or (ii) to the competent authority of any other EEA Member State for Notes issued under the Programme to be admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC of 21 April 2004, as amended (a "**Regulated Market**"). However, Notes may be issued pursuant to the Programme which are not admitted to trading on any Regulated Market. The relevant final terms (the "**Final Terms**") (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading, and, if so, the relevant Regulated Market. The minimum denomination of each Note will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

The Programme has been rated "A3" (senior unsecured debt) by Moody's Investors Service Ltd. ("**Moody's**") and "A-" (long-term debt) by Standard and Poor's Credit Market Services Europe Limited ("**Standard and Poor's**"). As of the date of this Base Prospectus, the Issuer's long-term and short-term debt has been respectively rated (i) "A3" and "P-2" with stable outlook by Moody's and (ii) "A-" and "A-2" with stable outlook by Standard and Poor's. Each of Moody's and Standard and Poor's is established in the European Union, is registered under Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies as amended (the "**CRA Regulation**") and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu). Notes issued pursuant to the Programme may be unrated or rated differently from the current ratings of the Programme. The rating(s) of the Notes (if any) will be specified in the relevant Final Terms, including as to whether or not such credit ratings are issued by credit rating agencies established in the European Union, registered (or which have applied for registration) under the CRA Regulation and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency without notice.

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**") as more fully described herein. Dematerialised Notes will at all times be in book entry form in compliance with Article L.211-3 of the French Code monétaire et financier. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be in bearer dematerialised form (au porteur) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central

depository) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes — Form, Denomination(s), Title and Redenomination") including Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or in registered dematerialised form (au nominatif) and, in such latter case, at the option of the relevant Noteholder (as defined in "Terms and Conditions of the Notes — Form, Denomination(s), Title and Redenomination"), in either fully registered form (au nominatif pur), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (au nominatif administré) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached, on or after a date expected to be on or about the 40th day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Bearer Notes") upon certification as to non-U.S. beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche (as defined in "Summary") intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined herein) of Notes will be set out in the Final Terms.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus.

This Base Prospectus, any documents incorporated by reference herein, any supplements thereto (if any) and, so long as Notes are admitted to trading on any Regulated Market in accordance with the Prospectus Directive, the Final Terms relating to such Notes can be obtained free of charge from the registered office of the Issuer and will also be published on the websites of the Issuer (www.edf.com) or the AMF (www.amf-france.org), as applicable.

Arranger for the Programme
BNP PARIBAS

Dealers

BNP PARIBAS

Crédit Agricole CIB
Société Générale Corporate & Investment Banking

The date of this Base Prospectus is 15 September 2017.

This Base Prospectus (together with any supplements thereto published from time to time (each a "Supplement" and, together, the "Supplements")) constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive, and for the purposes of giving information, with regard to the Issuer and its fully consolidated subsidiaries (the "EDF Group") and the Notes, which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attached to the Notes.

This Base Prospectus should be read and construed in conjunction with any Supplement thereto and with any other documents incorporated by reference (see "*Documents Incorporated by Reference*"), each of which shall be incorporated in and form part of this Base Prospectus and, in relation to any Series (as defined herein) of Notes, should be read and construed together with the relevant Final Terms, the Base Prospectus and the Final Terms being together, the "Prospectus".

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Dealers or the Arranger.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and none of the Dealers or any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date thereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer since the date thereof or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. No action has been taken by the Issuer, the Dealers or the Arranger which would permit a public offering of any Notes or distribution of this Base Prospectus in any such jurisdiction where action for that purpose is required. Accordingly no Notes may be offered or sold, directly or indirectly and neither this Base Prospectus nor any Final Terms or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Final Terms come are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions.

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale".

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SUMMARY

*The summary set out below complies with the requirements of the Prospectus Directive and Commission Regulation (EC) no. 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended (the "**PD Regulation**"), including the contents requirements set out in Annex XXII of the PD Regulation.*

*Summaries are made up of disclosure requirements known as "**Elements**" required by Annex XXII of the PD Regulation. These elements are numbered in Sections A — E (A.1 — E.7). This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and the Issuer, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.*

*This summary is provided for purposes of the issue by the Issuer of Notes of a denomination of less than €100,000 which are offered to the public and / or admitted to trading on a Regulated Market of the European Economic Area (the "**EEA**"). The issue specific summary relating to this type of Notes will be annexed to the relevant Final Terms and will comprise (i) the information below with respect to the summary of the Base Prospectus and (ii) the information below included in the items "issue specific summary".*

Section A – Introduction and warnings

Element	Title	
A.1	General disclaimer regarding the summary	<p>This summary should be read as an introduction to this base prospectus (this "Base Prospectus").</p> <p>Any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole by the investor, including any documents incorporated by reference.</p> <p>Where a claim relating to the information contained in this Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Union or the European Economic Area, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches to the persons who presented the summary, including any translation thereof, and who requested notification within the meaning of Article 212-41 of the General Regulations of the AMF, only if the summary is misleading, inaccurate or inconsistent when read with other parts of this Base Prospectus or if it does not provide, when read together with the other parts of this Base Prospectus, the key information in order to help</p>

Summary

Element	Title	
		investors when considering whether to invest in the Notes.
A.2	Information regarding consent by the Issuer to the use of the Prospectus	<p>In the context of any offer of Notes in France, Belgium and/or the Grand Duchy of Luxembourg (the "Public Offer Jurisdictions") that is not within an exemption from the requirement to publish a prospectus under Directive 2003/71/EC of 4 November 2003, as amended (the "Prospectus Directive"), (a "Public Offer"), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together, the "Prospectus") in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the "Offer Period") and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by:</p> <ol style="list-style-type: none"> <li data-bbox="573 709 1393 808">1. subject to conditions set out in the relevant Final Terms, any financial intermediary designated in such Final Terms; or <li data-bbox="573 842 1393 1894">2. if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "Rules"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor; (b) complies with the restrictions which would apply as if it were a dealer appointed in relation to the Programme or for a specific issue (a "Dealer"); (c) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes is fully and clearly disclosed to investors or potential investors; (d) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules; (e) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery and "know your client" rules applying to the Issuer and/or the relevant Dealer(s); (f) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and

Summary

Element	Title	
		<p>(g) satisfies any further conditions specified in the relevant Final Terms, (in each case an "Authorised Offeror"). For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.</p> <p>The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of the Base Prospectus by the <i>Autorité des marchés financiers</i> (the "AMF").</p> <p>An investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the "Specific Terms of the Public Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Specific Terms of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. None of the Issuer or any of the Dealers or other Authorised Offerors shall have any responsibility or liability for such information.</p> <p><i>Issue Specific Summary:</i>¹</p> <p>[In the context of the offer of the Notes in [●] ("Public Offer Jurisdiction[s]") which is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended (the "Public Offer"), the Issuer consents to the use of the Prospectus in connection with such Public Offer of any Notes during the period from [●] until [●] (the "Offer Period") and in the Public Offer Jurisdiction[s] by [●] / [any financial intermediary] (the "Authorised Offeror[s]"). [The Authorised Offeror[s] must satisfy the following conditions: [●].]</p> <p>None of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this</p>

¹ To be inserted and completed, as the case may be, in the specific summary to be annexed to the Final Terms of the Notes having a denomination of less than €100,000.

Summary

Element	Title	
		<p>respect.</p> <p>The Issuer accepts responsibility, in the Public Offer Jurisdiction[s], for the content of the Prospectus in relation to any person (an “Investor”) in such Public Offer Jurisdiction[s] to whom an offer of any Notes is made by any Authorised Offeror and where the offer is made during the period for which that consent is given. However, none of the Issuer or any Dealer shall have any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.</p> <p>An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the “Specific Terms of the Public Offer”). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Specific Terms of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. None of the Issuer or any of the Dealers or other Authorised Offerors shall have any responsibility or liability for such information.]/[Not Applicable.]</p>

Section B – Issuer

Element	Title	
B.1	Legal and commercial name of the Issuer	The legal and commercial name of the Issuer is “Électricité de France”. The Issuer is also legally and commercially known as “EDF”.
B.2	Domicile Legal form/ legislation Country of incorporation	The Issuer is a limited liability company (a <i>société anonyme</i>) established under the laws of the Republic of France for a period of 99 years from 19 November 2004. It is registered at the Trade and Companies Registry of Paris (<i>Registre du Commerce et des Sociétés de Paris</i>) under reference number

Summary

Element	Title	
		<p>552 081 317 RCS Paris.</p> <p>The Issuer's registered address is 22-30 avenue de Wagram, 75008 Paris.</p>
B.4b	Known trends	<p>The European market and regulatory environment are currently constraining the economic model of electricity producers, at a time when significant investment is still required to maintain existing assets and, over the longer term, to renew the generation fleet:</p> <ul style="list-style-type: none"> • fuel prices are decreasing (oil, gas, coal) and despite a slight recovery that started at the very end of the year, the average levels in 2016 were below those in 2015; • CO2 price remains very low, which is inconsistent with the low carbon and energy transition goals in Europe; • such low CO2 price <i>de facto</i> supports the economic viability of coal and lignite production means at a time when electricity demand remains subdued (+0.5% annual average between 2000 and 2014) and when, nonetheless, significant subsidised renewable energy capacity has been connected to the grid. Therefore, the over-capacity of the European generation fleet, which could lead to additional massive reductions in Europe, explains the historically low electricity market prices: for instance, in France, whereas they had settled around €40/MWh in 2015, France N+1 electricity market prices fluctuated between €26 and €33/MWh in the first half of 2016. Since October 2016, forward market prices for delivery in 2018 rose slightly and settled around €34-38/MWh. <p>By way of contrast, electricity consumption is rising fast in emerging markets, especially in Asia, benefiting the electricity producers in these regions with forecasts of around +160TWh per year in China between 2014 and 2040 (+2.35% p. y. on average) and +44TWh/year in Africa (+4.0% p. y.), versus +13TWh per year in the European Union (+0.4% p. y.).</p> <p>In Europe, France and the UK are developing low-carbon energy independence policies, primarily built around a mix combining energy efficiency and renewable and nuclear energies. Thus, the UK, which must undertake a major renewal of its electricity generation facilities, has established a market model consistent with this policy (Carbon Price Floor, Contracts for Difference, capacity market, etc.). In France, electricity is also used as a driver of the migration to low</p>

Summary

Element	Title	
		<p>carbon, and the Law of 17 August 2015 on Energy Transition and Green Growth sets a ceiling of 63.2GW for the nuclear capacity installed in France, which given the evolution in demand and export capacities suits the development of renewable energies in the energy mix.</p> <p>In fact, the agreement reached in Paris at the 21st session of the Conference of Parties (COP 21) confirms the effort being made to combat climate change and the ramping up of energy transitions beyond Europe. The agreement, ratified by 111 countries at the end of November 2016, has entered into effect. COP 22, held in Morocco in November 2016, confirmed the roadmap decided in Paris.</p> <p>Customers are looking to increasingly become stakeholders in their own production of electricity, through private energy generation and consumption, and local communities of their energy policy. These new expectations are forcing energy producers to come up with new solutions and new, more decentralised models, facilitated by innovations in telecommunications and digital technologies and the emergence of new uses, including electric vehicles.</p> <p>The electricity sector is thus changing more than ever, at the centre of medium and long-term societal and technological trends. Against this background and with this outlook, European electricity producers have scaled back their investments and focussed them on targeted segments, particularly renewable energy, low carbon solutions, international growth areas, networks, supply to customers and services.</p> <p>EDF is thus addressing specific strategic challenges:</p> <ul style="list-style-type: none"> • to play a responsible role in the fight against climate change; to contribute to the achievement of the goals set out in the Energy Transition and Green Growth Law in France, in the Climate Change Act in the UK, and more broadly in the 2020 and 2030 Energy and Climate Change Packages in the European Union; • to ensure the economic performance and safety of the nuclear assets; • to innovate in order to set itself apart and to have the technological and economic capabilities to renew and expand its generation and the services it offers to

Summary

Element	Title	
		<p>customers, in particular digital services, and thereby play a role in energy efficiency and supply security;</p> <ul style="list-style-type: none"> • to ensure that the EDF Group is consistently a stellar public service operator, in particular in terms of solidarity and the fight against energy poverty, respect for others, responsibility and ethics in the way it runs its business; • to put the EDF Group on a sustainable value creation path for all stakeholders; • to create an environment that facilitates the involvement of all stakeholders in the EDF Group's transformation. <p>Therefore, in a particularly difficult market context, the EDF Group rallies its forces and has defined its CAP 2030 strategy in order to be able to finance its priority developments despite its high level of debt.</p>
B.5	Description of the Group	<p>The EDF Group is an integrated utility, active in all electricity businesses: nuclear, renewable and thermal generation, transmission, distribution, supply, efficiency and energy services and trading. It is the leading player in the French electricity market and holds strong positions in Europe (the United Kingdom, Italy, Central and Eastern European countries), which makes it one of the world's leading electric utility and a renowned gas player.</p>
B.9	Profit forecast or estimate	<p>Not Applicable: The Issuer has chosen not to include a profit forecast or a profit estimate.</p>
B.10	Audit report observations	<p>The EDF Group's consolidated financial statements for the financial year ended 31 December 2016, prepared in accordance with IAS-IFRS standards, as adopted by the European Union, and included in the 2016 <i>Document de Référence</i> filed with the AMF on 6 March 2017 under number D. 17-0125, were subject to a report by the statutory auditors which includes two comments which relate to the impacts of the change of accounting estimate at 1 January 2016 relating to the extension to 50 years of the accounting depreciation period of the 900MW PWR power plants in France and the valuation of long-term provisions relating to nuclear electricity production.</p> <p>The EDF Group's consolidated financial statements for the financial year ended 31 December 2015, prepared in accordance with IAS-IFRS standards, as adopted by the</p>

Summary

Element	Title																																		
		<p>European Union, and included in the 2015 <i>Document de Référence</i> filed with the AMF on 29 April 2016 under number D. 16-0448, were subject to a report by the statutory auditors which includes one comment which relates to the valuation of long-term provisions relating to nuclear electricity production.</p> <p>The consolidated condensed financial statements for the period ending on 30 June 2017, prepared in accordance with IAS 34 “Interim financial reporting”, the standard of IFRS applicable to interim financial information, as adopted by the European Union, were subject to a limited review report by the statutory auditors, which includes one comment relating to the valuation of long-term provisions relating to nuclear electricity production.</p>																																	
B.12	Selected historical key financial information	<p>The following selected financial information is taken from the EDF Group's consolidated financial statements at 31 December 2016, which have been audited by EDF's statutory auditors.</p> <table data-bbox="607 982 1393 1600"> <thead> <tr> <th data-bbox="607 982 1019 1012">Year Ended 31 December</th> <th data-bbox="1019 982 1149 1012">2016</th> <th data-bbox="1149 982 1393 1012">2015⁽¹⁾</th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="607 1024 1393 1054"><i>(in millions of Euro)</i></td> </tr> <tr> <td colspan="3" data-bbox="607 1075 1393 1104">Extracts from the consolidated income statements:</td> </tr> <tr> <td data-bbox="607 1117 1019 1146">EDF net income</td> <td data-bbox="1019 1117 1149 1146">2,851</td> <td data-bbox="1149 1117 1393 1146">1,187</td> </tr> <tr> <td colspan="3" data-bbox="607 1167 1393 1197">Extracts from the consolidated balance sheets:</td> </tr> <tr> <td data-bbox="607 1209 1019 1239">Total assets</td> <td data-bbox="1019 1209 1149 1239">281,640</td> <td data-bbox="1149 1209 1393 1239">278,941</td> </tr> <tr> <td data-bbox="607 1251 1019 1281">Total equity and liabilities</td> <td data-bbox="1019 1251 1149 1281">281,640</td> <td data-bbox="1149 1251 1393 1281">278,941</td> </tr> <tr> <td colspan="3" data-bbox="607 1327 1393 1356">Extracts from the consolidated cash flow statements:</td> </tr> <tr> <td data-bbox="607 1398 1019 1465">Net increase (decrease) in cash and cash equivalents</td> <td data-bbox="1019 1398 1149 1465">(1,294)</td> <td data-bbox="1149 1398 1393 1465">(535)</td> </tr> <tr> <td colspan="3" data-bbox="607 1503 1393 1533">Information concerning net indebtedness:</td> </tr> <tr> <td data-bbox="607 1554 1019 1583">Net indebtedness</td> <td data-bbox="1019 1554 1149 1583">37,425</td> <td data-bbox="1149 1554 1393 1583">37,395</td> </tr> </tbody> </table> <p data-bbox="607 1621 1393 1650">⁽¹⁾ Figures published in 2016 for the 2015 financial year.</p> <p data-bbox="607 1696 1393 1835">The following selected financial information is taken from the EDF Group's condensed consolidated half-year financial statements at 30 June 2017, which have been reviewed by EDF's statutory auditors.</p>	Year Ended 31 December	2016	2015 ⁽¹⁾	<i>(in millions of Euro)</i>			Extracts from the consolidated income statements:			EDF net income	2,851	1,187	Extracts from the consolidated balance sheets:			Total assets	281,640	278,941	Total equity and liabilities	281,640	278,941	Extracts from the consolidated cash flow statements:			Net increase (decrease) in cash and cash equivalents	(1,294)	(535)	Information concerning net indebtedness:			Net indebtedness	37,425	37,395
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Summary

Element	Title																																								
		<p>Half-Year Financial Statements at 30 June</p> <table> <thead> <tr> <th></th> <th>2017</th> <th>2016⁽¹⁾</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;"><i>(in millions of Euro)</i></td> </tr> <tr> <td colspan="3">Extracts from the consolidated income statements:</td> </tr> <tr> <td>EDF net income</td> <td>2,005</td> <td>2,081</td> </tr> <tr> <td colspan="3">Extracts from the consolidated cash flow statements:</td> </tr> <tr> <td>Net increase (decrease) in cash and cash equivalents</td> <td>828</td> <td>(1,123)</td> </tr> </tbody> </table> <p>⁽¹⁾ Figures published in 2017 for the 2016 half financial year.</p> <table> <thead> <tr> <th>Financial Statements</th> <th>30/06/2017</th> <th>30/06/2016</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;"><i>(in millions of Euro)</i></td> </tr> <tr> <td colspan="3">Extracts from the consolidated balance sheets:</td> </tr> <tr> <td>Total assets</td> <td>277,891</td> <td>270,315</td> </tr> <tr> <td>Total equity and liabilities</td> <td>277,891</td> <td>270,315</td> </tr> <tr> <td colspan="3">Information concerning net indebtedness:</td> </tr> <tr> <td>Net indebtedness</td> <td>31,268</td> <td>36,208</td> </tr> </tbody> </table> <p>Prospects of the Issuer</p> <p>There has been no material adverse change in the prospects of the Issuer or the EDF Group since 31 December 2016.</p> <p>Significant change in the Issuer's financial or trading position</p> <p>There has been no significant change in the financial or trading position of the Issuer or the EDF Group since 30 June 2017.</p>		2017	2016 ⁽¹⁾		<i>(in millions of Euro)</i>		Extracts from the consolidated income statements:			EDF net income	2,005	2,081	Extracts from the consolidated cash flow statements:			Net increase (decrease) in cash and cash equivalents	828	(1,123)	Financial Statements	30/06/2017	30/06/2016		<i>(in millions of Euro)</i>		Extracts from the consolidated balance sheets:			Total assets	277,891	270,315	Total equity and liabilities	277,891	270,315	Information concerning net indebtedness:			Net indebtedness	31,268	36,208
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B.13	Recent material events relating to the Issuer's solvency	<ul style="list-style-type: none"> - 2017 half-year results in line with expectations - Excellent execution of the performance plan - Outlook confirmed - Success of EDF's share capital increase with preferential subscription rights for an amount of approximately 4 billion euros - Sale of a controlling interest of AREVA NP to EDF: <ul style="list-style-type: none"> o EDF waives one the conditions precedent 																																							

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Element	Title	
		<p>contained in the Areva NP acquisition agreement</p> <ul style="list-style-type: none"> ○ Binding agreements signed with strategic investors for the acquisition of an equity stake in NEW NP <p>- Project Hinkley Point C</p> <ul style="list-style-type: none"> ○ Clarifications on Hinkley Point C project based on the conclusions of the review of the costs and timetable of the HPC project ○ Progress at Hinkley Point C new nuclear power station <p>- Litigation:</p> <ul style="list-style-type: none"> ○ Proceedings concerning EDF: <ul style="list-style-type: none"> Challenge to the amended decree authorising the construction of Flamanville 3 Action against the final investment decision for the Hinkley Point C project Appeal filed before the Council of State seeking cancellation of the decisions no. 2016-DC-0551 and no. 2016-DC-0550 of the French Nuclear Safety Authority (ASN) related to the Fessenheim plant Appeal filed by local authorities and trade unions before the Council of State seeking cancellation of the Decree no. 2017-508 of 8 April 2017 ○ Proceedings concerning EDF's subsidiaries and investments: <ul style="list-style-type: none"> Application filed by the UFC Que Choisir association before the CoRDIS seeking to end alleged breaches by ENEDIS of its obligations to remain independent of EDF Legal action initiated by ACEA SpA concerning Edison's shareholding in Edipower Proceedings related to the court-ordered

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		<p style="text-align: center;">liquidation of Silpro</p> <ul style="list-style-type: none"> - Approval of the Flamanville 3 EPR's vessel by the ASN - Results of the option for the payment of the balance of the dividend to be paid out on the 2016 financial year - Report of an event at level 2 on the international nuclear event scale (INES) for potential unavailability of power sources in the event of earthquake at 1300 MWe nuclear power plants - Signing of an innovative bilateral RCF with interest rate dependent on its sustainability rating - Signing of an agreement between EDF and PGE for the sale of EDF Polska's assets - Approval by EDF Board of Directors of the creation of EDVANCE, a significant milestone in the reconstruction of the French nuclear industry - EDF's Board of Directors of 6 April 2017 relating to the closure of Fessenheim - Finalization of the indirect sale by EDF of 49.9% of RTE assets to Caisse des Dépôts and CNP Assurances - Launching of Flamanville EPR's system performance tests prior to reactor start-up in 2018
B.14	Dependence upon other group entities	Not applicable: The Issuer is not dependent upon other entities within the EDF Group.
B.15	Principal activities	<p>See B.5.</p> <p>With a global installed net generation capacity of 132.3 GWe² as at 31 December 2016 generating 583.9 TWh, the Group has one of the largest generation fleets in the world. Among the ten largest global power suppliers, it produces the smallest amount of CO₂ per kilowatt-hour generated³ thanks to the share of nuclear, hydro and other renewable energies in its</p>

² Source: EDF. Figures calculated according to consolidation accounting rules.

³ Source: Comparison based on data published by these ten groups.

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Element	Title	
		<p>generation mix.</p> <p>The EDF Group supplies electricity, gas and related services to 37.1 million customer accounts⁴ worldwide, of which 26.2 million are in France.</p>
B.16	Major shareholders	<p>Pursuant to Article L.111-67 of the French Energy Code, the French government is EDF's principal shareholder and must retain ownership of at least 70% of its share capital.</p>
B.17	Credit ratings assigned to the Issuer or its debt securities	<p>The long-term debt of the Issuer is rated "A3" (stable outlook) by Moody's Investors Service Ltd ("Moody's"), "A-" (stable outlook) by Standard and Poor's Credit Market Services Europe Limited ("Standard and Poor's") and "A-" (stable outlook) by Fitch Ratings Limited ("Fitch Ratings").</p> <p>The Programme is currently rated "A3" (senior unsecured debt) by Moody's and "A-" (long-term debt) by Standard and Poor's. Each of Moody's and Standard and Poor's is established in the European Union, is registered under Regulation (EC) no. 1060/2009 of 16 September 2009 on credit rating agencies as amended (the "CRA Regulation") and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu) as of the date of this Base Prospectus.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p>The ratings of the Notes (if any) will be specified in the relevant Final Terms. The relevant Final Terms will also specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation.</p> <p>Issue Specific Summary:⁵</p> <p>[The Notes to be issued [are not]/[have not]/[are expected to be] rated]:</p> <p>[Name of rating agency/ies]: [Standard and Poor's] [Moody's]</p>

⁴ One customer can have two customer accounts: one for electricity and another for gas.

⁵ To be inserted and completed, as the case may be, in the specific summary to be annexed to the Final Terms of the Notes having a denomination of less than €100,000.

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Element	Title	
		[•][•]

Section C – Securities

Element	Title	
C.1	Type, class and security identification of the Notes	<p>Up to Euro 45,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time pursuant to the Euro Medium Term Note Programme (the "Programme").</p> <p>Arranger of the Programme:</p> <p>BNP Paribas.</p> <p>Dealers:</p> <p>BNP Paribas, Crédit Agricole Corporate and Investment Bank and Société Générale.</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint one or more additional dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. References to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p> <p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the final terms (the "Final Terms") for such Notes.</p>

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Element	Title			
		<p>Notes may be issued in either dematerialised form ("Dematerialised Notes") or in materialised form ("Materialised Notes").</p> <p>Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant Noteholder, in either fully registered form (<i>au nominatif pur</i>) or administered registered form (<i>au nominatif administré</i>). No physical documents of title will be issued in respect of Dematerialised Notes.</p> <p>Materialised Notes will be in bearer materialised form ("Materialised Bearer Notes") only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.</p> <p>Euroclear France will act as central depository in relation to Dematerialised Notes. Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed will act as central depository will act as central depository in relation to Materialised Notes.</p> <p>An identification number of the Notes (ISIN Code) will be specified in the relevant Final Terms.</p> <p>Issue Specific Summary:⁶</p> <p>The Notes are [specify currency of Notes being issued] [[specify fixed interest rate of Notes being issued] per cent. / Floating Rate / Zero Coupon, due [●]</p>		
		<table border="1"> <tr> <td data-bbox="605 1434 995 1507">Series:</td> <td data-bbox="995 1434 1383 1507">[●]</td> </tr> </table>	Series:	[●]
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		<table border="1"> <tr> <td data-bbox="605 1518 995 1591">Tranche:</td> <td data-bbox="995 1518 1383 1591">[●]</td> </tr> </table>	Tranche:	[●]
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		<table border="1"> <tr> <td data-bbox="605 1686 995 1770">Form of Notes:</td> <td data-bbox="995 1686 1383 1770">[Dematerialised Notes / Materialised Notes]</td> </tr> </table>	Form of Notes:	[Dematerialised Notes / Materialised Notes]
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⁶ To be inserted and completed, as the case may be, in the specific summary to be annexed to the Final Terms of the Notes having a denomination of less than €100,000.

Summary

Element	Title	
		<p>(i) Form of Dematerialised Notes: [Not Applicable/Bearer Dematerialised Notes/ [fully/administered] Registered dematerialised form]</p> <p>(ii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [•] (the "Exchange Date")].</p> <p>(iii) Applicable TEFRA exemptions: [C Rules/D Rules/Not Applicable]</p> <p>Central Depository: [Euroclear France]</p> <p>ISIN Code: [•]</p> <p>Common code: [•]</p> <p>Any clearing system(s) other than Euroclear France, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable]/[give name(s) and number(s) [and address(es)]]</p>
C.2	Currencies	<p>Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p><i>Issue Specific Summary:</i>⁷</p> <p>The currency of the Notes is: [•].</p>
C.5	A description of any restrictions on the free	<p>Save certain restrictions (in particular in respect of France, the United States of America, the United Kingdom, Japan, Hong Kong, the People's Republic of China, Singapore and the European Economic Area) regarding the purchase, offer, sale</p>

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Element	Title	
	transferability of the Notes	and delivery of the Notes, or possession or distribution of the Base Prospectus, any other offering material or any Final Terms, there is no restriction on the free transferability of the Notes.
C.8	Description of the rights attached to the Notes	<p><i>Issue price</i></p> <p>The Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.</p> <p><i>Specified denomination</i></p> <p>The Notes will be in such denominations as may be specified in the relevant Final Terms.</p> <p>Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/ or regulatory and/or central bank requirements and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency).</p> <p>Dematerialised Notes shall be issued in one denomination only.</p> <p><i>Status of the Notes</i></p> <p>Notes and, where applicable, any related Coupons, will constitute direct, unconditional, unsubordinated and (subject to the provisions of the Negative Pledge below) unsecured obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and ratably with all other present or future unsecured and unsubordinated obligations of the Issuer.</p> <p><i>Negative Pledge</i></p> <p>So long as any of the Notes remains outstanding, the Issuer has agreed that it will not create or have outstanding any mortgage, charge, pledge or other security interest upon the whole or any part of its undertaking, revenues or assets, present or future, in order to secure any Indebtedness (as</p>

Element	Title	
		<p>defined below), or any guarantee or indemnity in respect of any Indebtedness, without at the same time according to the Notes the same security.</p> <p>"Indebtedness" means any indebtedness of the Issuer which, in each case, is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).</p> <p>For the avoidance of doubt, the Indebtedness shall include any obligations of the Issuer under dematerialised debt securities that may be issued from time to time by the Issuer and are traded under a book-entry transfer system.</p> <p>Events of Default</p> <p>The terms and conditions of the Notes specify that the following events are each an "Event of Default":</p> <ul style="list-style-type: none"> (i) the Issuer (a) fails to pay principal in respect of the Notes of the relevant Series or any of them within 15 days following the Maturity Date or date of redemption thereof or (b) fails to pay interest in respect of the Notes of the relevant Series or any of them within 15 days of the due date for payment thereof; or (ii) the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes of the relevant Series which default is continuing (except in any case where such default is incapable of remedy when no such continuation or notice, as is hereinafter mentioned, will be required) for a period of 30 days after the Issuer receives written notice specifying such default at the specified office of the Fiscal Agent by the holder of any such Note; or (iii) (a) any Indebtedness (as defined above) of the Issuer (being Indebtedness having an outstanding aggregate principal amount in excess of €100,000,000 or its equivalent in any other currency) is not paid within 30 days after its stated maturity or earlier redemption date, as the case may be, or within any longer applicable grace period, as the case may be, (b) any Indebtedness of the Issuer (being Indebtedness having an outstanding aggregate principal amount in excess of €100,000,000 or its equivalent in any other

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Element	Title	
		<p>currency) becomes due and payable prior to its stated maturity as a result of a default thereunder which is not remedied within the relevant grace period or (c) the Issuer fails to pay when due any amount payable by it under any guarantee of Indebtedness (being Indebtedness having an outstanding aggregate principal amount in excess of €100,000,000 or its equivalent in any other currency) unless, in each case, the Issuer is contesting in good faith its obligations to make payment or repayment of any such amount; or</p> <p>(iv) a judgment is issued for judicial liquidation (<i>liquidation judiciaire</i>) of the Issuer or for a transfer of the whole of its business (<i>cession totale de l'entreprise à la suite d'un plan de cession</i>) pursuant to a judicial reorganisation (<i>redressement judiciaire</i>), or the Issuer is subject to equivalent legal proceedings, or in the absence of legal proceedings the Issuer makes a voluntary conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors or the Issuer is voluntarily wound up or dissolved (<i>dissolution</i> or <i>liquidation amiable</i>).</p> <p>Taxation</p> <p>All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.</p> <p>If French law should require that payments of principal or interest be subject to such deduction or withholding, the Issuer, will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.</p> <p>Governing law</p> <p>French law.</p>

Summary

Element	Title	
		<p>Issue Specific Summary:⁸</p> <p>Issue Price:[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)</p> <p>Specified Denomination[s]: [●]</p> <p>Status of the Notes: Unsubordinated Notes</p>
C.9	Interest / Redemption Interest	<p>Interest Payments and interest periods</p> <p>The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. The Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.</p> <p>Fixed Rate Notes</p> <p>Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.</p> <p>Floating Rate Notes</p> <p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <p>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or the definitions set out in the FBF Master Agreement; or</p> <p>(ii) by reference to LIBOR, EURIBOR or CMS Rate;</p> <p>in both cases as adjusted for any applicable margin. Unless a higher rate is stated in the applicable Final Terms, the minimum rate of interest (including any applicable margin) shall be deemed to be zero.</p> <p>Zero Coupon Notes</p>

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Element	Title	
		<p>Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.</p> <p><i>Fixed/Floating Rate Notes</i></p> <p>Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate (including, for the avoidance of doubt, CMS Rate), or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate at the date(s) set out in the Final Terms.</p> <p><i>Maturities</i></p> <p>Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of original issue, as specified in the relevant Final Terms.</p> <p><i>Redemption</i></p> <p>The relevant Final Terms will specify the redemption amounts payable in accordance with the Terms and Conditions of the Notes.</p> <p><i>Optional redemption</i></p> <p>The Final Terms issued in respect of each issue of the Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) or at the option of the Noteholders and if so the terms applicable to such redemption.</p> <p><i>Make-Whole Redemption by the Issuer</i></p> <p>If a Make-Whole Redemption by the Issuer is specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem all (but not some only) of the Notes at any time prior to their Maturity Date at their relevant make-whole redemption amount.</p> <p><i>Residual Maturity Call Option</i></p> <p>If a Residual Maturity Call Option by the Issuer is specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole but not in part, at any time as from the residual maturity call option date (as specified in the relevant Final Terms), which shall be no earlier than six months before the Maturity Date of the</p>

Element	Title		
		<p>relevant Notes.</p> <p>Yield</p> <p>The Final Terms issued in respect of each issue of Fixed Rate Notes will set out an indication of the yield of the Notes.</p> <p>Representation of the holders of the Notes</p> <p>In respect of the representation of the Noteholders, the following shall apply:</p> <p>(a) If the relevant Final Terms specify "Full Masse", the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse and the provisions of the French <i>Code de Commerce</i> relating to the Masse shall apply; and</p> <p>(b) If the relevant Final Terms specify "Contractual Masse", the Noteholders of the Notes will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse. The Masse will be governed by the provisions of the French <i>Code de Commerce</i> with the exception of Articles L.228-48, L.228-59, the second sentence of Articles L.228-65 II, R.228-63, R.228-67 and R.228-69 of the French <i>Code de Commerce</i>.</p> <p>The Masse will act in part through a representative (the "Representative") and in part through general meetings of the Noteholders. The names and addresses of the initial Representative and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of the Notes will be the representative of the single Masse of all Tranches in such Series.</p> <p>Issue Specific Summary:⁹</p>	
		Interest Basis:	<p>[[●] per cent. Fixed Rate]/ [[specify reference rate] +/- [●] per cent. Floating Rate] /[Zero Coupon]</p>

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Element	Title	
	Interest Commencement Date:	[●] [Specify/Issue Date/Not Applicable]
	Fixed Rate Notes:	[Applicable (further particulars specified in item 14 of Part A to these Final Terms)]/[Not Applicable]
	Floating Rate Notes:	[Applicable (further particulars specified in item 15 of Part A to these Final Terms)]/[Not Applicable]
	Zero Coupon Notes:	[Applicable (further particulars specified in item 16 of Part A to these Final Terms)]/[Not Applicable]
	Maturity Date:	[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
	Call Option:	[Applicable (<i>give details</i>)] / [Not Applicable]
	Put Option:	[Applicable (<i>give details</i>)] / [Not Applicable]
	Make-Whole Redemption:	[Applicable (<i>give details</i>)] / [Not Applicable]
	Residual Maturity Call Option	[Applicable (<i>give details</i>)] / [Not Applicable]
	Final Redemption Amount:	[[●] per Note [of ●] Specified Denomination]
	Early Redemption Amount:	[Applicable (<i>give details</i>)]/[Not Applicable]
	Yield:	[●]/[Not Applicable]

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Element	Title		
		Representation of the Noteholders:	<p>[(a) "Full Masse": the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (the "Masse") and the provisions of the French <i>Code de Commerce</i> relating to the Masse shall apply.] [or]</p> <p>[(b) "Contractual Masse": Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (the "Masse"). The Masse will be governed by the provisions of the French <i>Code de Commerce</i> with the exception of Articles L.228-48, L.228-59, the second sentence of Articles L.228-65 II, R.228-63, R.228-67 and R.228-69 of the French <i>Code de Commerce</i>.]</p> <p>The representative of the Noteholders is [●].</p> <p>The additional representative of the Noteholders is [●].</p>
C.10	Derivative component in the interest payment of the Notes	Not applicable, the Notes issued under the Programme do not contain any derivative components.	
C.11	Admission to trading and listing	As specified in the relevant Final Terms, a Series of Notes may or may not be listed and admitted to trading on Euronext Paris and/or any regulated market as defined by the Markets in Financial Instruments Directive 2004/39/EC of 21 April 2004 as amended or any other stock exchange.	

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Element	Title	
		<p>Issue Specific Summary:¹⁰</p> <p>[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris / [●]] with effect from [●].]</p> <p>[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris / [●]] with effect from [●].] [Not Applicable.]</p>
C.21	Market where the securities will be traded and for which prospectus has been published	See Section C.11 of this summary

Section D – Risks

Element	Title	
D.2	Key risks regarding the Issuer	<p>The EDF Group operates in an environment that is experiencing profound change, which generates various risks, some of which are beyond its control and which are in addition to the risks inherent in its business operations. Below the EDF Group identifies the material risks to which it considers itself exposed. One or more of these risks could have an adverse effect on the EDF Group's activities or results. Moreover, other risks, of which it is currently unaware, or which it currently believes are not material, may also have an adverse effect.</p> <p>The key risks identified relate to:</p> <ul style="list-style-type: none">• the regulation of energy markets;• the EDF Group's activities;• the EDF Group's nuclear activities; and• the EDF Group's structure and changes within the EDF Group.

¹⁰ To be inserted and completed, as the case may be, in the specific summary to be annexed to the Final Terms of the Notes having a denomination of less than €100,000.

Element	Title	
D.3	<p>Key risks regarding the Notes</p>	<p>There are certain factors which are material for the purpose of assessing the market risks associated with Notes, including the following:</p> <p>(1) General risks relating to the Notes</p> <ul style="list-style-type: none"> • independent review and advice <p>Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.</p> • risk relating to potential conflicts of interest between the Issuer, the Dealers, their respective affiliates and the holders of the Notes (each, a “Noteholder”) • risks related to legality of purchase <p>The acquisition of the Notes may be restricted by the laws of the jurisdiction of the Noteholder, and may be subject to regulation by local authorities.</p> • risk of modification, waivers or substitutions of the terms and conditions of the Notes by a General Meeting of holders of the Notes binding all Noteholders including those who did not attend or who voted in a manner contrary to the majority • risks relating to regulatory restrictions • risks relating to credit ratings <p>Moody’s, Standard and Poor’s and Fitch Ratings have confirmed EDF’s long-term rating respectively at “A3”, “A-” and “A-”, all with stable outlooks. Moody’s, Standard and Poor’s and Fitch Ratings have indicated that such ratings could be further downgraded.</p> <p>The credit ratings assigned to the Notes may not reflect the potential impact of all risks relating to the Notes, and other factors which may affect the value of the Notes.</p>

Element	Title	
		<ul style="list-style-type: none"> • risks related to taxation Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other charges or duties in accordance with the law and practices of the country where the Notes are transferred or where any other action is taken in relation to the Notes. • risks related to the potential implementation of a common financial transaction tax ("FTT") • risks relating to French insolvency law • risk relating to the liquidity/trading market for the Notes The Notes may not be widely distributed and there may be no active trading market in respect of such Notes. • risks relating to exchange rates risks and exchange controls The Issuer will pay principal and interest in a specified currency. For investors whose financial activities are denominated in a currency other than the specified currency in which the related Notes are denominated, there is a risk of significant fluctuation in the rate of exchange between these two currencies. • risks related to the market value of the Notes The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors. • risk of a change of law The Terms and Conditions of the Notes are based on French law as in effect as of the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Prospectus. <p>(2) Specific risks relating to the structure of a particular issue of Notes:</p> <ul style="list-style-type: none"> • <i>[(Insert if the Notes include an optional redemption feature) - Any optional redemption feature where the</i>

Summary

Element	Title	
		<p>Issuer is given the right to redeem the Notes early might negatively affect the market value of such Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.]</p> <ul style="list-style-type: none"> • [(Insert for Fixed Rate Notes) Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.] • [(Insert for Floating Rate Notes) The Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be [added or subtracted] from such base rate. There will be a periodic adjustment of the reference rate (every [three months]/[six months]/[•]) which itself will change in accordance with general market conditions. Accordingly, the market value of the Notes may be volatile if changes to the reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.] • [Inverse Floating Rate Notes / Fixed to Floating Rate Notes and Notes issued at a substantial discount or premium] • [(Insert for variable rate Notes) Notes with variable interest rates can be volatile investments. If they are structured to include caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.] • [(Insert for Zero-Coupon Notes) The prices at which Zero Coupon Notes, and other Notes issued at a substantial discount from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do the prices for conventional interest-bearing securities of comparable maturities.] • [(Insert for RMB Notes) Notes denominated in Renminbi ("RMB Notes") are not freely convertible; there are significant restrictions on remittance of RMB into and out of the People's Republic of China and the liquidity of the Notes denominated in RMB may be adversely affected. There may also be some exchange

Summary

Element	Title	
		rate and interest rate risks related to RMB and RMB Notes may only be held in Euroclear France, Euroclear and Clearstream Luxembourg.]]

Section E – Offer

Element	Title	
E.2b	Use of proceeds	<p>The net proceeds of the issue of each Tranche of the Notes will be used by the Issuer for its general corporate purposes unless otherwise specified in the relevant Final Terms.</p> <p>Issue Specific Summary:¹¹</p> <p>[The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes / Other (<i>specify</i>).]</p>
E.3	Terms and conditions of the offer	<p>Notes may be offered to the public in France, Belgium and/or the Grand Duchy of Luxembourg and/or any other jurisdiction of the European Union in which the Base Prospectus has been passported and which shall be specified in the applicable Final Terms.</p> <p>There are certain restrictions regarding the purchase, offer, sale and delivery of the Notes, or possession or distribution of the Base Prospectus, any other offering material or any Final Terms.</p> <p>Other than as set out in section A.2 above, none of the Issuer or any of the Dealers has authorised the making of any Public Offer by any person in any circumstances and no person is permitted to use the Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors shall have any responsibility or liability for the actions of any person making such offers.</p> <p>Issue Specific Summary:¹²</p> <p>[Not applicable, the Notes are not offered to the public.] /</p>

¹¹ To be inserted and completed, as the case may be, in the specific summary to be annexed to the Final Terms of the Notes having a denomination of less than €100,000.

¹² To be inserted and completed, as the case may be, in the specific summary to be annexed to the Final Terms of the Notes having a denomination of less than €100,000.

Summary

Element	Title													
		<p>[The Notes are offered to the public in [●].</p> <table border="1"> <tr> <td>Offer Period:</td> <td>The period from [●] until [●]</td> </tr> <tr> <td>Offer Price:</td> <td>[Issue Price]/[Not Applicable]/[●]</td> </tr> <tr> <td>Conditions to which the Offer is subject:</td> <td>[Not Applicable]/[●]</td> </tr> <tr> <td>Description of the application process:</td> <td>[Not Applicable]/[●]</td> </tr> <tr> <td>Details of the minimum and/or maximum amount of application:</td> <td>[Not Applicable]/[●]</td> </tr> <tr> <td>Manner in and date on which results of the Offer are to be made public:</td> <td>[Not Applicable]/[●]</td> </tr> </table>	Offer Period:	The period from [●] until [●]	Offer Price:	[Issue Price]/[Not Applicable]/[●]	Conditions to which the Offer is subject:	[Not Applicable]/[●]	Description of the application process:	[Not Applicable]/[●]	Details of the minimum and/or maximum amount of application:	[Not Applicable]/[●]	Manner in and date on which results of the Offer are to be made public:	[Not Applicable]/[●]
Offer Period:	The period from [●] until [●]													
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Conditions to which the Offer is subject:	[Not Applicable]/[●]													
Description of the application process:	[Not Applicable]/[●]													
Details of the minimum and/or maximum amount of application:	[Not Applicable]/[●]													
Manner in and date on which results of the Offer are to be made public:	[Not Applicable]/[●]													
E.4	Interest of natural and legal persons involved in the issue/offer	<p>The relevant Final Terms will specify any interest of natural and legal persons involved in the issue of the Notes.</p> <p><i>Issue Specific Summary:</i>¹³</p> <p>[So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.] / [The Dealer will be paid aggregate commissions equal to [●] per cent. of the nominal amount of the Notes. So far as the Issuer is aware, no other person involved in the issue of the Notes has an interest material to the offer.] / [other interests to specify].</p>												
E.7	Expenses charged to the investor by the Issuer or an offeror	<p>The relevant Final terms will specify as the case may be the estimated expenses applicable to any Tranche of the Notes</p> <p><i>Issue Specific Summary:</i>¹⁴</p> <p>[The estimated expenses charged to the investor amount to [●]./ Not applicable. There are no expenses charged to investors.]</p>												

¹³ To be inserted and completed, as the case may be, in the specific summary to be annexed to the Final Terms of the Notes having a denomination of less than €100,000.

¹⁴ To be inserted and completed, as the case may be, in the specific summary to be annexed to the Final Terms of the Notes having a denomination of less than €100,000.

RÉSUMÉ EN FRANCAIS (SUMMARY IN FRENCH)

Le résumé qui suit est conforme aux exigences de la Directive Prospectus et du Règlement (CE) n°809/2004 de la Commission du 29 avril 2004 mettant en œuvre la Directive Prospectus, tel que modifié (le "**Règlement DP**"), incluant les exigences relatives au contenu telles que formulées à l'Annexe XXII du Règlement DP.

Les résumés sont constitués d'éléments d'information dont la communication est requise par l'Annexe XXII du Règlement DP, dénommés "**Éléments**". Ces éléments sont numérotés dans les Sections A à E (A.1 à E.7). Le présent résumé contient l'ensemble des Éléments qui doivent être inclus dans un résumé pour ce type de titres et d'émetteur. Certains Éléments n'étant pas pertinents, il est possible qu'il y ait des sauts de numérotation dans la séquence des Éléments. Bien que l'insertion dans le résumé d'un Éléments puisse être requise en raison du type de titre et d'émetteur, il est possible qu'aucune information pertinente ne puisse être donnée concernant cet Éléments. Dans ce cas, une courte description de l'Éléments est insérée dans le résumé accompagnée de la mention "sans objet".

Ce résumé est fourni dans le cadre d'une émission par EDF ("**Émetteur**") de Titres ayant une valeur nominale unitaire inférieure à 100 000 euros qui sont offerts au public et / ou admis à la négociation sur un marché réglementé de l'Espace Economique Européen ("**EEE**"). Le résumé spécifique à ce type d'émission de Titres figurera en annexe des Conditions Définitives applicables et comprendra (i) les informations relatives au résumé du Prospectus de Base et (ii) les informations contenues dans les rubriques "résumé spécifique à l'émission" figurant ci-dessous.

Section A – Introduction et avertissements

Éléments	Titre	
A.1	Avertissement général relatif au résumé	<p>Ce résumé doit être lu comme une introduction au présent prospectus de base (le "Prospectus de Base").</p> <p>Toute décision d'investir dans les Titres doit être fondée sur un examen exhaustif du Prospectus de Base, y compris de tous documents incorporés par référence.</p> <p>Lorsqu'une action concernant l'information contenue dans ce Prospectus de Base est intentée devant un tribunal, l'investisseur plaignant peut, selon la législation nationale des États membres de l'Union européenne ou parties à l'accord sur l'Espace économique européen, avoir à supporter les frais de traduction du Prospectus de Base avant le début de la procédure judiciaire.</p> <p>Les personnes qui ont présenté le résumé, y compris le cas échéant sa traduction et en ont demandé la notification au sens de l'article 212-41 du règlement général de l'AMF, n'engagent leur responsabilité civile que si le contenu du résumé est</p>

Élément	Titre	
		trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations essentielles permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans ces Titres.
A.2	<p>Information relative au consentement de l'Émetteur concernant l'utilisation du Prospectus</p>	<p>Dans le cadre de l'offre des Titres réalisée en France, en Belgique et/ou dans le Grand-Duché du Luxembourg (le[s] "Pays de l'Offre au Public"), cette offre ne bénéficiant pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive 2003/71/CE du 4 novembre 2003, telle que modifiée (la "Directive Prospectus") (l'"Offre au Public"), l'Émetteur consent à l'utilisation du Prospectus de Base dans le cadre de l'Offre au Public des Titres durant la période d'offre indiquée dans les Conditions Définitives (la "Période d'Offre") dans le[s] Pays de l'Offre au Public :</p> <ol style="list-style-type: none"> 1. sous réserve des conditions prévues dans les Conditions Définitives, tout intermédiaire financier désigné dans ces Conditions Définitives ; ou 2. si cela est indiqué dans les Conditions Définitives concernées, tout intermédiaire financier qui remplit les conditions suivantes : (a) qui agit conformément à toutes les lois, règles, réglementations et recommandations applicables de toute autorité (les "Règles"), y compris, sans limitation et dans chacun des cas, les Règles relatives à la fois à l'opportunité ou à l'utilité de tout investissement dans les Titres par toute personne et à la divulgation à tout investisseur potentiel ; (b) qui respecte les restrictions qui s'appliquent comme s'il s'agissait d'un agent placeur nommé dans le cadre du Programme ou pour une émission spécifique ("Agent Placeur") ; (c) qui s'assure que tous les frais (et toutes les commissions ou avantages de toute nature) reçus ou payés par cet intermédiaire financier en raison de l'offre ou de la cession des Titres sont entièrement et clairement communiqués aux investisseurs ou aux investisseurs potentiels ; (d) qui détient tous les permis, autorisations, approbations et accords nécessaires à la sollicitation, ou à l'offre ou la cession des Titres, en application des Règles ; (e) qui conserve les dossiers d'identification des investisseurs au moins pendant la période minimum requise par les Règles applicables et doit, sur demande, mettre ces registres à la disposition des Agent(s) Placeur(s) concerné(s) et de l'Émetteur

Élément	Titre	
		<p>ou les mettre directement à la disposition des autorités compétentes dont l'Émetteur et/ou les Agent(s) Placeur(s) concerné(s) dépendent afin de permettre à l'Émetteur et/ou aux Agent(s) Placeur(s) concerné(s) de respecter les Règles relatives à la lutte contre le blanchiment d'argent, à la lutte contre la corruption et les règles de connaissance du client applicables à l'Émetteur et /ou aux Agent(s) Placeur(s) concerné(s) ; (f) qui n'entraîne pas, directement ou indirectement, la violation d'une Règle par l'Émetteur ou les Agent(s) Placeur(s) concerné(s) ou qui ne soumet pas l'Émetteur ou les Agent(s) Placeur(s) concerné(s) à l'obligation d'effectuer un dépôt, d'obtenir une autorisation ou un accord dans tout pays ; et (g) qui satisfait à tout autre condition spécifiée dans les Conditions Définitives concernées (dans chacun des cas un "Établissement Autorisé"). Afin d'éviter toute ambiguïté, ni les Agents Placeurs ni l'Émetteur n'aura d'obligation de s'assurer qu'un Établissement Autorisé agira en conformité avec toutes les lois et réglementations et, en conséquence, ni les Agents Placeurs ni l'Émetteur ne pourra voir sa responsabilité engagée à ce titre.</p> <p>Le consentement mentionné ci-dessus s'applique à des Périodes d'Offre (le cas échéant) se terminant au plus tard à l'issue d'une période de 12 mois à compter de la date d'approbation du Prospectus de Base par l'Autorité des marchés financiers (l'"AMF").</p> <p>Un investisseur qui a l'intention d'acquérir ou qui acquiert des Titres auprès d'un Établissement Autorisé le fera, et les offres et cessions des Titres par un Établissement Autorisé à un Investisseur se feront, dans le respect de toutes conditions et autres accords mis en place entre l'Établissement Autorisé et l'Investisseur concerné y compris en ce qui concerne l'allocation du prix et les accords de règlement-livraison (les "Modalités Spécifiques de l'Offre au Public"). L'Émetteur ne sera pas partie à de tels accords avec des Investisseurs (autres que les Agents Placeurs) dans le contexte de l'offre ou la cession des Titres et, en conséquence, le Prospectus de Base et les Conditions Définitives ne comprendront pas ces informations. Les Modalités Spécifiques de l'Offre au Public devront être communiquées aux Investisseurs par l'Établissement Autorisé au moment de l'Offre au Public. Ni l'Émetteur ni aucun des Agents Placeurs ou des Établissements Autorisés ne sont responsables de cette</p>

Élément	Titre	
		<p>information.</p> <p>Résumé spécifique à l'émission:¹⁵</p> <p>[Dans le cadre de l'offre des Titres réalisée en [●] (le[s] "Pays de l'Offre au Public"), cette offre ne bénéficiant pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, ("Offre au Public"), l'Émetteur consent à l'utilisation du Prospectus dans le cadre de l'Offre au Public des Titres durant la période d'offre allant du [●] au [●] (la "Période d'Offre") dans le[s] Pays de l'Offre au Public par [●] / [tout intermédiaire financier] (l'[/les] "Établissement[s] Autorisé[s]"). [L'[/Les] Établissement[s] Autorisé[s] doit[/doivent] remplir les conditions suivantes : [●].]</p> <p>Ni les Agents Placeurs ni l'Émetteur n'aura d'obligation de s'assurer qu'un Établissement Autorisé agira en conformité avec toutes les lois et réglementations et, en conséquence, ni les Agents Placeurs ni l'Émetteur ne pourra voir sa responsabilité engagée à ce titre.</p> <p>L'Émetteur accepte la responsabilité, dans le(s) Pays de l'Offre au Public du contenu du Prospectus vis-à-vis de toute personne (un "Investisseur") se trouvant dans ce(s) Pays de l'Offre au Public à qui une offre de tout Titre est faite par tout Établissement Autorisé et lorsque l'offre est faite pendant la période pour laquelle le consentement est donné. Toutefois, ni l'Émetteur ni aucun Agent Placeur n'est responsable des actes commis par tout Établissement Autorisé, y compris concernant le respect des règles de conduite des affaires applicables à l'Établissement Autorisé ou à d'autres obligations réglementaires locales ou à d'autres obligations légales relatives aux Titres en lien avec une telle Offre au Public applicables à l'Établissement Autorisé.</p> <p>Un Investisseur qui a l'intention d'acquérir ou qui acquiert des Titres auprès d'un Établissement Autorisé le fera, et les offres et cessions des Titres par un Établissement Autorisé à un Investisseur se feront, dans le respect de toutes conditions et autres accords mis en place entre l'Établissement Autorisé et l'Investisseur concerné y compris en ce qui concerne l'allocation du prix et les accords de règlement-livraison (les "Modalités Spécifiques</p>

¹⁵ Le résumé spécifique à l'émission devrait être inséré et complété, le cas échéant, et être annexé aux Conditions Définitives relatives aux Titres ayant une valeur nominale inférieure à 100.000€.

Élément	Titre	
		de l'Offre au Public"). L'Émetteur ne sera pas partie à de tels accords avec des Investisseurs (autres que les Agents Placeurs) dans le contexte de l'offre ou la cession des Titres et, en conséquence, le Prospectus de Base et les Conditions Définitives ne comprendront pas ces informations. Les Modalités Spécifiques de l'Offre au Public devront être communiquées aux Investisseurs par l'Établissement Autorisé au moment de l'Offre au Public. Ni l'Émetteur ni aucun des Agents Placeurs ou des Établissements Autorisés ne sont responsables de cette information.] / [Non Applicable]

Section B – Émetteur

Élément	Titre	
B.1	Raison sociale et nom commercial de l'Émetteur	La dénomination sociale et le nom commercial de l'Émetteur est "Électricité de France". L'Émetteur est aussi légalement et commercialement dénommé "EDF".
B.2	Siège social et forme juridique de l'Émetteur, droit applicable à l'Émetteur et pays d'immatriculation	L'Émetteur est une société anonyme constituée conformément au droit français pour une période de 99 ans à compter du 19 novembre 2004. Il est immatriculé au Registre du Commerce et des Sociétés de Paris sous le numéro 552 081 317 RCS Paris. Le siège social de l'Émetteur est situé au 22-30 avenue de Wagram, 75008 Paris.
B.4b	Tendances connues	Le marché et le contexte réglementaire européen mettent aujourd'hui le modèle économique des électriciens en contrainte, alors que des investissements importants sont toujours requis pour maintenir les actifs existants et, à plus long terme, pour renouveler les parcs de production : <ul style="list-style-type: none"> • les prix des combustibles sont en baisse (pétrole, gaz, charbon) et même si une légère remontée s'est amorcée sur la toute fin d'année, les niveaux moyens de 2016 ont été inférieurs à ceux de 2015 ; • le prix du CO₂ demeure très bas, en décalage avec les ambitions de décarbonation et des transitions énergétiques en Europe ;

Élément	Titre	
		<ul style="list-style-type: none"> ce prix bas du CO₂ maintient, de fait, une viabilité économique des moyens de production charbon et lignite dans un contexte où la demande d'électricité reste atone (+ 0,5 % en moyenne annuelle entre 2000 et 2014) et où néanmoins d'importantes capacités d'énergies renouvelables subventionnées sont raccordées aux réseaux. Dès lors, la situation de surcapacité du parc de production européen, qui pourrait appeler des déclassements massifs supplémentaires en Europe, explique des prix de marché de l'électricité historiquement bas : ainsi, en France, alors qu'ils s'étaient établis autour de 40 €/MWh en 2015, les prix de marché de l'électricité France N+1 ont oscillé entre 26 et 33 €/MWh au cours du premier semestre 2016. A partir d'octobre 2016, les prix de marché à terme pour livraison en 2018 ont légèrement remonté pour s'établir autour de 34-38 €/MWh. <p>Par contraste, dans les pays émergents, la consommation d'électricité est en forte croissance, notamment en Asie, ce qui profite aux électriciens de ces zones avec des prévisions de l'ordre de + 160 TWh par an en Chine entre 2014 et 2040 (+ 2,35 % par an en moyenne) et + 44 TWh par an en Afrique (+ 4,0 % par an), contre + 13 TWh par an dans l'Union européenne (+ 0,4 % par an).</p> <p>En Europe, la France et le Royaume-Uni développent des politiques d'indépendance énergétique bas carbone reposant principalement sur un mix conjuguant efficacité énergétique, énergies renouvelables et nucléaire. Ainsi, le Royaume-Uni, qui doit engager un renouvellement important de ses moyens de production d'électricité, a mis en place un modèle de marché cohérent avec cette politique (<i>Carbon Price Floor, Contracts for Difference</i>, marché de capacité etc.). En France, l'électricité est également utilisée comme vecteur de décarbonation, et la loi du 17 août 2015 relative à la transition énergétique pour la croissance verte fixe un plafond de 63,2 GW de capacité nucléaire installée en France, capacité compatible avec un développement des énergies renouvelables dans le mix énergétique, compte tenu de l'évolution de la demande et des capacités d'exportation.</p> <p>De fait, l'accord trouvé à Paris lors de la 21ème Conférence des Parties (COP 21) confirme la mobilisation contre le changement climatique et la montée en puissance des transitions énergétiques au-delà de l'Europe. Cet accord,</p>

Élément	Titre	
		<p>ratifié par 111 pays à fin novembre 2016, est entré en vigueur. La COP 22, qui s'est tenue au Maroc en novembre 2016, a confirmé la feuille de route décidée à Paris.</p> <p>De leur côté, les clients aspirent à être de plus en plus acteurs de leur propre production d'électricité, à travers l'autoproduction et l'autoconsommation, et les territoires, acteurs de leur politique énergétique. Ces nouvelles attentes poussent les énergéticiens à imaginer de nouvelles solutions et de nouveaux modèles plus décentralisés, facilités par les innovations technologiques du numérique et des télécommunications, et par l'émergence de nouveaux usages dont le véhicule électrique.</p> <p>Le secteur électrique est donc plus que jamais en transformation, au croisement des évolutions technologiques et sociétales de moyen et de long terme. Dans ce contexte, et avec ces perspectives, les électriciens européens ont réduit leurs investissements et les réorientent vers des segments ciblés, notamment dans les énergies renouvelables et les solutions bas carbone, les zones de croissance à l'international, les réseaux, la fourniture aux clients et les services.</p> <p>Ainsi, EDF se mobilise pour répondre à des enjeux stratégiques spécifiques :</p> <ul style="list-style-type: none"> • être un acteur responsable de la lutte contre le changement climatique : contribuer à la réalisation des objectifs de la loi relative à la transition énergétique et à la croissance verte en France, à ceux du <i>Climate Change Act</i> au Royaume-Uni et plus largement à ceux des Paquets Énergie-Climat 2020 et 2030 de l'Union européenne ; • garantir la performance économique et la sûreté des actifs nucléaires ; • innover pour se différencier et pour être en capacité technologique et économique de renouveler et d'élargir ses productions et ses services, en particulier numériques, aux clients, et contribuer ainsi à l'efficacité énergétique et à la sécurité d'approvisionnement ; • inscrire dans la durée le Groupe EDF comme un acteur emblématique de service public, notamment en matière de solidarité et de lutte contre la précarité

Élément	Titre	
		<p>énergétique, de respect de la personne, de responsabilité et d'éthique dans la conduite des affaires ;</p> <ul style="list-style-type: none"> • mettre le Groupe EDF sur une trajectoire de création de valeur pérenne pour l'ensemble des parties prenantes ; • créer les conditions qui permettent la participation de chacun à la transformation du Groupe EDF. <p>Ainsi, face à un contexte de marché particulièrement difficile, le Groupe EDF se mobilise et a défini la stratégie CAP 2030 pour être en mesure de financer ses développements prioritaires malgré son endettement élevé.</p>
B.5	Description du Groupe	<p>Le Groupe EDF est un énergéticien intégré, présent sur l'ensemble des métiers de l'électricité : la production nucléaire, renouvelable et fossile, le transport, la distribution, la commercialisation, les services d'efficacité et de maîtrise de l'énergie, ainsi que le négoce d'énergie. Il est l'acteur principal du marché français de l'électricité et bénéficie de positions fortes en Europe (Royaume-Uni, Italie, pays d'Europe centrale et orientale) qui en font l'un des électriciens leader dans le monde et un acteur gazier reconnu.</p>
B.9	Prévision ou estimation de bénéfice	<p>Sans objet : L'Émetteur n'a pas choisi d'inclure une prévision ou une estimation du bénéfice.</p>
B.10	Observations formulées dans le rapport d'audit	<p>Les comptes consolidés du Groupe EDF de l'exercice clos le 31 décembre 2016, préparés conformément au référentiel IAS-IFRS, tel qu'adopté par l'Union européenne, et inclus dans le Document de Référence 2016 déposé auprès de l'AMF en date du 6 mars 2017 sous le numéro D.17-0125, ont fait l'objet d'un rapport des contrôleurs légaux, qui contient deux observations relatives aux effets du changement d'estimation comptable au 1^{er} janvier 2016 relatif à l'allongement à 50 ans de la durée d'amortissement des centrales REP 900 MW en France et à l'évaluation des provisions de long terme liées à la production nucléaire.</p> <p>Les comptes consolidés du Groupe EDF de l'exercice clos le 31 décembre 2015, préparés conformément au référentiel IAS-IFRS, tel qu'adopté par l'Union Européenne, et inclus dans le Document de Référence 2015 déposé auprès de l'AMF en date du 29 avril 2016 sous le numéro D.16-0448, ont</p>

Élément	Titre																
		<p>fait l'objet d'un rapport des contrôleurs légaux, qui contient une observation relative à l'évaluation des provisions de long terme liées à la production nucléaire.</p> <p>Les comptes semestriels consolidés résumés au 30 juin 2017, préparés conformément à IAS 34 « Information financière intermédiaire » qui est le référentiel applicable aux informations financières intermédiaires, tel qu'adopté par l'Union Européenne, ont fait l'objet d'un rapport de revue limité des contrôleurs légaux, qui contient une observation relative à l'évaluation des provisions de long terme liées à la production nucléaire.</p>															
<p>B.12</p>	<p>Informations financières historiques clés sélectionnées</p>	<p>Les informations financières sélectionnées ci-après sont extraites des comptes consolidés du Groupe EDF pour l'exercice clos le 31 décembre 2016 qui ont été audités par les commissaires aux comptes d'EDF.</p> <p>Exercices clos au 31 décembre 2016 2015 ⁽¹⁾</p> <p style="text-align: right;"><i>(en millions d'euros)</i></p> <p>Extraits des comptes de résultat consolidés :</p> <table border="0" style="width: 100%;"> <tr> <td>Résultat net part du Groupe EDF</td> <td style="text-align: right;">2 851</td> <td style="text-align: right;">1 187</td> </tr> </table> <p>Extraits des bilans consolidés :</p> <table border="0" style="width: 100%;"> <tr> <td>Total de l'actif</td> <td style="text-align: right;">281 640</td> <td style="text-align: right;">278 941</td> </tr> <tr> <td>Total des capitaux propres et du passif</td> <td style="text-align: right;">281 640</td> <td style="text-align: right;">278 941</td> </tr> </table> <p>Extraits des tableaux de flux de trésorerie consolidés :</p> <table border="0" style="width: 100%;"> <tr> <td>Variation nette de la trésorerie et des équivalents de trésorerie</td> <td style="text-align: right;">(1 294)</td> <td style="text-align: right;">(535)</td> </tr> </table> <p>Informations relatives à l'endettement financier net</p> <table border="0" style="width: 100%;"> <tr> <td>Endettement financier net</td> <td style="text-align: right;">37 425</td> <td style="text-align: right;">37 395</td> </tr> </table> <p>⁽¹⁾ Données publiées en 2016 au titre de l'exercice 2015.</p> <p>Les informations financières sélectionnées ci-après sont extraites des comptes consolidés résumés du Groupe EDF pour le semestre clos le 30 juin 2017 qui ont fait l'objet d'un examen limité par les commissaires aux comptes d'EDF.</p> <p>Résultats financiers semestriels au 30 juin 2017 2016 ⁽¹⁾</p> <p style="text-align: right;"><i>(en millions d'euros)</i></p> <p>Extraits des comptes de résultat consolidés :</p>	Résultat net part du Groupe EDF	2 851	1 187	Total de l'actif	281 640	278 941	Total des capitaux propres et du passif	281 640	278 941	Variation nette de la trésorerie et des équivalents de trésorerie	(1 294)	(535)	Endettement financier net	37 425	37 395
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B.13	Événements récents relatifs à l'Émetteur présentant un intérêt significatif pour l'évaluation de sa solvabilité	<ul style="list-style-type: none"> - Résultats semestriels 2017 en ligne avec les attentes - Excellente maîtrise du plan de performance - Objectifs confirmés - Succès de l'augmentation de capital d'EDF avec maintien du droit préférentiel de souscription d'un montant d'environ 4 milliards d'euros - Cession d'une part majoritaire du capital d'AREVA NP à EDF: <ul style="list-style-type: none"> o EDF lève partiellement une des conditions suspensives prévues dans le contrat 																																							

Élément	Titre	
		<p>d'acquisition d'Areva NP</p> <ul style="list-style-type: none"> ○ Signature d'accords engageants pour l'entrée d'investisseurs stratégiques au capital de NEW NP <p>- Projet Hinkley Point C</p> <ul style="list-style-type: none"> ○ Précisions sur le projet Hinkley Point C basées sur les conclusions de revue des coûts et du calendrier du projet HPC ○ Progrès réalisés dans la nouvelle centrale nucléaire de Hinkley Point C <p>- Procédures judiciaires et arbitrages:</p> <ul style="list-style-type: none"> ○ Procédures concernant EDF: <ul style="list-style-type: none"> Recours contre le décret modifié d'autorisation de création de Flamanville 3 Recours contre la décision finale d'investissement sur le projet Hinkley Point C Recours devant le Conseil d'État visant à obtenir l'annulation des décisions n° 2016-DC-0551 et n° 2016-DC-0550 de l'Autorité de Sûreté Nucléaire (ASN) concernant la centrale de Fessenheim Recours devant le Conseil d'État visant à obtenir l'annulation du décret n° 2017-508 du 8 avril 2017 déposé par des autorités locales et des syndicats ○ Procédures concernant les filiales et participations d'EDF: <ul style="list-style-type: none"> Saisine du CoRDIS par l'association UFC Que Choisir tendant à faire cesser de prétendus manquements d'Enedis à ses obligations d'indépendance à l'égard d'EDF Assignation par ACEA SpA concernant la participation d'Edison dans Edipower Procédures liées à la liquidation judiciaire de

Résumé

Élément	Titre	
		<p style="text-align: center;">Silpro</p> <ul style="list-style-type: none"> - Validation de la cuve de l'EPR de Flamanville 3 par l'ASN - Résultat de l'option pour le paiement du solde du dividende en actions au titre de l'exercice 2016 - Déclaration d'un événement de niveau 2 (échelle INES) lié à l'indisponibilité potentielle de sources électriques en cas de séisme, dans les centrales de 1300 MWe - Signature d'un accord bilatéral innovant de facilité de crédit avec un taux d'intérêt lié à sa notation développement durable - Signature d'un accord avec PGE pour la cession des actifs d'EDF Polska - Approbation par le Conseil d'Administration d'EDF de la création de la société EDVANCE, jalon essentiel de la refondation de la filière nucléaire française - Conseil d'administration d'EDF du 6 avril 2017 concernant la fermeture de la centrale de Fessenheim - Finalisation de la cession de 49,9% de RTE à la Caisse des Dépôts et CNP Assurances - Lancement de la phase d'essais d'ensemble préalables au démarrage de l'EPR de Flamanville, en 2018
B.14	Dépendance vis-à-vis d'autres entités du groupe	Sans objet : L'Émetteur n'est pas dépendant d'autres entités du Groupe.
B.15	Principales activités	<p>Se référer à l'Élément B.5.</p> <p>Avec une puissance installée nette de 132,3 GWe¹⁶ dans le monde au 31 décembre 2016 pour une production mondiale de 583,9 TWh, le Groupe dispose de l'un des plus importants parcs de production au monde et, parmi les dix plus grands énergéticiens de la planète, du parc le moins émetteur de CO₂</p>

¹⁶

Source : EDF. Chiffres calculés conformément aux règles de consolidation comptable.

Élément	Titre	
		<p>par kilowattheure produit¹⁷ grâce à la part du nucléaire, de l'hydraulique et des autres énergies renouvelables dans son mix de production.</p> <p>Le Groupe EDF fournit de l'électricité, du gaz et des services associés à 37,1 millions de comptes client¹⁸ dans le monde (dont 26,2 millions en France).</p>
B.16	Principaux actionnaires	<p>En application de l'article L.111-67 du Code de l'énergie, l'Etat est l'actionnaire principal d'EDF et doit demeurer propriétaire d'au moins 70% de son capital.</p>
B.17	Notation assignée à l'Émetteur ou à ses titres d'emprunt	<p>La dette à long terme de l'Émetteur est notée "A3" (perspective stable) par Moody's Investors Service Ltd ("Moody's"), "A-" (perspective stable) par Standard and Poor's Credit Market Services Europe Limited ("Standard and Poor's") et "A-" (perspective stable) par Fitch Ratings Limited ("Fitch Ratings").</p> <p>Le Programme est noté "A3" (dette senior non garantie) par Moody's et "A-" (dette à long terme) par Standard and Poor's. Chacun de Moody's et Standard and Poor's est établi dans l'Union Européenne, est enregistré au titre du Règlement (CE) n°1060/2009 du 16 septembre 2009 sur les agences de notation de crédit (le "Règlement ANC") et est inclus sur la liste des agences de notation de crédit publiées sur le site de l'Autorité Européenne des Marchés Financiers (www.esma.europa.eu) à la date du Prospectus de Base.</p> <p>Une notation ne constitue pas une recommandation d'acquérir, de vendre ou de détenir des titres et peut être sujette à suspension, changement ou retrait de la part de l'agence de notation désignée.</p> <p>Les notations des Titres seront spécifiées (le cas échéant) dans les Conditions Définitives correspondantes. Les Conditions Définitives concernées préciseront également si les notations de crédit concernées sont émises ou non par une agence de notation de crédit établie dans l'Union Européenne et enregistrée conformément au Règlement ANC.</p> <p>Résumé spécifique à chaque Émission :¹⁹</p>

¹⁷ Source : comparaison basée sur les données publiées par ces dix groupes.

¹⁸ Un client peut avoir deux comptes client : un pour l'électricité et un autre pour le gaz.

Résumé

Élément	Titre	
		[Les titres à émettre [ne sont pas]/[ont été]/[seront] notés]. [Nom[s] de[s/l']agence[s] de notation] : [Standard and Poor's][Moody's] [●][●]

Section C – Valeurs mobilières

Élément	Titre	
C.1	Nature, catégorie et identification des Titres	<p>Jusqu'à 45 000 000 000 d'euros (ou la contre-valeur de ce montant dans d'autres devises à la date de l'émission) représentant le montant nominal total des Titres en circulation à tout moment dans le cadre du Programme d'Euro Medium Term Notes (le "Programme").</p> <p>Arrangeur du Programme :</p> <p>BNP Paribas.</p> <p>Agents Placeurs :</p> <p>BNP Paribas, Crédit Agricole Corporate and Investment Bank et Société Générale.</p> <p>L'Émetteur pourra, à tout moment révoquer tout établissement placeur nommé au titre du Programme ou nommer un ou plusieurs autres établissements placeurs soit de manière permanente dans le cadre du Programme, soit dans le cadre d'une Tranche particulière de Titres. Le terme "Établissements Placeurs Permanents" désigne les établissements placeurs mentionnés ci-dessus et tout autre établissement placeur qui aura été nommé de manière permanente dans le cadre du Programme (et qui n'aura pas été révoqué) et "Établissements Placeurs" désigne tous les Établissements Placeurs Permanents et toutes les autres établissements placeurs nommés dans le cadre d'une ou plusieurs Tranches.</p> <p>L'émission des Titres fera l'objet d'une syndication ou non. Les Titres seront émis par série (chacune une "Série", à une même date d'émission ou à des dates d'émission différentes, et seront soumises pour leurs autres caractéristiques (à</p>

¹⁹ Le résumé spécifique à l'émission devrait être inséré et complété, le cas échéant, et être annexé aux Conditions Définitives relatives aux Titres ayant une valeur nominale inférieure à 100.000€.

Élément	Titre	
		<p>l'exception du premier paiement des intérêts) à des modalités identiques, les Titres de chaque Série étant supposés interchangeables entre eux. Chaque Série peut être émise par tranches (chacune une "Tranche") à une même date d'émission ou à des dates d'émission différentes. Les modalités spécifiques de chaque Tranche (qui seront complétées, si nécessaire par les termes et conditions concernés et, à l'exception de la date d'émission, du prix d'émission, du premier paiement d'intérêt et du montant nominal de la Tranche, seront soumises à des modalités identiques que celles des autres Tranches de la même Série) figureront dans les conditions définitives (les "Conditions Définitives").</p> <p>Les Titres pourront être émis soit sous forme de titres dématérialisés ("Titres Dématérialisés"), soit sous forme de titres matérialisés ("Titres Matérialisés").</p> <p>Les Titres Dématérialisés pourront, au gré de l'Émetteur, être émis sous forme de titres au porteur ou sous forme de titres au nominatif, et dans ce dernier cas, au gré du Porteur de Titre, soit au nominatif pur soit au nominatif administré. Aucun titre physique ne sera émis en relation avec les Titres Dématérialisés.</p> <p>Les Titres Matérialisés seront uniquement au porteur. Un Certificat Global Temporaire relatif à chaque Tranche de Titres Matérialisés au porteur sera initialement émis. Les Titres Matérialisés pourront uniquement être émise hors de France.</p> <p>Euroclear France agira en tant que dépositaire central pour les Titres Dématérialisés. Clearstream, Luxembourg, Euroclear ou tout autre système de compensation convenu agira en tant que dépositaire central pour les Titres Matérialisés.</p> <p>Un numéro d'identification des Titres (Code ISIN) sera indiqué dans les Conditions Définitives applicables.</p> <p>Résumé spécifique à l'émission :²⁰</p> <p>Émission de Titres libellés en [●] [portant intérêt au taux de [●]%/[portant intérêt à Taux Variable]/[à zéro coupon],</p>

²⁰ Le résumé spécifique à l'émission devrait être inséré et complété, le cas échéant, et être annexé aux Conditions Définitives relatives aux Titres ayant une valeur nominale inférieure à 100.000€.

Résumé

Élément	Titre	
		venant à échéance en [●].
		Série: [●]
		Tranche: [●]
		Montant Nominal Total : [●]
		Forme des Titres: [Titres Dématérialisés/Titres Matérialisés]
		(i) Forme des Titres Dématérialisées: [Non applicable / Titres Dématérialisés au Porteurs / Titres Nominatifs [purs / administrés]
		(ii) Certificat Global Temporaire : [Non applicable / Certificat Global Temporaire échangeable pour des Titres au Porteur Matérialisés en date du [●] (la " Date d'Echange ").
		(iii) Exceptions TEFRA applicables : [Règles C / Règles D / Non applicable]
		Dépositaire Central: [Euroclear France]
		Code ISIN: [●]
		Code commun: [●]
		Tout système de compensation autre que Euroclear France, Euroclear et Clearstream, Luxembourg, société anonyme et le(s) numéro(s) d'identification correspondant(s) : [Non Applicable/donner le(s) nom(s) et numéro(s)]
C.2	Devise	Les Titres peuvent être libellés dans toute devise sous réserve du respect de la législation et/ou de la réglementation applicable(s) et/ou des exigences des banques centrales.

Élément	Titre	
		<p>Résumé spécifique à l'émission :²¹ Les Titres seront émis en [●].</p>
C.5	<p>Description de toute restriction imposée à la libre négociabilité des Titres</p>	<p>Sous réserve de certaines restrictions (relatives en particulier à la France, aux États-Unis d'Amérique, au Royaume-Uni, au Japon, à Hong Kong, à la République Populaire de Chine, à Singapour et à l'Espace Economique Européen) relatives à l'achat, l'offre, la vente et la livraison des Titres et à la possession ou distribution du Prospectus de Base, tout autre document d'offre ou toutes Conditions Définitives, il n'existe pas de restriction imposée à la libre négociabilité des Titres.</p>
C.8	<p>Modalités des Titres</p>	<p>Prix d'émission</p> <p>Les Titres peuvent être émis au pair ou avec une décote ou une prime par rapport à leur valeur nominale.</p> <p>Valeur(s) nominale(s) unitaire(s)</p> <p>Les Titres auront la ou les valeur(s) nominale(s) indiquée(s) dans les Conditions Définitives correspondantes.</p> <p>Les Titres seront émis à la valeur nominale indiquée dans les Conditions Définitives concernées, sous réserve de la législation et/ou de la réglementation applicable(s) et/ou des exigences des banques centrales et sous réserve que la valeur nominale de chaque Titres admis à la négociation sur un marché réglementé à l'intérieur de l'Espace Economique Européen ou offert au public dans un État membre de l'EEE dans des circonstances qui requièrent la publication d'un prospectus en application de la Directive Prospectus soit au minimum de 1000 euros (ou, si les Titres sont libellés dans une devise autre que l'euro, la contrevaletur de ce montant dans cette devise).</p> <p>Les Titres Dématérialisés seront émis avec une seule valeur nominale.</p> <p>Rang des titres</p> <p>Les Titres et, le cas échéant, tout Coupon relatif aux Titres constitueront des engagements directs, inconditionnels, non-</p>

²¹ Le résumé spécifique à l'émission devrait être inséré et complété, le cas échéant, et être annexé aux Conditions Définitives relatives aux Titres ayant une valeur nominale inférieure à 100.000€.

Élément	Titre	
		<p>subordonnés de l'Émetteur et (sous réserve de la clause de maintien de l'emprunt à son rang ci-dessous) non assortis de sûretés et viennent et viendront au minimum au même rang sans préférence entre eux et (sous réserve de certaines exceptions légales prévues par le droit français) au même rang que tous les autres engagements non-subordonnés et non assortis de sûretés, présents ou futurs, de l'Émetteur.</p> <p>Maintien de rang de l'Emprunt</p> <p>Aussi longtemps que des Titres seront en circulation, l'Émetteur n'accordera pas ou ne laissera pas subsister d'hypothèque, de gage, nantissement ou toute autre sûreté réelle sur l'un quelconque de ses actifs ou revenus, présents ou futurs, aux fins de garantir tout Endettement (tel que défini ci-dessous), ou toute garantie ou indemnité consentie par l'Émetteur au titre de tout Endettement, à moins que les Titres ne bénéficient au même moment des mêmes sûretés.</p> <p>"Endettement" désigne tout endettement de l'Émetteur qui, dans chaque cas, prend la forme ou est représenté par des obligations, des titres, des emprunts obligataires, des certificats ou tous autres instruments qui sont, ou peuvent être cotés, listés ou être admis sur toute bourse de valeurs ou tout autre marché de valeurs mobilières (y compris, sans caractère limitatif, de gré à gré).</p> <p>Afin de lever toute ambiguïté, l'Endettement inclut toute obligation de l'Émetteur sous forme de titre de dette dématérialisé émis de temps à autre par l'Émetteur et qui sont négociés par le biais d'un système d'inscription en compte.</p>
		<p>Cas de défaut</p> <p>Les Modalités des Titres indiquent que chacun des événements suivants sont des "Cas de Défaut" :</p> <p>(i) l'Émetteur (a) ne paie pas tout montant en principal relatif aux Titres de la Série Concernée ou de l'une quelconque des Séries dans un délai de 15 jours à compter de la Date d'Échéance ou de la date de remboursement ou (b) ne paie pas tout montant d'intérêts relatif aux Titres de la Série Concernée ou de l'une quelconque des Séries dans un délai de 15 jours à compter de la date prévue pour ce paiement ; ou</p>

Élément	Titre	
		<p>(ii) l'Émetteur n'exécute pas l'une quelconque de ses autres obligations découlant des Titres de la Série concernée ou s'y rapportant (sauf, en tout état de cause, lorsque ce manquement n'est pas susceptible de réparation, auquel cas aucune suite ni avis, tels que mentionnés ci-dessous, ne seront requis) pour une période de 30 jours après réception par l'Émetteur d'une notification écrite précisant le défaut concerné au bureau désigné de l'Agent Fiscal par le porteur du Titre concerné ; ou</p> <p>(iii) (a) tout Endettement (tel que défini ci-dessus) de l'Émetteur (étant un Endettement d'un montant principal cumulé supérieur à 100.000.000 euros ou l'équivalent dans toute autre devise) n'est pas payé dans les 30 jours suivants son échéance ou toute date de remboursement antérieure, selon le cas, ou durant toute période de grâce applicable, selon le cas, (b) tout Endettement de l'Émetteur (étant un Endettement d'un montant principal cumulé supérieur à 100.000.000 euros ou l'équivalent dans toute autre devise) devient dû et exigible avant son échéance du fait d'un défaut s'y rapportant auquel il n'est pas remédié durant la période de grâce applicable ou (c) l'Émetteur ne paie pas, au moment de son exigibilité, tout montant dont il serait redevable au titre de toute garantie de l'Endettement (étant un Endettement d'un montant principal cumulé supérieur à 100.000.000 euros ou l'équivalent dans toute autre devise), à moins que, dans chaque cas, l'Émetteur conteste de bonne foi son obligation de paiement ou de remboursement du montant concerné ;</p> <p>(iv) un jugement est rendu prononçant la liquidation judiciaire à l'encontre de l'Émetteur ou la cession totale de l'entreprise à la suite d'un plan de cession au titre d'un redressement judiciaire de l'Émetteur, ou l'Émetteur fait l'objet d'une procédure légale équivalente, ou en l'absence de procédure légale, l'Émetteur effectue une cession au bénéfice de, ou conclut un accord avec, ses créanciers, ou l'Émetteur fait l'objet d'une procédure amiable ou d'une procédure de dissolution.</p> <p>Fiscalité</p> <p>Tous les paiements de principal, des intérêts et autres</p>

Élément	Titre	
		<p>revenus effectués par ou pour le compte de l'Émetteur se rapportant aux Titres seront effectués sans retenue à la source ou déduction d'impôts, taxes, droits, ou charges gouvernementales d'une quelconque nature, imposée, prélevée, collectée, retenue ou fixée par la France ou en France ou toute autre autorité française ayant le pouvoir de prélever l'impôt, à moins que cette retenue à la source ou déduction ne soit imposée par la loi.</p> <p>Si la loi française impose que des paiements de principal ou d'intérêt soient soumis à une telle retenue à la source ou à une telle déduction d'impôts, l'Émetteur devra, dans la mesure où cela lui est permis par la loi, payer les montants additionnels nécessaires afin de permettre aux Titulaires des Titres de recevoir les montants qu'ils auraient perçus en l'absence de cette retenue à la source ou déduction.</p> <p>Droit applicable</p> <p>Droit français.</p> <p>Résumé spécifique à l'émission :²²</p> <p>Prix d'Émission :</p> <p>[●] pour cent du Montant Nominal Total [plus les intérêts courus à compter du [●] (s'il y a lieu)].</p> <p>Valeur(s) Nominal(s) Indiquée(s) : [●]</p> <p>Rang de créance des titres : Titres non subordonnés</p>
C.9	Intérêts / Remboursement des Intérêts	<p><i> Paiement des intérêts et périodes d'intérêts</i></p> <p>La durée des périodes d'intérêts relatifs aux Titres et le taux d'intérêt applicable ou sa méthode de calcul pourront être constants ou varier au cours du temps pour chaque Série. Les Titres pourront avoir un taux d'intérêt maximum, un taux d'intérêt minimum, ou les deux. L'utilisation de périodes d'intérêts courus permet de prévoir des taux d'intérêts différents applicables aux Titres pour la même période d'intérêts. Ces informations seront prévues dans les Conditions Définitives concernées.</p>

²² Le résumé spécifique à l'émission devrait être inséré et complété, le cas échéant, et être annexé aux Conditions Définitives relatives aux Titres ayant une valeur nominale inférieure à 100.000€.

Élément	Titre	
		<p>Titres à Taux Fixe</p> <p>Les coupons fixes seront payables à terme échu à la date ou aux dates de chaque année prévues par les Conditions Définitives.</p> <p>Titres à Taux Variable</p> <p>Les Titres à Taux Variable porteront intérêt déterminé de façon différente pour chaque Série, comme suit :</p> <p>(i) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt notionnel dans la Devise Prévues concernée, conformément à un contrat incluant les Définitions ISDA 2006 telles que publiées par la International Swaps and Derivatives Association, Inc. ou par référence aux définitions contenues dans la convention cadre FBF ; ou</p> <p>(ii) par référence au LIBOR, EURIBOR ou CMS Rate ;</p> <p>tels qu'ajustés, dans les deux cas, des marges applicables. Sauf si un taux minimum d'intérêts supérieur est indiqué dans les Conditions Définitives concernées, le taux minimum d'intérêts (comprenant, le cas échéant, la marge applicable) sera réputé égal à zéro.</p> <p>Titres à Coupon Zéro</p> <p>Les Titres à Coupon Zéro seront émis à leur valeur nominale ou à un prix différent du pair et ne porteront pas intérêt.</p> <p>Titres à Taux Fixe/Variable</p> <p>Les Titres à Taux Fixe/Variable peuvent porter intérêt à un taux (i) que l'Émetteur peut décider de convertir à la date indiquée dans les Conditions Définitives d'un Taux Fixe à un Taux Variable (y compris, afin de lever toute ambiguïté, un Taux CMS), ou d'un Taux Variable à un Taux Fixe ou (ii) qui changera automatiquement d'un Taux Fixe à un Taux Flottant, ou d'un Taux Flottant) un Taux Fixe à la (aux) date(s) indiquées dans les Conditions Définitives.</p> <p>Échéances</p> <p>Sous réserve du respect de toutes lois, réglementations et</p>

Élément	Titre	
		<p>directives applicables, toute échéance d'un mois minimum à compter de la date d'émission initiale, telle que spécifié dans les Conditions Définitives.</p> <p>Remboursement</p> <p>Les Conditions Définitives concernées définiront les montants de remboursement dûs conformément aux Modalités des Titres.</p> <p>Option de remboursement</p> <p>Les Conditions Définitives concernées pourront prévoir le remboursement anticipé des Titres au gré de l'Émetteur (en totalité ou en partie) et/ou au gré des porteurs et, dans ce cas, les termes applicables à un tel remboursement.</p> <p>Remboursement "Make-Whole" par l'Émetteur</p> <p>Si les Conditions Définitives le prévoient, l'Émetteur aura l'option, pour chaque émission de Titres, de rembourser tous les Titres (et non une partie seulement), à tout moment, avant leur Date d'Échéance au montant de remboursement "make-whole" concerné.</p> <p>Option de Remboursement à Maturité Résiduelle</p> <p>Si les Conditions Définitives le prévoient, l'Émetteur disposera, pour chaque émission de Titres, d'une option de remboursement anticipé de la totalité, et non d'une partie seulement, des Titres à tout moment à partir de la date d'option de remboursement à maturité résiduelle (telle que prévue dans les Conditions Définitives concernées), laquelle ne pourra être antérieure à six mois avant la Date d'Échéance des Titres concernés.</p> <p>Rendement</p> <p>Les Conditions Définitives de chaque émission de Titres à Taux Fixe préciseront le rendement des Titres.</p> <p>Représentation des Porteurs de Titres</p> <p>En ce qui concerne la représentation des Porteurs de Titres, les paragraphes suivants s'appliqueront:</p> <p>(a) Si les Conditions Définitives concernées spécifient</p>

Élément	Titre	
		<p>"Masse Complète", les porteurs de Titres seront groupés automatiquement, au titre de toutes les Tranches d'une même Série, pour la défense de leurs intérêts communs en une Masse et les dispositions du Code de commerce relatives à la Masse s'appliqueront ; et</p> <p>(b) Si les Conditions Définitives concernées spécifient "Masse Contractuelle", les porteurs de Titres seront groupés automatiquement, au titre de toutes les Tranches d'une même Série, pour la défense de leurs intérêts communs en une Masse. La Masse sera régie par les dispositions du Code de commerce, à l'exception des articles L.228-48, L.228-59, la deuxième phrase des articles L.228-65 II, R.228-63, R.228-67 and R.228-69 du Code de Commerce.</p> <p>La Masse agira en partie par l'intermédiaire d'un représentant (le "Représentant") et en partie par l'intermédiaire d'une assemblée générale des Porteurs de Titres. Les noms et adresses du Représentant initial et de son suppléant seront précisés dans les Conditions Définitives concernées. Le Représentant désigné dans le cadre de la première Tranche d'une Série sera le représentant de la Masse unique de toutes les autres Tranches de cette Série.</p> <p>Résumé spécifique à l'émission :²³</p>
	Base d'Intérêt :	[Taux Fixe [●]%/[Taux Variable [●] +/- [●]%/[Coupon Zéro]
	Date de Commencement des Intérêts :	[Préciser/Date d'émission/Sans objet]
	Titres à Taux Fixe :	[Applicable (voir les spécificités à la rubrique 14 de la Partie A des présentes Conditions Définitives)] / [Non Applicable]
	Titres à Taux Variable :	[Applicable (voir les spécificités à la rubrique 15

²³ Le résumé spécifique à l'émission devrait être inséré et complété, le cas échéant, et être annexé aux Conditions Définitives relatives aux Titres ayant une valeur nominale inférieure à 100.000€.

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Élément	Titre	
		de la Partie A des présentes Conditions Définitives]] / [Non Applicable]
	Titres à Coupon Zéro :	[Applicable (voir les spécificités à la rubrique 16 de la Partie A des présentes Conditions Définitives)] / [Non Applicable]
	Date d'Échéance :	[Préciser (pour les Titres à Taux Variable) la Date de Paiement des Intérêts tombant le ou le plus près du mois et de l'année concernés]
	Option de remboursement :	[Applicable (préciser les détails)] / [Sans objet]
	Option de vente :	[Applicable (préciser les détails)] / [Sans objet]
	Remboursement "Make-Whole":	[Applicable (préciser les détails)] / [Sans objet]
	Option de Remboursement à Maturité Résiduelle :	[Applicable (préciser les détails)] / [Sans objet]
	Montant de Remboursement Final de chaque Titre :	[●] par Titres [d'une Valeur Nominale Unitaire de [●]]
	Montant de Remboursement Anticipé :	[Applicable (préciser les détails)] / [Sans objet]
	Rendement :	[●]/ [Sans objet]
	Représentation des porteurs de Titres :	[(a) " Masse Complète " : les Porteurs de Titres seront groupés automatiquement, au titre de toutes les Tranches d'une même Série, pour la défense de leurs intérêts communs en une

Résumé

Élément	Titre	
		<p>masse (la "Masse") et les dispositions du Code de commerce relatives à la Masse s'appliqueront.] /[ou]</p> <p>[(b) "Masse Contractuelle", les Porteurs de Titres seront groupés automatiquement, au titre de toutes les Tranches d'une même Série, pour la défense de leurs intérêts communs en une masse (la "Masse"). La Masse sera régie par les dispositions du Code de commerce, à l'exception des articles L. 228-48, L. 228-59, la deuxième phrase des articles L.228-65 II, R.228-63, R.228-67 et R.228-69 du Code de commerce.</p> <p>Le représentant de la Masse est [●].</p> <p>Le suppléant du représentant de la Masse est [●].</p>
C.10	Dérivé auquel est lié le paiement des intérêts sur les Titres	Sans objet, les Titres émis dans le cadre du Programme ne sont liés à aucun instrument dérivé.
C.11	Admission à la négociation	<p>Les Conditions Définitives préparées à l'occasion de chaque émission de Titres indiqueront si ceux-ci ont vocation à être cotés et admis aux négociations sur Euronext Paris et/ou sur tout autre marché réglementé au sens de la Directive 2004/39/CE concernant les marchés d'instruments financiers telle que modifiée ou toute autre bourse de valeurs.</p> <p>Résumé spécifique à l'émission :²⁴</p>

²⁴ Le résumé spécifique à l'émission devrait être inséré et complété, le cas échéant, et être annexé aux Conditions Définitives relatives aux Titres ayant une valeur nominale inférieure à 100.000€.

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Élément	Titre	
		[[Une demande a été faite]/[Une demande doit être faite] par l'Émetteur (ou au nom et pour le compte de l'Émetteur) en vue de la cotation et de l'admission des Titres aux négociations sur [Euronext Paris] / [●] à compter de [●]] / [Sans objet]
C.21	Marché sur lequel les valeurs mobilières seront négociées et à l'intention duquel le prospectus est publié	Voir Section C.11 de ce résumé.

Section D – Risques

Élément	Titre	
D.2	Risques clés propres à l'Émetteur	<p>Le Groupe EDF exerce son activité dans un environnement en forte évolution induisant de nombreux risques, dont certains échappent à son contrôle, et qui s'ajoutent aux risques inhérents à l'exercice de ses métiers. Le Groupe EDF identifie ci-dessous les risques significatifs auxquels il estime être exposé. Ces risques ou l'un de ces risques pourraient avoir une incidence négative sur son activité ou ses résultats. En outre, d'autres risques, dont il n'a pas actuellement connaissance ou qu'il considère comme non significatifs à ce jour, pourraient avoir le même effet négatif.</p> <p>Les risques présentés ci-dessous concernent :</p> <ul style="list-style-type: none">• la régulation des marchés de l'énergie ;• les activités du Groupe EDF ;• les activités nucléaires du Groupe EDF ; et• la structure et à la transformation du Groupe EDF.
D.3	Risques clés propres aux Titres	<p>Certains facteurs sont significatifs pour évaluer les risques liés aux Titres, notamment :</p> <p>(1) Risques généraux relatifs aux Titres</p>

Élément	Titre	
		<ul style="list-style-type: none"> <li data-bbox="609 275 1393 716"> <p>• revue indépendante et conseil</p> <p>Chaque investisseur potentiel doit déterminer, sur le fondement de son propre examen indépendant et des conseils professionnels qu'il estime appropriés selon les circonstances, si la souscription des Titres est pleinement adaptée à ses besoins financiers, ses objectifs et sa situation, si cette souscription est conforme et en accord avec ses politiques d'investissement, procédures et restrictions applicables, et si cette souscription est un investissement adapté et approprié, nonobstant les risques significatifs inhérents au fait d'investir dans ou de détenir des Titres.</p> <li data-bbox="609 747 1393 869"> <p>• risques relatifs à des conflits d'intérêts potentiels entre l'Émetteur, les Agents Placeurs, leurs sociétés affiliées respectives et les porteurs des Titres</p> <li data-bbox="609 905 1393 1062"> <p>• risques liés à l'acquisition légale des Titres</p> <p>L'acquisition des Titres peut être sujette à des lois et règlements ou à un contrôle ou une réglementation par certaines autorités.</p> <li data-bbox="609 1098 1393 1262"> <p>• risques de modification, de renonciation ou substitution des modalités des Titres par une décision de l'assemblée générale des porteurs des Titres, les porteurs non présents ou en désaccord pouvant se retrouver liés par le vote de la majorité</p> <li data-bbox="609 1293 1393 1325"> <p>• risque de contraintes réglementaires</p> <li data-bbox="609 1356 1393 1724"> <p>• risques liés aux agences de notation</p> <p>Moody's, Standard and Poor's et Fitch Ratings ont confirmé la note d'EDF respectivement à "A3", "A-" et "A-", et l'ont chacun assortie d'une perspective stable. Moody's, Standard and Poor's et Fitch Ratings ont par ailleurs indiqué que ces notes pourraient faire l'objet de futures dégradations.</p> <p>La notation des Titres ne reflète pas nécessairement tous les risques liés aux Titres et autres facteurs qui peuvent affecter la valeur des Titres.</p> <li data-bbox="609 1755 1393 1877"> <p>• risques liés à la fiscalité</p> <p>Les acquéreurs et vendeurs de Titres doivent savoir qu'il est possible qu'ils aient à payer des droits de</p>

Élément	Titre	
		<p>timbre ou toute autre charge ou taxe similaire en application des lois et pratiques de l'état dans lequel les Titres sont transférés et/ou dans lequel un quelconque actif est délivré.</p> <ul style="list-style-type: none"> • risques liés à la transposition éventuelle de la taxe sur les transactions financière ("TTF") • risques liés au droit français des procédures collectives • risques liés au marché secondaire des Titres <p>Les Titres émis peuvent ne pas faire l'objet d'une distribution importante et il ne peut être garanti qu'un marché actif des Titres se développera.</p> <ul style="list-style-type: none"> • risques relatifs aux taux de change <p>L'Émetteur paiera le principal et les intérêts des Titres dans la devise prévue, pouvant présenter notamment des risques relatifs à la conversion des devises si les activités financières d'un investisseur sont effectuées principalement dans une unité monétaire différente de la devise prévue par les modalités spécifiques des Titres.</p> <ul style="list-style-type: none"> • risques liés à la valeur des Titres sur le marché <p>La valeur des Titres sur le marché peut être affectée par la solvabilité de l'Émetteur et un certain nombre de facteurs additionnels.</p> <ul style="list-style-type: none"> • les risques relatifs à un changement législatif <p>Les Titres sont régis par la loi française à la date du Prospectus de Base. Aucune assurance ne peut être donnée quant aux conséquences d'une décision judiciaire ou d'une modification de la législation ou de son interprétation postérieure à la date du Prospectus de Base.</p> <p>(2) Risques spécifiques liés à la structure d'une émission de Titres particulières :</p> <ul style="list-style-type: none"> • <i>[(Insérer si les Titres peuvent donner lieu à un remboursement au gré de l'Émetteur)]</i> La possibilité d'un remboursement optionnel des Titres est susceptible de limiter leur valeur de marché. Pendant chaque période durant laquelle l'Émetteur peut choisir de rembourser les Titres, la valeur de marché de ces

Élément	Titre	
		<p>Titres ne dépassera généralement pas leur prix de remboursement. Cela peut également être le cas avant toute période de remboursement.]</p> <ul style="list-style-type: none"> • <i>[(Insérer si les Titres sont à Taux Fixe)</i> S'agissant des Titres portent intérêt à taux fixe, il ne peut être exclu que des changements subséquents sur le marché des taux d'intérêts puissent affecter de manière négative la valeur d'une Tranche de Titres.] • <i>[(Insérer si les Titres sont à Taux Variable)</i> La rémunération des Titres à Taux Variable est composée (i) d'un taux de référence (ii) auquel [s'ajoute]/[est soustrait] une marge. Le taux de référence sera ajusté de manière périodique (tous les[trois]/[six]/[●] mois) lui-même fluctuant en fonction des conditions générales de marché. La valeur de marché des Titres à taux variable peut donc fluctuer si des changements affectant le taux de référence peuvent seulement être reflétés dans le taux de ces Titres à la prochaine période d'ajustement du taux de référence concerné.] • [Titres à Taux Variables Inversés / Titres de Taux Fixe à Variable et Titres émis avec une réduction substantielle ou une prime] • <i>[(Insérer si les Titres sont à taux changeant)</i> Les Titres à taux changeant peuvent être des investissements volatils. Si leur structure inclut une valeur plafond ou plancher, ou une combinaison de ces caractéristiques, leur valeur de marché peut être plus volatile que celle des Titres ne revêtant aucune de ces caractéristiques.] • <i>[(Insérer si les Titres sont à Coupon Zéro)</i> Les prix auxquels les Titres à Coupon Zéro, ainsi que les Titres émis avec une décote importante sur leur montant principal payable à échéance, se négocient sur le marché secondaire ont tendance à faire davantage l'objet de fluctuations en raison des changements généraux des conditions d'intérêt que des titres classiques ayant des échéances comparables.] • <i>[(Insérer pour les Titres RMB)</i> Les titres libellés en Renminbi ("Titres RMB") ne sont pas convertibles librement ; il existe des restrictions significatives relatives au paiement des Titres RMB au sein et en dehors de la République Populaire de Chine. La liquidité des Titres en RMB pourrait en être affectée de manière significative et défavorable. Les Titres RMB peuvent également impliquer des risques de change et de taux liés à la devise et ils ne pourront être détenus

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Élément	Titre	
		qu'en Euroclear France, Euroclear et Clearstream Luxembourg.]

Section E – Offre

Élément	Titre	
E.2b	Utilisation des produits	<p>Le produit net de l'émission de chaque Tranche de Titres sera utilisé par l'Émetteur pour les besoins généraux de l'entreprise sauf indication contraire dans les Conditions Définitives concernées.</p> <p>Résumé spécifique à l'émission :²⁵</p> <p>[Le produit net de l'émission des Titres sera utilisé par l'Émetteur pour les besoins généraux de l'entreprise. autre/préciser]</p>
E.3	Modalités et conditions de l'offre	<p>Les Titres pourront être offerts au public en France, Belgique et/ou au Grand-Duché de Luxembourg et /ou dans tout autre État membre de l'Union Européenne dans lequel le prospectus aura été passeporté et qui aura été spécifié dans les Conditions Définitives applicables.</p> <p>Il existe des restrictions concernant l'achat, l'offre, la vente et la livraison des Titres ainsi qu'à la possession ou la distribution du Prospectus de Base ou tout autre document d'offre ou Conditions Définitives.</p> <p>A l'exception des stipulations de la section A.2 ci-dessus, ni l'Émetteur ni aucun des Agents Placeurs n'a autorisé une personne à faire une Offre au Public en aucune circonstance et aucune personne n'est autorisée à utiliser le Prospectus de Base dans le cadre de ses offres de Titres. Ces offres ne sont pas faites au nom de l'Émetteur ni par aucun des Agents Placeurs ou des Établissements Autorisés et ni l'Émetteur ni aucun des Agents Placeurs ou des Établissements Autorisés n'est responsable des actes de toute personne procédant à ces offres.</p>

²⁵ Le résumé spécifique à l'émission devrait être inséré et complété, le cas échéant, et être annexé aux Conditions Définitives relatives aux Titres ayant une valeur nominale inférieure à 100.000€.

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Élément	Titre													
		<p>Résumé spécifique à l'émission :²⁶</p> <p>[Sans objet, les Titres ne font pas l'objet d'une offre au public.]/[Les Titres sont offerts au public en [●].</p>												
		<table border="1"> <tr> <td>Période d'Offre :</td> <td>La période de [●] à [●].</td> </tr> <tr> <td>Prix d'Offre :</td> <td>[Prix d'Émission] / Sans objet]</td> </tr> <tr> <td>Conditions auxquelles l'Offre est soumise :</td> <td>[Sans objet]/[●]</td> </tr> <tr> <td>Description de la procédure de souscription :</td> <td>[Sans objet]/[●]</td> </tr> <tr> <td>Informations sur le montant minimum et/ou maximum de souscription :</td> <td>[Sans objet]/[●]</td> </tr> <tr> <td>Modalités et date de publication des résultats de l'Offre :</td> <td>[Sans objet]/[●]</td> </tr> </table>	Période d'Offre :	La période de [●] à [●].	Prix d'Offre :	[Prix d'Émission] / Sans objet]	Conditions auxquelles l'Offre est soumise :	[Sans objet]/[●]	Description de la procédure de souscription :	[Sans objet]/[●]	Informations sur le montant minimum et/ou maximum de souscription :	[Sans objet]/[●]	Modalités et date de publication des résultats de l'Offre :	[Sans objet]/[●]
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Modalités et date de publication des résultats de l'Offre :	[Sans objet]/[●]													
E.4	Intérêt de personnes physiques et morales pouvant influencer sur l'émission/l'offre	<p>Les Conditions Définitives concernées préciseront les intérêts des personnes morales ou physiques impliquées dans l'émission des Titres.</p> <p>Résumé spécifique à l'émission :²⁷</p> <p>[A la connaissance de l'Émetteur, aucune personne participant à l'émission de Titres n'y a d'intérêt significatif.] / [Les Agents Placeurs percevront une commission d'un montant de [●]% du montant en principal des Titres. A la connaissance de l'Émetteur, aucune autre personne participant à l'émission de Titres n'y a d'intérêt significatif.] / [autres intérêts à indiquer]</p>												

²⁶ Le résumé spécifique à l'émission devrait être inséré et complété, le cas échéant, et être annexé aux Conditions Définitives relatives aux Titres ayant une valeur nominale inférieure à 100.000€.

²⁷ Le résumé spécifique à l'émission devrait être inséré et complété, le cas échéant, et être annexé aux Conditions Définitives relatives aux Titres ayant une valeur nominale inférieure à 100.000€.

Résumé

Élément	Titre	
E.7	Dépenses facturées à l'investisseur par l'Émetteur ou l'offreur	<p>Les Conditions Définitives concernées préciseront le cas échéant les estimations des dépenses pour chaque Tranche de Titres.</p> <p>Résumé spécifique à l'émission :²⁸</p> <p>[Les dépenses mises à la charge de l'investisseur sont estimées à [●]./Sans objet. Il n'y a pas de dépenses mises à la charge de l'investisseur.]</p>

²⁸ Le résumé spécifique à l'émission devrait être inséré et complété, le cas échéant, et être annexé aux Conditions Définitives relatives aux Titres ayant une valeur nominale inférieure à 100.000€.

RISK FACTORS

A. RISK FACTORS RELATING TO THE NOTES

The following paragraphs describe some risk factors that are material to the Notes to be offered and/or admitted to trading in order to assess the market risk associated with these Notes. They do not describe all the risks of an investment in the Notes. Prospective investors should read the detailed information set out elsewhere in this Base Prospectus (including any document incorporated by reference herein, in particular section 2.1 (“Risks to which the Group is exposed”) of the 2016 Document de Référence and section 8 (“Principal risks and uncertainties for the second half-year of 2017”) of the 2017 Half-Year Management Report) and should consult their own financial and legal advisers about risks associated with investment in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances.

Terms defined herein shall have the same meaning as in the Terms and Conditions of the Notes.

General Risks Relating to the Notes

Independent review and advice

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Dealers, the Arranger or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Potential conflicts of interest

All or some of the Dealers and their affiliates (including their parent companies) have and/or may in the future engage, in the ordinary course of business, in investment banking, commercial banking and/or other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the EDF Group. They have or may, in the ordinary course of business, (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the EDF Group or (iii) act as financial advisors to the Issuer or other companies of the EDF Group. In the context of these transactions, certain of such Dealers have or may hold shares or other securities issued by entities of the EDF Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Risk Factors

Each of the Issuer and the Dealer(s) may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

In respect of Notes which are not offered to the public in France or listed in France (the AMF not permitting such discretion in respect of such Notes), potential conflicts of interest may arise between the Calculation Agent, if any, for a Tranche (including where a Dealer acts as a Calculation Agent) and the holders of the Notes, including with respect to certain discretionary determinations and judgments that such Calculation Agent may make pursuant to the Terms and Conditions of the Notes that may influence the amount receivable upon redemption of the Notes.

Legality of purchase

Neither the Issuer, the Dealers, the Arranger nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Modification of the Terms and Conditions of the Notes, waivers and substitution

The applicable Terms and Conditions of the Notes contain provisions for calling meetings of holders of the Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Notes including holders of the Notes who did not attend and vote at the relevant meeting and holders of the Notes who voted in a manner contrary to the majority.

Regulatory restrictions

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities. Investors should review and consider such restrictions prior to investing in the Notes.

Credit Risk

An investment in the Notes involves credit risk on the Issuer. If the financial situation of the Issuer deteriorates, it may not be able to fulfill all or part of its payment obligations under the Notes, and investors may lose all or part of their investment. In addition, if the creditworthiness of the Issuer deteriorates, the value of the Notes may decrease and investors may lose all or part of their investment.

Credit ratings

EDF, and EDF's debt, have credit ratings which are the subject of review from time to time by the independent credit rating agencies which assign such credit ratings. In particular, since the publication of a press release by Moody's on 28 September 2016, Standard and Poor's on 21 September 2016 and Fitch Ratings Limited ("**Fitch Ratings**") on 7 June 2016, EDF's long-term and short-term ratings have been respectively set at "A3" (stable outlook)

Risk Factors

and “P-2” for Moody’s, “A-” (stable outlook) and “A-2” for Standard and Poor’s and “A-” (stable outlook) and “F2” for Fitch Ratings. These ratings have been confirmed by Moody’s, Standard and Poor’s and Fitch Ratings respectively on 6 June 2017, 20 December 2016 and 3 August 2017. Moreover, the Programme has been rated “A3” (senior unsecured debt) by Moody’s and “A-” (long-term debt) by Standard and Poor’s.

In addition, Moody’s indicated that the rating could be downgraded notably if (i) credit metrics fall below Moody’s guidance for the A3 rating, (ii) EDF were to be significantly exposed to AREVA NP’s liabilities, (iii) a change in the EDF Group’s relationship with the government were to cause Moody’s to remove the uplift for government support, or (iv) there were to be a significant downgrade of France’s government rating. Standard and Poor’s indicated that a negative rating action on EDF might be considered if remedy measures (including asset disposals and efficiency gains) are not effectively implemented, since this will slow the group’s debt reduction and weigh on its credit profile. Specific risk factors identified by Standard and Poor’s included the evolution of power prices over the next few years and uncertainty surrounding the current investigations of the French Nuclear Safety Authority (ASN) and EDF’s Flamanville nuclear power plant. Standard and Poor’s also indicated that a downgrade of France by more than one notch would trigger a downgrade of EDF and that a downward revision of their assessment of the likelihood of extraordinary support from the French government to EDF could also lead to a downgrade of the EDF Group’s ratings. Fitch Ratings indicated that future developments that may, individually or collectively, lead to negative rating action included (i) Funds From Operations (FFO) lease adjusted net leverage above 4.5x on a sustained basis, (ii) FFO fixed charge cover below 3.5x on a sustained basis, and (iii) a substantial deterioration in electricity prices in France, UK and Italy or weakened business profile.

In addition, one or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time and without notice. Any such revision suspension or withdrawal of any such credit rating could adversely affect the value of the Notes.

In general, European regulated investors are restricted under Regulation (EC) no. 1060/2009 of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Risk Factors

The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union, and whether or not the relevant credit rating agency is registered (or has applied for registration) under the CRA Regulation and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu).

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

Financial Transaction Tax

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common financial transactions tax (the “**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**Participating Member States**”). Estonia, however, left the group of countries willing to introduce the tax.

The Commission’s Proposal has a very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

French insolvency law

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in the event of the opening in France of safeguarding proceedings (*procédure de sauvegarde*), accelerated financial safeguarding proceedings (*procédure de sauvegarde financière accélérée*), accelerated safeguarding proceedings (*procédure de sauvegarde accélérée*), or a judicial restructuring (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law.

The Assembly deliberates on the draft safeguarding plan (*projet de plan de sauvegarde*), draft accelerated financial safeguarding plan (*projet de plan de sauvegarde financière accélérée*), draft accelerated safeguarding proceedings plan (*projet de plan de procédure de sauvegarde accélérée*), or draft restructuring plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required on convocation of the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Base Prospectus will not be applicable in these circumstances.

No active secondary/trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although in relation to Notes to be admitted to trading on Euronext Paris and/or any other Regulated Market in the European Economic Area, the Final Terms of the Notes will be filed with the AMF and/or with the competent authority of the Regulated Market of the European Economic Area where the Notes will be admitted to trading, which, in the case of Notes to be admitted to trading on Euronext Paris shall be the AMF, there is no assurance that such filings will be accepted, that any particular Tranche will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche.

Risk Factors

In addition, certain Notes may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities.

Investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk that certain Notes may not be readily sellable, that the value of Notes may fluctuate over time and that such fluctuations may be significant.

Furthermore, the secondary market for securities is currently experiencing significantly reduced liquidity, which could limit investors' ability to resell Notes and adversely affect the price of Notes.

Exchange rate risks and exchange controls

The principal of, or any return on, Notes may be payable in, or determined by reference or indexed to, one or more specified currencies (including exchange rates and swap indices between currencies or currency units). For investors whose financial activities are denominated principally in a currency or currency unit (the "**investor's currency**") other than the specified currency in which the related Notes are denominated, or where principal or return in respect of Notes is payable by reference to the value of one or more specified currencies other than by reference solely to the investor's currency, an investment in such Notes entails significant risks that are not associated with a similar investment in a debt security denominated and payable in such investor's currency. Such risks include, without limitation, the possibility of significant fluctuations in the rate of exchange between the applicable specified currency and the investor's currency and the possibility of the imposition or modification of exchange controls by authorities with jurisdiction over such specified currency or the investor's currency. Such risks generally depend on a number of factors, including financial, economic and political events over which the Issuer has no control.

Appreciation in the value of the investor's currency relative to the value of the applicable specified currency would result in a decrease in the investor's currency-equivalent yield on a Note denominated, or the principal of or return on which is payable, in such specified currency, in the investor's currency-equivalent value of the principal of such Note payable at maturity (if any) and generally in the investor's currency-equivalent market value of such Note. In addition, depending on the specific terms of a Note denominated in, or the payment of which is determined by reference to the value of, one or more specified currencies (other than solely the investor's currency), indices (including exchange rates and swap indices between currencies or currency units) or formulas, fluctuations in exchange rates relating to any of the currencies or currency units involved could result in a decrease in the effective yield on such Note and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of such Note to the investor.

Government and monetary authorities have imposed from time to time, and may in the future impose, exchange controls that could affect exchange rates, as well as the availability, of the specified currency in which a Note is payable at the time of payment of the principal or return in respect of such Note.

Risk Factors

Market value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, the volatility of market interest and yield rates and the time remaining to the maturity date.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Change of law

The Terms and Conditions of the Notes are based on French law as in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus.

Risks related to the structure of a particular issue of Notes

The Programme allows for different types of Notes to be issued. Accordingly, each Tranche of Notes may carry varying risks for potential investors depending on the specific features of such Notes such as, *inter alia*, the provisions for computation of periodic interest payments, if any, redemption and issue price.

Optional redemption

The Final Terms for a particular issue of Notes may provide for an early redemption at the option of the Issuer (including a Make-Whole Redemption by the Issuer as described in Condition 6(c) or a Residual Maturity Call Option by the Issuer as described in Condition 6(e)). As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a result, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

Furthermore, in the event that the Issuer is obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the country of domicile (or residence for tax purposes) of the Issuer, or on behalf of France, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

More generally, if, in the case of any particular Tranche, the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer

Risk Factors

may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes in part or in whole, such Notes may feature a market value not above the price at which they can be redeemed. In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes. Prospective investors should consider reinvestment risk in light of other investments available at that time.

Fixed Rate Notes

Investment in Notes which bear interest at a fixed rate (the “**Fixed Rate Notes**”) involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche.

While the nominal interest rate of a Fixed Rate Note is determined during the term of such Note or within a given period of time, the market interest rate (the “**Market Interest Rate**”) typically varies on a daily basis. As the Market Interest Rate changes, the price of the Fixed Rate Note varies in the opposite direction. If the Market Interest Rate increases, the price of the Fixed Rate Note typically decreases, until the yield of such Fixed Rate Note equals approximately the Market Interest Rate. If the Market Interest Rate decreases, the price of a Fixed Rate Note typically increases, until the yield of such Fixed Rate Note equals approximately the Market Interest Rate.

Floating Rate Notes

Investment in Notes which bear interest at a floating rate (the “**Floating Rate Notes**”) comprises (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short-term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate. In consequence, interest income on Floating Rate Notes cannot be anticipated, and investors will not be able to determine a definite yield of such Notes at the time they purchase them.

Inverse Floating Rate Notes

Inverse floating rate Notes have an interest rate equal to a fixed base rate minus a rate based upon a reference rate. The market value of such Notes typically is more volatile than the market value of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed to Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/ Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

Zero Coupon Notes

The prices at which Notes issued at their nominal amount or at a discount to it that will not bear interest (the "**Zero Coupon Notes**"), as well as other Notes issued at a substantial discount from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do the prices for conventional interest-bearing securities of comparable maturities.

Risks Relating to Renminbi-denominated Notes

Notes denominated in RMB ("**RMB Notes**") may be issued under the Programme. RMB Notes contain particular risks for potential investors, including the following:

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of RMB Notes.

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services

Risk Factors

as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are being developed.

Although starting from 1 October 2016, the Renminbi will be added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the Issuer's ability to source Renminbi outside the PRC to service such RMB Notes.

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the People's Bank of China (the "PBoC") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**"), including but not limited to Hong Kong and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBoC for the purpose of squaring off open positions of participating banks for limited types of transactions and are not obliged to square off for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future that will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of its RMB Notes. To the extent the Issuer

Risk Factors

is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

RMB Notes issued under the Programme may only be held through Euroclear France, Euroclear and Clearstream, Luxembourg.

Noteholders may only hold RMB Notes if they have an account with Euroclear France or maintained with an Account Holder which itself has an account with Euroclear France (which include Euroclear and Clearstream, Luxembourg).

Investment in RMB Notes is subject to exchange rate risks.

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. In August 2015, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to RMB Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Notes in that foreign currency will decline.

In addition, if the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the RMB Notes as a result of Inconvertibility, Non-transferability or Illiquidity (each, as defined in the Terms and Conditions of the Notes), the Issuer shall be entitled, on giving not less than five and not more than 30 calendar days' irrevocable notice to the investors prior to the due date for payment, to settle any such payment in U.S. Dollars on the due date on the basis of the Spot Rate on the second FX Business Day prior to such payment or, if such rate is not available on such second FX Business Day, on the basis of the rate most recently available prior to such second FX Business Day (all as defined in the Terms and Conditions of the Notes) of any such interest or principal, as the case may be. As a result, the investment in RMB Notes may be subject to additional exchange rate risks, as the U.S./RMB exchange rate fluctuates.

Investment in RMB Notes is also subject to interest rate risks.

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As RMB Notes may carry a fixed interest rate, the trading price of the RMB Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of the RMB Notes propose to sell their RMB Notes before their maturity, they may receive an offer lower than the amount they have invested.

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Developments in other markets may adversely affect the market price of any RMB Notes.

The market price of RMB Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for RMB denominated securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. Should similar developments occur in the international financial markets in the future, the market price of RMB Notes could be adversely affected.

Payments with respect to the RMB Notes may be made only in the manner designated in the RMB Notes.

All payments to investors in respect of the RMB Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi clearing bank clears and settles Renminbi. Unless otherwise specified herein, the Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

Gains on the transfer of the RMB Notes may become subject to income taxes under PRC tax laws.

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of RMB Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("EIT") or PRC individual income tax ("IIT") if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of the gains derived by such non-PRC resident enterprise Holder from the transfer of RMB Notes but its implementation rules have reduced the enterprise income tax rate to 10 per cent. if such gains are regarded as income derived from sources within the PRC. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the gains derived by such non-PRC resident individual Holder from the transfer of RMB Notes if such gain is regarded as income derived from sources within the PRC.

However, uncertainty remains as to whether the gain realised from the transfer of RMB Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if non-PRC resident enterprise or individual Holders are required to pay PRC income tax on gains derived from the transfer of RMB Notes, unless there is an applicable

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tax treaty between the PRC and the jurisdiction in which such non-PRC resident enterprise or individual holders of RMB Notes reside that reduces or exempts the relevant EIT or IIT (however, qualified Holders may not enjoy the treaty benefit automatically but through a successful application with the PRC tax authorities), the value of their investment in RMB Notes may be materially and adversely affected.

In certain circumstances Noteholders may be subject to U.S. withholding tax.

The United States has enacted rules, commonly referred to as “**FATCA**,” that generally impose a reporting and withholding regime with respect to certain payments made by entities that are classified as financial institutions under FATCA. The United States has also entered into an intergovernmental agreement regarding the implementation of FATCA with France. The Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Any such withholding would not apply before 1 January 2019. Also, Notes issued prior to the six-month anniversary after final regulations that define the term “foreignpass thru payment” are filed with the U.S. Federal Register and that are classified as debt for U.S. federal income tax purposes and not modified after that date are generally exempt from these rules.

In the event that any withholding is imposed pursuant to FATCA, the Issuer will have no obligation to make additional payments in respect of such withholding.

B. RISK FACTORS RELATING TO THE ISSUER AND ITS OPERATIONS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer or any of its subsidiaries.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks relating to the Issuer and its operations that are inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in Notes issued under the Programme.

Risk Factors

The risks presented below concern risks associated with the regulation of energy markets, risks associated with the EDF Group's activities, risks specifically related to the EDF Group's nuclear activities, and risks related to the EDF Group's organizational structure and evolution.

Strategic or operating challenges associated with the risks to which the EDF Group is exposed are comprised of several criteria. Such challenges may produce effects at very different time horizons, ranging from very short term (less than a year) to very long term (up to several decades or more, given the nature of the relevant industrial activities). Some orders of magnitude for the potential financial effects related to the materialization of certain risks are mentioned without limitation in this section, for information purposes only.

The risks associated with the regulation of energy markets are described in the "Risks associated with the regulation of energy markets" Section, and, in particular, the regulation of electricity market, for which it is necessary to take into account: competition rules, especially in Europe and France, where most of the EDF Group's activities are conducted; public policies, especially with respect to energy and sustainable development; and safety requirements for interconnected electrical systems.

The "Risks associated with the EDF Group's activities" Section describes the risks associated with the specific nature of the EDF Group's business model, along with any changes in such business model, when conducting its industrial production and sales & services activities.

The "Specific risks related to the EDF Group's nuclear activities" Section covers the specific risks associated with the EDF Group's nuclear activities, which involves additional risk factors and specific measures, in particular with regard to nuclear safety requirements and the long-term capital intensive nature of the activity.

The "Risks related to the EDF Group's structure and changes within the EDF Group" Section then sets forth the risk factors arising from the EDF Group's structure and any changes within the EDF Group.

Main risk factors		Scope
Regulation of energy markets	• Increased competition in European energy markets	France – European
	• Changes in prices and in the energy industry regulatory framework	France – International
	• Management of transport and energy distribution activities	France – European
EDF Group activities	• Installations that may materially and adversely affect the natural or human environment	France – European – International
	• Granting and renewal of the necessary administrative authorisations	France – European – International
	• Conduct of certain activities under public service concessions	France – European (Italy, in particular)

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Main risk factors	Scope
• Exposure to European energy wholesale market prices and to changes in CO2 emission quota prices	France – European – International
• Changes in environmental and health regulations and in energy-saving certificates	France – European – International
• Adverse economic and weather conditions and / or occurrence of industrial accidents	France – European – International
• Control of important projects	France – European – International
• Risks related to technologies used by the EDF Group	France – European – International
• Risks related to political, macroeconomic or financial conditions in specific regions or countries	France – European – International
• Withdrawal of the United Kingdom from the European Union	France – European
• Fluctuations in the prices of equipment or services purchased by the EDF Group	France – European – International
• Financial risks and risks related to changes in financial regulations	France – European – International
• Default of EDF Group's counterparties	France – European – International
• Litigation, arbitration and regulatory investigations risk	France – European – International
• Human risks	France – European – International
• Malfunctions and malicious attacks against the EDF Group's information systems	France – European – International
EDF Group's nuclear activities	
• Nuclear safety	France – European – International
• Changes in regulations applicable to nuclear activities	France – European – International
• Suppliers, service providers involved in nuclear activities, fuel supply, conditions and transport	France – European – International
• Maintenance and operating life of the nuclear fleet	France – European – International
• Decision by the French authorities to stop the production or construction of one or more nuclear power generation units	France
• Difficulties potentially faced during the EPRs construction	France – United-Kingdom

Risk Factors

Main risk factors	Scope
<ul style="list-style-type: none">• Responsibility related to spent fuel, radioactive waste, and processing operations along with the long-term management of spent fuel and radioactive waste	France – European – International
<ul style="list-style-type: none">• Deconstruction of the existing nuclear fleet	France – European (United Kingdom, in particular) – International
<ul style="list-style-type: none">• Increase in the amount of the dedicated assets set up by the EDF Group to cover the costs of its long-term nuclear commitments	France – United Kingdom
EDF Group's structure and changes within the EDF Group <ul style="list-style-type: none">• Development, acquisition, sale and transfer, reorganization and holding of minority interests	France – European – International
<ul style="list-style-type: none">• Interventions of the French State as shareholder in important EDF Group decisions	France
<ul style="list-style-type: none">• Fluctuations in EDF market share prices	France – European – International
<ul style="list-style-type: none">• Personnel management mechanisms common to EDF and Engie	France – European
<ul style="list-style-type: none">• Political, economic or social instability in the countries in which the EDF Group operates	France – European – International
<ul style="list-style-type: none">• Risks related to EDF Group's personnel management, pension commitments and employee benefits	France – European – International
<ul style="list-style-type: none">• Changes in IFRS standards applicable to the EDF Group	European – International

Risks associated with the regulation of energy markets

The EDF Group faces stiff competition in the European energy markets and, especially, in the French electricity market, which constitutes its main market.

In France, the electricity market has been totally open to competition since 1 July 2007. All EDF customers can choose their electricity supplier and therefore elect any of EDF's competitors (see section 1.4.2.1. "Presentation of the market in France" of the 2016 *Document de Référence*). EDF is prepared to face competition in a context of increased competitive intensity (new regulations, emergence of new players, mergers between existing players, changes in market prices, etc.). The end of regulated tariffs as of 31 December 2015

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for sites signing up for power in an amount greater than 36 kVA led to EDF losing market share (see section 1.4.2.1.3 “Regulated electricity sales tariff contracts” of the 2016 *Document de Référence*). This loss of market share, at constant consumption and price levels, had and may have in the future an adverse impact on the EDF Group’s sales in France. Lastly, to achieve its objectives, EDF must adapt its marketing expenditures; this situation could have negatively impacted its profitability. At 31 December 2016, EDF’s volume market share for electricity sales to all final customers was 70%, down by -7 points compared to the first half of 2016. The impact of client losses on volumes supplied to final customers in 2016 represents -39.9TWh, including -30.3TWh for business customers. On the contrary, EDF’s share of the natural gas market was 5.7%, a year-on-year gain of 0.7 points. At 31 March 2017, according to the French Energy Regulatory Commission (CRE), the electricity market shares in terms of sites of alternative suppliers (i.e. excluding historic suppliers) amount to 15.1% of the residential market, and 18.6% of the non-residential market, and a gas market share, in terms of sites, respectively of 24% and 39.9%.

Elsewhere in Europe, the EDF Group faces different contexts, depending on the local competitive conditions (totally or partially open markets, position of competitors, regulations, etc.). Therefore, in some countries, or in certain regions within a country, the EDF Group must pursue mainly a defensive strategy to protect its market share and control its costs, as it does in France. On the contrary, in other countries such as Belgium, Italy or the United Kingdom, the EDF Group must pursue a more offensive strategy to gain market share and control its costs. The type of competition faced by the EDF Group, the evolution over time of such competition and its effect on the EDF Group’s activities and results vary from one country to another. These factors depend in particular on the level of market depth and its regulations in the country in question and on other factors over which the EDF Group has no control.

In this context, even if the EDF Group considers that the European electricity market offers opportunities, including in terms of developing new electricity uses and the need for energy services and energy efficiency, the EDF Group may not be able to defend its market share or gain market shares as expected, or it may see its margins decrease, which would have a negative effect on its activities, its strategy and its financial position.

A significant share of the EDF Group’s revenue is generated by the activities subject to regulated tariffs, and changes in such tariffs and in the conditions of their application, may have an impact on the EDF Group’s results.

In France, a significant share of the EDF Group’s revenue depends on regulated tariffs that are set by public or regulatory authorities (integrated regulated sale tariffs and TURPE – see section 1.4.4.5.1 “Tariffs for using the public electricity transmission networks (TURPE)” of the 2016 *Document de Référence*). Determining tariffs with the participation of regulatory authorities in such a way is a method also used in other countries where the EDF Group operates.

The principles defining the right to tariffs were reiterated in France in the New Organization of the Electricity Market (NOME) Act no. 2010-1488 of 7 December 2010 and are now provided for in Articles L. 337-7 to L. 337-9 and Article L. 445-5 of the French Energy Code (see section 1.4.2.1.3 “Regulated electricity sales tariff contract” of the 2016 *Document de Référence*). The CRE may ask the Minister of the Economy and the Minister of Energy to

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limit or block tariff increases, for the same service quality and unless one of the relevant Ministers expresses its opposition to this proposition within 3 months, such proposition consisting in a tariff increase limitation or tariff freeze is deemed to have been accepted. The CRE may also recommend that the conditions of access to such regulated tariffs be modified. Certain stakeholders may also challenge in court the decisions setting rates.

The NOME Act also provided for a regulated access in France to electricity generated by existing nuclear capacity (ARENH) to the advantage of electricity suppliers competing with EDF (see section 1.4.3.3 “Regulated access to historical nuclear power (*Accès Régulé à l’Énergie Nucléaire Historique*, or ARENH)” of the 2016 *Document de Référence*). The ARENH price, which is regulated, is one of the price references used to set the regulated tariffs.

Moreover, the conditions for the implementation of the ARENH, which offer numerous options to the advantage of alternative suppliers, give them opportunities to arbitrage on the markets to the detriment of EDF. In an order dated 14 November 2016, following the recommendations of the CRE, the French government tightened the conditions under which alternative operators are entitled to terminate their ARENH framework agreement with EDF, thus limiting such opportunities to arbitrage on a quarterly basis. Following the recommendations of the CRE dated 19 January 2017, the Decree no. 2017-369 dated 21 March 2017 has been enacted to restrict the possibilities of arbitration on a semi-annual basis for alternative suppliers to the detriment of EDF.

More generally, the EDF Group sells a significant share of its energy output on the European markets or at regulated or contracted prices, indexed on market prices to a greater or lesser degree. In France, as in other countries, the EDF Group cannot guarantee that the regulated sale or purchase tariffs will always be set at a level enabling it to preserve its short-, medium- and long-term investment capacity and its proprietary interests, by ensuring a fair return on capital invested by the EDF Group in its generation, transmission and distribution assets.

For example, regularization in France of the regulated tariffs applicable to the electricity sales for the period from 1 August 2014 to 31 July 2015, following the Council of State’s decision of 15 June 2016 and the publication of the decisions setting forth the rectified tariffs in the *Journal officiel* on 2 October 2016, reached a gross amount of €1,030 million. Another recent example is the decrease of 1 August 2016 in regulated electricity sales tariffs that led to a €61 million decline in sales over the first half of 2017.

The legal framework governing the liberalisation of the energy sector is recent. This framework may change in the future and become more restrictive.

The EDF Group’s activities in France and abroad are subject to numerous regulations (see section 1.5 “Legislative and regulatory environment” of the 2016 *Document de Référence*). Moreover, laws may vary from one country to another, including in the European Union where directives only establish a general framework.

This legal framework organizing the liberalisation of the energy sector is relatively recent. The legal framework is therefore subject to change in the future, and such changes could be unfavourable to the EDF Group and, in particular, generate additional costs, be inconsistent with the EDF Group’s growth model, change the competitive context in which the EDF Group operates, or affect the profitability of current or future generating units.

Due to its position in the French market, the EDF Group faces the risk of having its expansion limited more than its competitors.

Although it has seen a decrease in its market share due to market liberalisation, EDF should remain the largest operator in the French electricity market over the next few years, particularly with respect to power generation and supply.

Act no. 2015-992 of 17 August 2015 on Energy Transition for Green Growth results in additional indications or constraints with regard to the power generation tools (target of 50% of nuclear power share in French electricity production by 2025), cap of the total authorised capacity of nuclear generation to 63.2GW) and the company's governance (obligation for any operator producing more than a third of the national electricity generation to draft a strategic plan outlining the actions it agrees to implement to meet the targets set in the multiannual energy programme (PPE) and appointment of a Commissioner to these operators empowered to object to investment decisions whose implement would be incompatible with the objectives of the strategic plan or the PPE.

Although EDF complies and will continue to comply with the applicable competition and non-discrimination rules, competitors have initiated and may initiate litigation on the grounds of non-compliance with these rules, and such litigations could be decided against the EDF Group's interests (see section 2.4.1 "Legal proceedings concerning EDF", including paragraphs "Solaire Direct", "Litigation by photovoltaic operators for compensation", "Photovoltaic producers' litigation", "Eole Miquelon" and "Xélan" of the 2016 *Document de Référence*).

In addition, the competent authorities or certain governments could, in order to maintain or enhance competition in certain energy markets, take decisions contrary to the EDF Group's economic or financial interests or that impact its model as an integrated operator (see in particular, section 1.5.3.1, "European legislation" and section 2.4.1 "Legal proceedings concerning EDF", including paragraphs "Competitive bidding for hydroelectric concessions in France", "CSPE ceiling investigation" and "Capacity mechanism investigation" of the 2016 *Document de Référence*), which could have a material adverse impact on the EDF Group's model, activities and financial position.

Laws and regulations that require transmission and distribution activities to be managed independently limit control over these activities.

The transmission and distribution activities carried out in France respectively by Réseau de Transport d'Électricité (RTE) and Enedis are conducted within a framework ensuring their independence with regard to the production and marketing activities, so as to allow all users non-discriminatory access (see section 1.4.4 "Regulated activities in France" of the 2016 *Document de Référence*).

In accordance with current laws and regulations, EDF manages its transmission network independently from its generation and marketing activities and has transferred its transmission activity to a subsidiary. Since the creation of the subsidiary on 1 September 2005, RTE has been the owner and manager of the French electricity transmission network, which it operates, maintains and develops. On 31 March 2017, EDF announced that the indirect sale of 49.9% of RTE's share capital to Caisse des Dépôts and CNP Assurances had been finalized. EDF may be affected by the loss of control over certain strategic and operational decisions, which may have an impact on the outlook for and profitability of its

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transmission activity in France (see section 1.5 “Legislative and regulatory environment” of the 2016 *Document de Référence*). At the same time, EDF will continue to bear certain risks associated with its operations, potential liability to third parties and factors that may affect the profitability of its assets.

In accordance with current laws and regulations, EDF manages its distribution network independently from its generation and marketing activities and has transferred its distribution activity to a subsidiary. Distribution is carried out by Enedis, whose main purpose is the operation and development of the public energy distribution network. A fully-owned subsidiary of EDF, Enedis has been operational since 1 January 2008. EDF may be affected by the loss of control over certain strategic and operational decisions, which may have an impact on the outlook for and profitability of its distribution activity in France (see section 1.5 “Legislative and regulatory environment” of the 2016 *Document de Référence*). At the same time, EDF will continue to bear certain risks associated with its operations, potential liability to third parties and factors that may affect the profitability of its assets.

The EDF Group may face similar risks in countries where it owns or manages transmission or distribution networks and where it is subject to similar regulatory restrictions.

The development of an integrated European electricity market could be hampered by a delay in the necessary adaptations of the European electricity system.

The development of an integrated European electricity market relies in particular on the adaptation of the European electricity system, in particular in terms of transport infrastructure and interconnections. This adaptation must take into consideration new data on local, national and European energy policies, energy demands and production offers, in particular the growing role of intermittent energies. To successfully carry out these adaptations, it may be necessary to mobilise time and significant financial resources.

The length of this transitional period associated with the necessary adaptation of the European electricity system, which may extend from five to ten years with regard notably to investment programs in transport grids and interconnections in Europe for the next ten years, could lead to further difficulties for the EDF Group’s developing new synergies between the different entities of the EDF Group or proposing new competitive offers.

EDF has certain obligations, in particular public service obligations, that are remunerated by mechanisms that may not provide complete compensation for additional costs incurred in connection with such obligations, or that are subject to change.

The public service contract entered into by the French government and EDF on 24 October 2005 specifies the objectives and terms for performing the public service obligations that EDF is appointed to perform under law (in particular Articles L. 121-1 *et seq.* of the French Energy Code), and also sets out the mechanisms under which EDF is compensated for the performance of these obligations (see section 1.5.2 “Public service in France” of the 2016 *Document de Référence*).

The development of renewable energies connected directly to the distribution network may, in certain regions, saturate the reception capacities of the source substations and networks. This situation may possibly generate local imbalances, or disputes if Enedis must disconnect certain producers or connect them with significant delays. New investments may be required

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in these regions, with the risk that the costs associated therewith may not be taken into account.

EDF cannot be certain that the compensation mechanisms provided in the laws and regulations applicable to it for performing these public service obligations will fully compensate additional costs incurred to perform such obligations. Furthermore, EDF cannot guarantee that these compensation mechanisms will never be subject to change or that existing mechanisms will fully cover potential additional costs that may be incurred in relation with new duties imposed on EDF in connection with its public service obligations, in particular when a new public service contract is negotiated.

The occurrence of any of these events may have an adverse impact on EDF's activities and financial results and on the EDF Group's financial position.

The amount of expenses (excluding the annual contribution to repayment and associated interest) to be compensated for EDF for the first half of 2017 is €3,424 million, stable compared to the first half of 2016. The amounts received in application of the new compensation mechanism for public energy service charges over the first half of 2017 (excluding the annual contribution to repayment and associated interest) totaled €3,553 million, higher than in the first half of 2016, mainly as a result of the French State's decision to defer the €414 million compensation payment to EDF out of the "Energy Transition" budget item from December 2016 to January 2017.

The provisional amount of expenses that can be attributed to public service energy missions and are to be compensated to EDF reaches €7,938 million in 2018, which represents an increase compared to previous years (decision of the CRE dated 13 July 2017 relating to the assessment of expenses that can be attributed to public service energy missions for 2018).

Risks associated with the EDF Group's activities

The EDF Group operates facilities that may cause significant harm to the natural or human environment or for which accidents, natural disasters or external attacks may have serious consequences.

The risks specific to nuclear facilities are described separately below under "*Specific risks related to the EDF Group's nuclear activities*".

Persons working in or near electricity transmission and distribution facilities may, in the event of an accident, error or negligence, be exposed to the risks of electric shock and electrocution. In this field, the EDF Group implements accident prevention and safety measures. However, the EDF Group cannot guarantee that these measures will prove sufficient in all cases.

Questions concerning the risks to human health from exposure to electromagnetic fields (EMF), in particular, from power lines operated by the EDF Group, have been raised both in France and abroad. Based on studies completed over the past 20 years, the existence of health risks due to exposure to EMFs has not been proven. Furthermore, in a report published in June 2007, the World Health Organisation (WHO) considers that health risks, if any, are low and that adopting arbitrarily low exposure limits is unjustified. At this time, results from 30 years of research is available, but it cannot be excluded that medical

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knowledge about health risks related to exposure to EMFs may evolve, public sensitivity about such risks could increase or the precautionary principle could be applied very broadly. Despite these efforts, the possibility remains that the EDF Group could be exposed to increased litigation or that the issue may lead to the adoption of more stringent and costly measures for the operation or construction of transmission or distribution networks (see section 1.5.6.1 “General regulations that are applicable to the environment, health, hygiene and safety” of the 2016 *Document de Référence*).

More generally, the EDF Group operates or has operated in France and abroad facilities which, as currently operated, could be or could have been the source of industrial accidents or environmental and public health impacts (such as inadequately controlled emissions, leakages in electricity supply lines insulated with pressurized oil, a failure of decontamination facilities, pathogenic micro-organisms, asbestos, polychlorinated biphenyls (PCBs), greenhouse gas emissions, etc.). In particular, large quantities of hazardous materials (in particular, explosive or flammable materials, such as gas and fuel oil) are stored in certain facilities (thermal power plants, electrical transformers, exploration and generation of hydrocarbons, storage capacities, etc.). These facilities may be located in industrial areas where other activities subject to similar risks are conducted, which means that the EDF Group’s own facilities may be impacted by accidents occurring at neighboring facilities owned by other operators and not under the EDF Group’s control.

In accordance with ISO 14001 (see section 2.2.1.5.2 “Environmental quality approach” of the 2016 *Document de Référence*), the EDF Group implements appropriate measures to prevent and, if necessary, repair any industrial accidents or environmental damage caused by the facilities that it operates. These measures are intended, in particular, to protect the EDF Group not only from the risk of an accident (such as explosion, fire, etc.) occurring in its own facilities, but also from the impact of such an accident occurring in a neighboring facility owned by a third party. However, in general, the EDF Group cannot guarantee that the measures taken to control these risks will prove fully effective if any of the events listed above were to occur. An accident of the type described above could have serious consequences for persons, property and business continuity, and the EDF Group could be found liable. Insurance policies for civil liability and damages taken out by the EDF Group could prove to be significantly inadequate, and the EDF Group cannot guarantee that it will always be able to maintain a level of cover at least equal to current cover levels and at the same cost. The frequency and magnitude of natural disasters seen over the past few years could have and have had a significant impact on the capacities of the insurance and reinsurance market and on the costs of civil liability and damage insurance cover for the EDF Group. Such accidents could also lead to the shutdown of the facility affected and, possibly, of similar facilities that may be considered to present the same risks (see section 2.5 “Insurance” of the 2016 *Document de Référence*).

Lastly, facilities or assets operated by the EDF Group or its employees may be the target of external attacks or malicious acts of any kind. Safety measures were incorporated into the design of the facilities and sites, and protective measures have been taken by EDF. Moreover, safety measures to counter various forms of attacks have been implemented in conjunction with the public authorities. Nonetheless, like any safety measures intended to counter an external threat, the EDF Group cannot guarantee that these will prove fully effective in all cases. An attack or malicious act committed on these facilities could have consequences such as injury to persons and damage to property, the EDF Group being held

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liable on the grounds of measures judged to be inadequate and interruptions to operations. In addition, the EDF Group cannot guarantee that European and national legislation regarding the protection of sensitive sites and critical infrastructure will not become more restrictive, which could generate additional investments or costs for the EDF Group.

Any one of these events may have material negative consequences on the EDF Group's image, activities, results and financial position.

The EDF Group's activities require numerous administrative permits that may be difficult to obtain or that may be obtained only subject to conditions that may become significantly more stringent. Administrative appeals may also be filed against such permits, which may hurt the EDF Group's business.

The operation and expansion of the EDF Group's industrial activities – generation, transmission and distribution – require numerous administrative permits, at both local and national levels, in France and abroad. The procedures for obtaining and renewing these permits can be drawn-out and complex. These permits are not obtained systematically and the requirements for obtaining them may change and are not always predictable. Even when these permits have been granted, stakeholders may file administrative appeals against them (see section 2.4 “Legal proceedings and arbitration” of the 2016 *Document de Référence*). Accordingly, the EDF Group may incur significant expenses in complying with the requirements for obtaining or renewing these permits (for example, costs of preparing permit applications, investments associated with installing equipment required before a permit will be issued, setoffs of environmental impacts of structures to be built). This may also handicap the EDF Group's industrial activities. Delays, overly high costs or the suspension of its industrial activities due to the inability to retain or renew permits may have an adverse impact on the EDF Group's activities and profitability. In addition, the EDF Group may have also used resources without obtaining necessary permits and authorisations and therefore have to cancel or withdraw from a project, which may have an adverse impact on the EDF Group's business, expansion or financial position.

At times, the EDF Group operates its generation, transmission, distribution or supply businesses pursuant to public service concession arrangements and it is not always the owner of the assets it operates.

The EDF Group does not always own the assets that it uses for its activities and, in such case, frequently operates them pursuant to a public service concession arrangement.

In France, for example, Enedis does not own all distribution network assets, but operates them under concession agreements negotiated with local authorities (see section 1.4.4.2.2 “Distribution activities” of the 2016 *Document de Référence*), which grant it the exclusive right to engage in expansion actions and operate the public electricity distribution network. These public electricity distribution concession agreements are tripartite agreements between the licensing authority, the operator of the distribution network and the supplier at the regulated rate. Under the law, only Enedis and Local Distribution Companies (LDC) in their service areas (and EDF for areas not connected to the continental metropolitan network) may be appointed to operate the public energy distribution networks and only EDF and LDCs in their service areas may be appointed to provide the supply at the regulated rates. Therefore, at this time, when a concession agreement is renewed, Enedis and EDF do not compete with other operators. However, the EDF Group cannot guarantee that such provisions will not be amended by law in the future (see section 1.5.5 “Public electricity

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distribution concessions” of the 2016 *Document de Référence*). Furthermore, the EDF Group may not obtain the renewal of these contracts under the same financial terms and conditions (see section 1.4.4.2.2 “Distribution activities” of the 2016 *Document de Référence*).

Enedis’s deployment of “communicating” meters (Linky) began in December 2015 and will continue up until 2021 (see section 1.4.4.2.4 “Future challenges” of the 2016 *Document de Référence*). It is possible however that these time frames and associated costs may need to be revised owing to technical or administrative problems, or acceptability problems regarding the supply of equipment or their installation.

In France, RTE is both the owner and operator of the public transmission system pursuant to the standard concession terms of reference signed by the Minister of Industry (Decree no. 2006-1731 of 23 December 2006 – see section 1.4.4.1 “Transmission – Réseau de Transport d’Électricité (RTE)” and section 1.5.3.2 “French legislation: the French Energy Code” of the 2016 *Document de Référence*).

In France, hydropower generation facilities are operated under concessions awarded by the French State for structures of 4.5MW or more and within the framework of prefectural authorisations for structures of less than 4.5MW (see section 1.5.6.2.4 “Regulations applicable to hydropower facilities” of the 2016 *Document de Référence*). The challenges associated with the renewal of hydraulic concessions in France are specified in section 1.4.1.4.1.4 “Hydropower generation issues” of the 2016 *Document de Référence*.

The EDF Group cannot guarantee that each of the concessions that it currently operates will be renewed, or that any concession will be renewed under the same financial terms and conditions as the initial concession. Furthermore, the EDF Group cannot guarantee that the compensation paid by the government in the event of early termination of a concession’s operation will fully compensate the EDF Group’s consequent loss of revenue, or that future regulations regarding the limitation of fees will not change in a way that could negatively affect the EDF Group. These factors could have an adverse impact on its activities and financial position.

Outside France, the EDF Group also operates under electricity distribution or generation concessions in other countries where it does business, particularly in Italy in the field of hydropower generation. Depending on the conditions in each country, the transmission, distribution or generation concessions may not be continued or may not be renewed in its favor with changes to the financial terms and conditions of the concession specifications, which would have an adverse impact on the EDF Group’s activities and financial position.

In order to sell its output directly or indirectly, the EDF Group is exposed to the prices of European energy wholesale markets and capacity markets in the course of deployment, the levels of which thus might impact its financial position.

In conducting its production and marketing activities, the EDF Group does business in deregulated energy markets, primarily in Europe. Therefore, the EDF Group is exposed to price fluctuations in the wholesale energy markets (electricity, gas, coal, petroleum products). These fluctuations are particularly significant in the current context of wholesale energy prices in Europe (see section 5.1.2 “Economic environment” of the 2016 *Document de Référence*).

In France, the termination of regulated tariffs for business companies in late 2015 increased EDF’s exposure to market prices. With regard to electricity on the French market, the level of

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exposure depends on the subscription level to the ARENH mechanism, which in turn depends on the level of market prices: the exposure to the French market is therefore at its maximum level when no ARENH volume is subscribed, estimated at approximately 65% of EDF's French production.

In France, spot electricity prices stood at an average €44.4/MWh in the first half of 2017, €17.0/MWh higher than in the first half of 2016. In 2016, electricity spot prices stood at €36.7/MWh on average, representing a €1.7/MWh decrease (or -4.5%) compared to 2015, with a strong volatility during the year, and such decrease was mainly driven by the situation in the first quarter of the year, and to a lesser degree in the second and third quarters, with average spot prices €19.2/MWh higher in the final quarter of 2016 compared to the same period in 2015.

In the United Kingdom, average spot electricity prices rose by €6.4/MWh compared to the first half of 2016 level to reach an average €51.2/MWh. In 2016, electricity spot prices decreased by 11.8% compared to 2015 to reach €49.1/MWh on average. However, the United Kingdom was unable to make full use of the interconnection with France due to storm damage, which limited the exchange capacity with France to 1GW instead of 2GW between 20 November 2016 and 2 March 2017. Also, peaks were observed in that country between September and November 2016, rising up to €199/MWh on 19 September 2016.

In Italy, average spot prices saw a year-on-year rise of €14.1/MWh, reaching €51.2/MWh for the first half-year of 2017. In 2016, average spot prices fall by 18%, compared to 2015, to €42.8/MWh.

The context in recent years of the low prices of the European energy markets, should they continue indefinitely, exposes the EDF Group both in terms of its turnover and the valuation of its assets. The persistently low price levels create strong uncertainty regarding the turnover, the expected margin and the result. Should these price levels continue, they may also affect the profitability of the EDF Group's generating units, mainly in Europe, and the conditions governing their maintenance or even their renewal.

Various factors affect these price levels: commodity prices in world markets, the balance between supply and demand, but also tariff, fiscal or subsidy policies allocated to certain means of production. Accordingly, the EDF Group cannot guarantee that it will be able to avoid adverse impacts on the development of its business, the valuation of its assets and its financial position, following changes in electricity market prices.

The EDF Group manages its exposure to these risks primarily through purchases and sales on wholesale markets. With the exception of petroleum products markets, these are recent markets that are still under development. Therefore, a lack of liquidity may limit the EDF Group's ability to hedge its exposure to risks in the energy market. Moreover, certain of these markets continue to be partially partitioned by country due to, in particular, a lack of interconnections. Furthermore, these markets may experience significant price increases or decreases that are difficult to foresee, as well as liquidity crises.

Energy market risks are managed in accordance with the "Energy market risks" policy adopted by the EDF Group (see section 2.2.3.1.1.1 "Control of energy market risks" of the 2016 *Document de Référence*). The EDF Group hedges its positions on these markets through derivatives, such as futures, forwards, swaps and options traded on organised markets or over the counter. However, the EDF Group cannot guarantee that it is totally

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protected, in particular against liquidity risks and significant price fluctuations, which could have an adverse impact on its financial position and the valuation of its assets (see note 40 “Management of market and counterparty risks” to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*).

Furthermore, the current context of prices in the European wholesale energy markets has an impact on the profitability of certain production tools, in particular fossil fuel-fired power plants, for all European producers. Capacity markets are currently being set up in several European countries, but with different approaches. This may limit the risk that certain power generation assets necessary to secure the supply will be closed or mothballed.

The variation in the prices of CO2 emission quotas is likely to affect the EDF Group's profitability and its objectives in terms of low-carbon energy solutions.

As part of its business activity, the EDF Group operates on the European market for CO2 emission quotas, and is thus exposed to price changes in this market which contribute to the formation of the wholesale electricity price (see the risk factor “In order to sell its output directly or indirectly, the EDF Group is exposed to the prices of European energy wholesale markets and capacity markets in the course of deployment, the levels of which thus might impact its financial position.”). There is a risk of CO2 prices remaining low and not permitting sufficient development of low-carbon energy solutions to the detriment of both the fight against the planetary greenhouse effect and the EDF Group.

The EDF Group must comply with increasingly restrictive environmental and public health regulations, which generate costs and are sources of potential liability.

The EDF Group's activities are subject to environmental protection and public health regulations, which are increasingly numerous and restrictive. These regulations relate to the EDF Group's energy generation, transmission and distribution industrial activities, as well as to energy supply and energy-related services, which must, for example, incorporate the concept of demand management into their offers (for a description of the environmental, health and safety regulations applicable to the Group, as well as future regulations likely to have an impact on its activities, see sections 1.5.6.1 “General regulations that are applicable to the environment, health, hygiene and safety” and 1.5.6.2 “Regulation applicable to EDF group facilities and activities” of the 2016 *Document de Référence*). Moreover, the French regulatory framework could soon be strengthened following the entry into force of Law no. 2017-399 of 27 March 2017 on the duty of care of parent companies and subcontracting companies requiring them to implement measures relating to the activity of the company and of all the companies it controls aimed at identifying risks and preventing serious infringements of human rights and fundamental freedoms, the health and safety of persons and the environment arising directly or indirectly from the activities of the parent company and subcontracting companies, as well as companies it controls or its subcontractors or suppliers. In the field of occupational health, European regulation applies to the EDF Group, *i.e.* Directive no. 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work, Directive no. 98/24/EC of 7 April 1998 on the protection of the health and safety of workers from the risks related to chemical agents at work and Directive no. 2004/37/EC of 29 April 2004 on the protection of workers from the risks related to exposure to carcinogens or mutagens at work.

Failure to comply with these current or future regulations could expose the EDF Group to significant litigation (see section 2.4.1 “Legal proceedings against EDF”, paragraph

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“Environmental litigation” of the 2016 *Document de Référence*). The EDF Group could be found liable, even if it is not at fault or has not breached applicable regulations. Furthermore, the EDF Group may be compelled to compensate breaches, damage or injuries caused by entities that were not part of the EDF Group at the time they were committed, if the EDF Group thereafter takes over their facilities.

Furthermore, these regulations may be significantly reinforced by national or European authorities (see sections 1.5.3.1 “European Legislation” and 1.5.3.2 “French Legislation: the French Energy Code” of the 2016 *Document de Référence*), which would have an adverse impact on the EDF Group’s activities and financial position. The EDF Group continuously performs a monitoring in order to assess the impact of regulatory changes on its activity.

The EDF Group follows an environmental risks management and prevention policy (see section 3.2 “Environmental and societal requirements” and in particular section 3.2.5.3 “Management and prevention of environmental risks” as well as section 1.3.2.5 “Sustainable development” of the 2016 *Document de Référence*). The EDF Group maintains in this regard its ISO 14001 certification, obtained for the first time on 9 April 2002 and renewed for another three-year period until 2020. The certified scope includes EDF (including all its operational entities and most of its functional entities), several French subsidiaries (such as Dalkia, Électricité de Strasbourg, EDF Énergies Nouvelles, etc.), as well as many international subsidiaries including EDF Energy, EDF Luminus, EDF Trading and Edison. The processes set forth within this certification’s framework contribute to strengthen the EDF Group’s environmental risks management, in particular for regulatory aspects and key environmental issues, providing guaranteeing a structured and adapted organization for stakeholders. Moreover, in order to better assess the risks and opportunities related to the impacts and dependencies of the EDF Group’s activity on ecosystems, EDF experiments in each line of business the Ecosystem Services Review (ESR) method.²⁹

Similar approaches are also conducted by operating facilities. Their impacts on the environment and biodiversity are monitored by public entities (the French Research Institute for Exploitation of the Sea (Ifremer), the Institute for Radiological Protection and Nuclear Safety (IRSN), the National Institute for Scientific and Technological Research for the Environment and Agriculture (Irstea) and the French National Water and Aquatic Environments Office (Onema)). Results are published and accessible.

The EDF Group’s compliance with current regulations, and future changes to such regulations, has resulted and could continue to result in an increasing level of operating costs and investments necessary for such compliance.

The EDF Group may even be required to close facilities that cannot be made compliant with new regulations. In addition, other regulations, which may be more restrictive or which may apply to new areas which are not currently foreseeable, may be adopted by the competent authorities and have a similar effect.

Lastly, stakeholders’ external perception of the EDF Group’s Sustainable Development policy may change, resulting in a deterioration of the EDF Group’s non-financial rating and image.

²⁹ Method developed by the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Changes to regulations concerning energy savings certificates (ESC) could impose additional obligations on EDF and generate costs in relation thereto.

In France, the energy savings certificates (ESC) measure, which is set out in Article L. 221-1 *et seq.* of the French Energy Code, imposes energy savings obligations on energy sellers. It sets a three-year energy savings target in terms of volumes for those bound by the obligations and financial penalties in case of failure to meet the targets. The Energy Transition for Green Growth Act of 17 August 2015 amended the ESC scheme for its third period by adding to the original obligation a supplementary scheme for energy savings for households in situations of fuel poverty. It also provides for a fourth period of the scheme from 1 January 2018 to 31 December 2020 (see section 1.5.6.1 “General regulations that are applicable to the environment, health, hygiene and safety” of the 2016 *Document de Référence*), for which the Decree no. 2017-690 of 2 May 2017 substantially increased the obligation levels for energy sellers. The combination of this significant increase in obligations with the current lack of depth in the ESC market, or the lack of liquidity in this market, an upward shift in this three-year target, increased competition among energy suppliers, the economic crisis, or the reduction of major deposits may create additional difficulty in achieving this three-year target. The EDF Group cannot guarantee that the commercial costs incurred in meeting the three-year target will be fully passed on in energy prices, nor that the EDF Group will not be exposed to the risk of shortfall in certificates for the fourth period, which would be detrimental to the EDF Group’s financial position.

Repeated or widespread blackouts in an area served by EDF SA or an EDF Group subsidiary, particularly if they are attributable to the EDF Group, may have consequences for the EDF Group’s activities, financial position and image.

The EDF Group may be exposed to repeated or widespread blackouts or be blamed for such blackouts, even if the causal event occurred in another network or was attributable to another operator, particularly in view of the unavailability of certain reactors associated with the additional controls undertaken by EDF (see risk factor “The nuclear power plants that the EDF Group operates may require significant or costly repairs or modifications.” under “Specific risks related to the EDF Group’s nuclear activities”).

The causes of blackouts vary: local or regional imbalances between electricity generation and consumption, accidental interruptions to the power supply or transmission, cascading power failures (more difficult to circumscribe in a market with cross-border exchanges), interconnection problems at borders and difficulty in coordinating operators, particularly in a market that is evolving or insufficiently regulated.

The initial impact of such power failures would be repair costs incurred to re-establish power or restore the network. Power failures may also generate capital expenditures if it were decided, for example, to install additional generation or network capacity. This could also cause a decline in the EDF Group’s turnover. Lastly, power failures may have an adverse impact on the EDF Group’s image with its customers, particularly if the blackouts are attributable to the EDF Group.

Natural disasters, significant weather changes, industrial accidents of any kind or any major event on a scale that is difficult to predict may have a material adverse impact on the EDF Group’s industrial and commercial activities.

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EDF and its subsidiaries have developed crisis management plans to deal with natural disasters or major events. These crisis management plans are assessed and tested on a regular basis (see section 2.2.2.3 “Crisis management policy” of the 2016 *Document de Référence*).

As was the case with storms Klaus (2009) and Xynthia (2010) in France, natural disasters (floods, landslides, earthquakes, etc.), other significant weather changes (droughts, etc.), or any other event on a scale that is difficult to predict (large-scale epidemics, etc.) may affect the EDF Group’s activities. Based on its national and international experience with these types of events, the EDF Group implements measures aimed at reinforcing the resistance of the generation, transmission and distribution facilities and limiting the impacts and consequences in the event of large-scale events. Experience feedback for major nuclear accidents at the international level is discussed under “Specific risks related to the EDF Group’s nuclear activities”. In the event of an exceptional event, the measures that are adopted may generate costs in addition to the costs of repairing the damage caused by the natural disaster and the loss of earnings from the interruption to supply.

As part of the renewal of the storm insurance coverage, Enedis has signed with Swiss Re a parametric insurance policy covering its aerial distribution network against the consequences of high-intensity storms (see section 2.5.5.3 “Storm cover” of the 2016 *Document de Référence*). Island Energy Systems’s aerial distribution networks are not covered for property damage. Damage to these networks could have an adverse impact on the EDF Group’s financial position in the absence of insurance cover or if cover is inadequate. In addition, renewing or taking out these specific covers may be difficult or costlier due to the impact, frequency and magnitude of natural disasters experienced in recent years by the alternative risk transfer markets.

In the event of a wide-spread health epidemic, EDF has created a plan intended to ensure the continuity of electricity supply, depending on the intensity of the crisis, while guaranteeing the safety of facilities and reducing the health risks to which its employees are exposed.

Despite having set up a crisis management structure that enables it to react promptly to such events (see section 2.2.2.3 “Crisis management policy” of the 2016 *Document de Référence*), the EDF Group cannot guarantee that the occurrence of a natural disaster, a weather event or any other event on a scale that by its nature is difficult to predict will not have material adverse consequences on its activities, income and financial position.

The EDF Group is exposed to risks associated with weather conditions and seasonal variations in the business and more specifically the physical effects of climate change.

Electricity consumption is seasonal and depends to a great extent on weather conditions. For example, in France, electricity consumption is generally higher during winter months. Furthermore, available power may also depend on weather conditions. Thus, low water levels or heat waves may limit nuclear power generation due to the requirement that rivers downstream of facilities not exceed maximum temperatures. Hydropower generation is also sensitive to rainfall (quantity and annual distribution) and snowfall with respect to mountain ranges (see section 1.4.1.4.1 “Hydropower generation in France” of the 2016 *Document de Référence*). Similarly, power generated by wind power or solar plants depends on wind conditions or hours of sunshine at the sites where such facilities are installed (see section

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1.4.1.4.3 “EDF Énergies Nouvelles” of the 2016 *Document de Référence*). This is also true for service business activities, frequently associated with the winter heating period.

Therefore, the EDF Group’s results reflect the seasonal character of the demand for electricity and may be adversely affected by exceptional weather conditions or by rain, snow, wind or sunshine conditions that are less favorable than anticipated. For example, the EDF Group may have to compensate the reduced availability of economical power generation means by using other means with higher production costs, or by having to access the wholesale markets at high prices.

Furthermore, the activities of the EDF Group are likely to be significantly affected by the possible physical effects of climate change (see section 3.2.1.3 “Adapting the Group’s business to climate change” of the 2016 *Document de Référence*). Such effects are generally unpredictable and could have an adverse effect on the EDF Group’s financial condition, operating results, cash flows or facilities. New regulatory developments associated with climate change could also have a negative impact on EDF’s activity.

The EDF Group’s activities may be handicapped by unfavourable economic conditions.

The EDF Group’s activities are sensitive to economic cycles and economic conditions in the geographical areas in which the EDF Group does business. An economic slowdown in these areas would result in a drop in energy consumption, investments and industrial production by the EDF Group’s customers and, consequently, would have a negative effect on the demand for electricity and other services offered by the EDF Group. Such economic conditions could, for example, threaten the profitability of certain of the EDF Group’s existing or planned power generation assets or weaken certain of the EDF Group’s counterparties (see section 5.1.2 “Economic environment” of the 2016 *Document de Référence*). The current situation of overall excess capacity of European energy power plants is further weakened by the arrival of new heavily subsidized means of production in an economic context of stable or even declining consumption. The EDF Group cannot guarantee that the effects of an economic downturn in the geographical areas where it does business will not have a significant adverse impact on its activities, operating income, the value of its assets, its financial position or outlook.

In addition, the EDF Group is exposed to fluctuations in cycles of economic growth and in the respective levels of investment in the various countries in which it operates. A slowdown of the general or local economy, significant fluctuations in prices and the availability of energy and raw materials, a decrease in demand for energy and related services in the EDF Group’s main markets, events affecting its main customers, significant imbalances between supply and demand in the EDF Group’s main markets and, more generally, any major deterioration in the macroeconomic or microeconomic environment in which the EDF Group operates are all risks that could directly or indirectly affect the EDF Group’s business volumes, margins, the value of its assets, its financial position or outlook.

The EDF Group is exposed to risks related to the control of major projects.

As part of its activity, the EDF Group may consider or carry out, as project owner or prime contractor, projects that are inherently complex and require significant investments. Examples of such projects include EPR projects of Flamanville 3 (see section 1.4.1.2.2 “Update on the Flamanville EPR project” of the 2016 *Document de Référence*), Hinkley Point

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C (see section 1.4.1.2.3.1 “Hinkley Point C EPR” of the 2016 *Document de Référence*), and Taishan (see section 1.4.1.2.3.2 “Taishan EPR” of the 2016 *Document de Référence*). The completion of these projects is subject to numerous constraints such as the control of costs and construction delays.

Thus, the implementation schedule and the budgetary envelope for the Flamanville EPR project have been reviewed in the past, but did not evolve since 2015. The Taishan EPR implementation schedule has been amended and the commercial commissioning of the first reactor is scheduled in the second half of 2017. The commercial commissioning of the second reactor is scheduled in the first half of 2018. In addition, after the completion of the review of the costs and timetable of the Hinkley Point C project, announced on 3 July 2017, and based on the reference exchange rate for the Hinkley Point C project (*i.e.*, 1 sterling = 1.23 euro, the “2015 Sterling”), the total cost of this project is estimated at £19.6 billion in 2015 Sterling³⁰, an increase of £1.5 billion in 2015 Sterling, compared to previous evaluations, with a forecast return rate estimated at approximately 8.5% compared to about 9% initially. The risk of deferral of delivery for the Hinkley Point C project is estimated at 15 months for unit 1 and 9 months for unit 2 and would entail an additional potential cost of around 0.7 billion in 2015 Sterling; under this assumption, the EDF’s projected rate of return would be around 8.2%.

Moreover, the completion of such projects is subject to numerous technical, operational, economic or environmental contingencies which might delay or prevent the completion and thereby negatively impact the EDF Group’s activities, its income, the value of its assets, its financial position and outlook.

Technological choices made by the EDF Group may be outperformed by more efficient technologies.

In order to anticipate technological developments, the EDF Group at all times seeks to stay abreast of sustaining and disrupting technological innovations. However, the EDF Group can not foresee with certainty how these developments could ultimately affect the EDF Group’s activities or claim to identify these developments in a comprehensive manner. The EDF Group’s business activities rely on a certain number of choices, which may be outperformed by other technologies that prove more efficient, more profitable, safer or more pertinent in light of possible future standardization and standards than the technologies used by the EDF Group.

The use of new technologies by the EDF Group’s competitors or the development by these competitors of new, more efficient and more competitive technologies could have the effect of reducing or eliminating the competitive advantage that the EDF Group enjoys as a result of certain of its technologies and its experience. Similarly any delay or failure in the EDF Group’s development of technologies, planning or allocation of the EDF Group’s technology development resources could have a similar effect on the EDF Group’s competitive advantage and thus negatively impact its business, financial position and outlook.

Due to the geographic scope of its activities, the EDF Group may be vulnerable to political, macroeconomic or financial conditions or circumstances in specific regions or countries

30 Excluding interests during construction and excluding forex effect versus the reference exchange rate for the Hinkley Point C project.

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The EDF Group is exposed to “country risk”, meaning that economic, financial, political or social conditions of a country in which it operates may affect its financial interests. Recent relevant examples of such “country risk” include uncertainty with respect to policies that may be implemented by the new administration in the United States following the 2016 Presidential election and political uncertainty in Italy following the rejection in December 2016 of the referendum on constitutional reform and the subsequent change in government. Moreover, upcoming elections in Germany and other euro zone countries in 2017 may contribute to an environment of political unpredictability and a potential deterioration of economic conditions in case of an exit of a country from the euro zone or the European Union. A material change in the political or macroeconomic environment may require EDF to bear additional charges and/or expenditures in order to adapt to and comply with such new environment.

The results of the referendum in the United Kingdom on the withdrawal from the European Union may have a negative effect on EDF’s overall economic conditions, financial markets and activities.

In June 2016, a majority of UK citizens voted in favor of withdrawing from the European Union in a national referendum. The consequences of this referendum, as well as the arrangements of the United Kingdom’s withdrawal, will be negotiated over a period of up to two years (excluding any extensions), starting from the 29 March 2017 letter addressed by the British Prime Minister to the European Council President, which notified the European Council in accordance with Article 50 of the Treaty on European Union of the UK’s intention to withdraw from the European Union and from the European Atomic Energy Community established by the “Euratom” treaty. Numerous policies are likely to evolve (monetary, tax, economy, energy, etc.). The impact of these evolutions on the economic and financial environment (notably in terms of growth, exchange rates and inflation) and on the EDF Group may exist from the transition phase or once the course of events is stabilized. These consequences will depend on the content of the negotiations, not only between the United Kingdom and the European Union, but also with other parties involved, such as the Commonwealth, the United States and China.

The referendum created significant uncertainty about future relations between the United Kingdom and the European Union, including in terms of which laws and regulations of European origin the United Kingdom will decide to replace or replicate in the event of withdrawal. This referendum also led to several governments of other Member States of the European Union expressing criticism of the current institutional and political framework of the European Union. Furthermore, the United Kingdom’s withdrawal from the European Union could lead to changes in energy policy both within the European Union and the United Kingdom along with changes to texts relating to nuclear activity.

The European Union (Notification of Withdrawal) Act 2017 empowering the British Prime Minister to implement the right of withdrawal in accordance with Article 50 of the Treaty on European Union, which was passed by Parliament on 13 March 2017, provides for the joint exit from the European Atomic Energy Community, of which the United Kingdom became a member on 1 January 1973 at the same time as its becoming a member of the European Economic Community. Specific agreements will be studied accordingly in order to allow for continued cooperation in the nuclear field and operational continuity. However, delays in setting up or deploying the new provisions could disrupt the implementation of ongoing or future projects.

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The impact of all these evolutions on the EDF Group activity in the United Kingdom appears limited on a short-term basis. It may however result in the worsening of the economic conditions leading to a restriction of the energy market. The evolution of the monetary and economic environment, the deflationary or inflationary context, as well as potential fluctuations in exchange rates or new adjustments by economic players may lead both to new risks and new opportunities for the EDF Group in the United Kingdom market.

This new context may lead to a modification of the profitability conditions of the projects and to solicit or walk away from investors associated with the EDF Group's future projects in the United Kingdom or in Europe, these investors being Europeans, Asians, Americans or others.

These developments, the uncertainty that they create, as well as the belief that any of them might occur, are likely to weaken European economic activity, threaten the stability of its regulatory environment and cause significant fluctuations in exchange rates (see the risk factor "exchange rate risk" below). This could have a material adverse effect on global economic conditions, and in particular on the EDF Group's business, financial condition, and operating results, in particular in the United Kingdom.

The EDF Group's results are sensitive to fluctuations in the price and availability of materials and services (other than nuclear fuels) that it purchases in connection with its business operations.

In the event of significant and sustained increases in the prices of raw materials, the EDF Group may experience higher procurement costs for certain critical products or services. Such increases may also lead certain suppliers to reduce supply due to reduced profit margins. In addition, EDF Group's results may be affected by fluctuations in commodity prices, such as gas and coal.

Moreover, there is increased demand for certain equipment or services, which may have an impact on their availability, in particular equipment used for Gas-fired Combined Cycle power stations, wind turbines and services and equipment in the nuclear sector.

The EDF Group is exposed to risks in the financial markets.

As a result of its activities, the EDF Group is exposed to risks in the financial markets:

- liquidity risk: the EDF Group must at all times have sufficient financial resources to finance its day-to-day business activities, the investments necessary for its expansion and the appropriations to the dedicated portfolio of assets covering long-term nuclear commitments, as well as to deal with any exceptional events that may arise. The EDF Group's ability to raise new debt, refinance its existing indebtedness or, more generally, raise funds in financial markets, and the conditions that can be negotiated to this effect, depend on numerous factors including the EDF Group's rating by rating agencies. EDF and EDF's existing debt are periodically rated by independent rating agencies that assign such ratings (see section 5.1.6.1.2 "Credit rating" of the 2016 *Document de Référence*). EDF's rating was downgraded in 2016. Any downgrading of EDF's rating could increase the cost of refinancing existing loans and have a negative impact on the EDF Group's ability to obtain financing;

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- furthermore, in accordance with the practice in the organized energy and financial markets, some EDF Group entities have set up a margin call system for certain over-the-counter transactions in order to limit counterparty risk. In light of the regulations in the process of being implemented in the derivatives markets, these margin call systems may in the near future have a broader scope for the EDF Group. This may require the EDF Group to mobilize cash in the event of high volatility on financial and energy markets (see section 5.1.6.1.1.2 “Management of liquidity risks” of the 2016 *Document de Référence*);
- exchange rate risk: due to the diversity of its activities and the geographical distribution thereof, the EDF Group is exposed to the risks of fluctuations in foreign exchange rates, which may impact currency translation adjustments, balance sheet items and the EDF Group’s financial expenses, equity and financial position. In the absence of hedging, currency fluctuations between the euro and the currencies of the various international markets in which the EDF Group operates can therefore significantly affect the EDF Group’s results and make it difficult to compare performance levels from year to year. If the euro appreciates (or depreciates) against another currency, the euro value of the assets, liabilities, income and expenses initially recognized in that other currency will decline (or increase). Moreover, insofar as the EDF Group is likely to incur expenses in a currency other than that in which the corresponding sales are made, fluctuations in exchange rates could result in an increase in expenses, expressed as a percentage of turnover, which could affect the EDF Group’s profitability and income (see section 5.1.6.1.3 “Management of foreign exchange risk” of the 2016 *Document de Référence*).

An adverse fluctuation of 10% in exchange rates related to currencies in which the EDF Group’s debts are denominated (USD, GBP, other currencies) would have an impact amounting to around 2% on the EDF Group’s indebtedness after hedging instruments.

Due to the exchange rate hedging policy implemented within the EDF Group, the income statements of the companies controlled by the EDF Group are marginally exposed to exchange rate risk;

- equity risk: the EDF Group is exposed to equity risk on securities held primarily as dedicated assets constituted to cover the cost of long-term commitments in relation with the nuclear business, in connection with outsourced pension funds and, to a lesser extent, in connection with its cash assets and investments held directly by the EDF Group (see section 5.1.6.1.5 “Management of equity risks” of the 2016 *Document de Référence*); and
- interest rate risk: the EDF Group is exposed to risks associated with changes in interest rates in the various countries in which it operates. These rates depend partly on the decisions of the central banks. Changes in interest rates could affect the EDF Group’s ability to obtain financing under optimum conditions. The EDF Group’s exposure to changes in interest rates involves in particular two types of risks: (i) the risk of changes in the value of fixed-rate financial assets and liabilities along with the risk of changes in EDF Group’s discounted liabilities and (ii) the risk of changes in cash flows associated with variable-rate financial assets and liabilities. Such changes in provisions could impact the EDF Group’s financial position by (i) affecting the financial rating of its debt securities and (ii) generating an obligation to pay for dedicated hedging assets. (See risk factor

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below entitled “Provisions booked by the EDF Group for spent fuel processing operations and long-term waste management may increase significantly in the event that the assumptions for the costs and work time sequencing are revised.” and section 5.1.6.1.4 “Management of interest rate risk” of the 2016 *Document de Référence*).

Due to the split between fixed and floating-rate debts of the EDF Group, a fluctuation of 1% in interest rates would result in a €303 million fluctuation in income before tax.

As for the financial assets held by the EDF Group and classified as floating-rate bonds and negotiable debt securities, the impact on income before tax of a 1% fluctuation in interest rates would amount to €15 million.

Besides, the EDF Group’s exchange rate risk relates, in particular, to the value of the EDF Group’s long term nuclear commitments (see note 29 to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*) and its commitments for pensions and other specific employee benefits (see note 31 to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*), which are discounted to their present value using rates that depend on interest rates at various time horizons, and debt instruments held for the management of the dedicated assets constituted to cover these commitments.

For the specific case of nuclear provisions in France, given the decline in rates over the past few years, the discount rate could be reduced over the next few years by applying the method used by the EDF Group, in accordance with regulation on the ceiling discount rate. The importance of this decline will depend on the future rates evolution. An increase in nuclear provisions due to a decrease of the discount rate may require allocations to the dedicated assets and may result in an adverse effect on the EDF Group’s results, cash flow generation and net debt. On the basis of assumptions made for the TEC 30 in 2017 and 2018, the new computation formula contemplated for the regulatory ceiling may result in a discount rate of 4.1% as at late 2017 and 3.9% as at late 2018. All other things being equal, such evolution would generate an increase of the provisions (excluding related tax effects), estimated at €735 million as at late 2017 (including 588 million for provisions to be covered by dedicated assets) and at €1.470 million as at late 2018 (including €1.176 million for provisions to be covered by dedicated assets). As the case may be, this increase in provisions, including those covered by dedicated assets, does not mean however a mechanical impact on the amount to be allocated to dedicated assets as of the considered dates, as the former depends on:

- the profitability of dedicated assets and the resulting coverage rate: there is no need to allocate to the dedicated assets if the coverage rate reaches 110%;
- the period within which the allocation is made as applicable rules provide for the possibility to set a maximum 3-year time period to proceed to the allocation.

In addition, an increase in nuclear provisions results in part in an increase of the corresponding assets, when the counterparty to the provision had initially been recorded as an asset, and in part as financial income. Note 29.1.5.2 “Analyses of sensitivity to macro-economic assumptions” to the consolidated financial statements for the financial year ended 31 December 2016, included in the 2016 *Document de Référence*, indicates that, based on a

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20 basis points discount rate decrease, the estimated impact on the value of the nuclear provisions would be an increase of €1,357 million, including a €690 million cost on the income statement, the difference increasing the assets' value on the balance sheet.

Regarding regulation on the ceiling discount rate, the ministers for economy and finances, and for environment, energy and the sea, indicated on 10 February 2017 their decision to amend the calculation formula of the discount rate regulatory ceiling, as from 2017. This decision will result in an evolution of the order dated 21 March 2007, as amended by the order dated 24 March 2015. This amendment follows the works of nuclear operators and public authorities, designed to adopt a ceiling rate formula which takes into account the significant duration of nuclear liabilities and prudential targets in terms of securitization of the financing of long term nuclear liabilities. The new formula would lead, progressively on a period of ten years, from the regulatory ceiling as of 31 December 2016 (4.3%), to a regulatory ceiling equal, in 2026, to the average on the four previous years of the thirty year constant maturity rate (TEC 30), increased by 100 basis points.

Given the rates evolution, past and anticipated, this new formula, which would take into account progressively the transition from the 4.3% regulatory rate to an average rate calculated on 4 years, including a 100 basis point spread, should lead to a steadier evolution of the regulatory ceiling rate during the next few years, as opposed to the previous formula.

As a reminder, changes in nuclear provisions estimates resulting from a variation of the discount rate are recorded (see notes 1.3.2.1 and 29.1.5.2 to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*):

- as an increase or decrease of the corresponding assets, within the limit of their net book value, when the counterparty to the provision has been initially recorded as an asset;
- as a financial income for the period in other cases.

Therefore any change of the discount rate therefore has a punctual impact on the financial results of the year during which the discount rate change occurred, without equivalence for the following years.

The manner in which these risks are organised and the management principles applied thereto are described in sections 2.2.2.1 "Risk management and control approach" and 2.2.3.1.1.2 "Financial risks and investments control" and the measures taken to control these risks are explained in section 5.1.6.1 "Management and control of financial risks" of the 2016 *Document de Référence*. However, the EDF Group cannot guarantee that it is totally protected, in particular in the event of significant fluctuations in foreign exchange rates, interest rates and the equities markets.

Changes in financial regulations may adversely affect the profitability of trading activities and increase the cost of energy and financial markets risk hedging operations and more generally increase the risk of non-compliance with the new regulations.

International derivatives markets underwent extensive reforms following the financial crisis of 2008. In Europe, this reform has led in particular to the adoption of EMIR (European Market Infrastructure Regulation, Regulation no. 648/2012 adopted on 4 July 2012 by the European

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Parliament and Council). This European initiative has been followed in other jurisdictions in different forms, such as the Dodd-Frank Act in the United States. These reforms are gradually being implemented under the supervision of financial regulators. They seek *inter alia* to impose general clearing or collateral exchange requirements on derivatives transactions, but contain exemptions for companies that do not engage in bank-like activities.

In connection with its energy markets risk management activities (which are part of the EDF Group's "Energies Markets Risks" policy (see section 2.2.2.1 "Risk management and control approach" and section 2.2.3.1.1.1 "Control of energy market risks" of the 2016 *Document de Référence*) and financial risk management (as part of the EDF Group's policies internal controls described in section 2.2.2.1 "Risk management and control approach" and section 2.2.3.1.1.2 "Financial risks and investments control" of the 2016 *Document de Référence*), the EDF Group carries out derivatives transactions for hedging and trading purposes.

Current financial regulations may be amended or made more stringent by the European authorities, which may significantly restrict the scope of these exemptions for trading activities.

Therefore, the EDF Group cannot guarantee that, either due to the direct impact of these regulations or because market practices evolve in this direction, it will not be required to clear or exchange collateral for a greater share of its derivative transactions. If this were the case, this would ultimately require that the EDF Group furnish additional financial guarantees (in the form of cash, bank guarantees, equity, etc.) to execute its energies and financial market risk hedging and trading transactions, which would increase hedging costs and reduce trading profitability.

Moreover, Regulation (EU) no. 1227/2011 (REMIT regulation) on the integrity and transparency of wholesale energy markets (see section 1.5.7 "Regulations on the wholesale energy markets" of the 2016 *Document de Référence*) and Regulation (EU) no. 596/2014 (MAR regulation) on market abuse, are designed to prevent market abuse and manipulation and to enhance consumers and market players confidence. These regulations impose control- and transparency-related requirements on the issuers. Notwithstanding the fact that the EDF Group has implemented all the necessary measures to ensure that its practices comply with these two regulations, a risk of non-compliance with the provisions of these regulations cannot be totally ruled out, particularly in view of the recent nature of the MAR Regulation and the new or divergent ways in which national regulators may construe them.

A default by the EDF Group's counterparties (partners, subcontractors, service providers, suppliers or customers) may have an impact on its activities and results.

Like all economic operators, the EDF Group is exposed to possible default by certain counterparties (partners, subcontractors, service providers, suppliers or customers). A default by these counterparties may impact the EDF Group financially (loss of receivables, additional costs, in particular if EDF is required to find satisfactory alternatives or take over the relevant activates or pay contractual penalties). Such defaults could also impact the quality of work performed, completion deadlines or the procurement of certain critical products or services, and exposes the EDF Group to reputational risk, business continuity risk for certain projects or the loss of contracts.

The monitoring and oversight procedures applied within the Group in connection with its exposure to the counterparty risk inherent in its contractual relationships are described in

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section 2.2.3.1.1.2 “Financial risks and investments control” of the 2016 *Document de Référence*.

The EDF Group is involved, and could be involved in the future, in litigation or regulatory investigations which may adversely affect the EDF Group’s reputation, as well as its relationship with regulatory bodies and results.

As a result of its activities, the EDF Group is involved in several litigation and arbitration cases and regulatory investigations, of which material ones are described in section 2.4 “Legal proceedings and arbitration” of the 2016 *Document de Référence*. In the future, the EDF Group may be involved or exposed to such proceedings. The potential adverse outcome of these proceedings may entail the payment of damages, or result in other civil or criminal adverse consequences (including financial consequences) for the EDF Group. The implementation of class actions in France in 2014 and similar developments in other European jurisdictions, as well as recent or future regulatory changes, may increase litigation risks and related costs, which could have a negative impact on the EDF Group’s results and reputation.

Prohibited and unethical practices carried out by employees or third parties in the conduct of business could, in certain circumstances, adversely affect the EDF Group’s reputation and shareholder value.

The globalization of the EDF Group’s activities and the strengthening of regulatory frameworks repressing unethical practices in the conduct of business could expose the EDF Group, its employees, or third parties acting on the EDF Group’s behalf to criminal and civil sanctions that could adversely affect EDF’s reputation and shareholder value.

In France, Act no. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernization of economic life requires companies to take measures to prevent and identify acts of corruption or trading in influence, under the control of a French Anti-Corruption Agency established under the Act and under penalty of administrative or criminal penalties. This Law incorporates a system for protecting whistleblowers from possible criminal or disciplinary prosecution and provides, within a corporate framework, an internal alert reporting system (see section 1.5.6.1 “General regulations that are applicable to the environment, health, hygiene and safety” of the 2016 *Document de Référence*). These regulations could increase our compliance costs. Moreover, any failure to comply in any way with these regulations could lead to prosecutions being brought against EDF, which could have a negative impact on the EDF Group’s result and reputation.

The EDF Group could be held liable for the occurrence of occupational illnesses or accidents.

Although the EDF Group has for many years taken the steps necessary to comply with the health and safety laws and regulations in the various countries in which it operates, and considers that it has taken the measures required to ensure the health and safety of its employees and that of its subcontractors’, the risk of occupational illnesses or accidents cannot be excluded. The occurrence of such events may lead to lawsuits against the EDF Group and may result in the payment of damages, which could be significant.

For a description of the measures taken by the Group with regards to ionizing radiation, see section 1.4.1.1.3 “Environment, nuclear safety, radiation protection” of the 2016 *Document de Référence*.

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Regarding asbestos, the Group has taken measures to treat materials, as well as information and protection measures, as described in section 3.3.2 “The health and safety of our employees and our service providers’ employees: an absolute priority” of the 2016 *Document de Référence*. For a description of on-going legal proceedings, see sections 2.4.1 “Legal proceedings against EDF”, paragraph “Asbestos” and 2.4.2 “Legal proceedings against EDF’s subsidiaries and holdings”, paragraph “Measures taken by employees concerning exposure to asbestos or other harmful chemical substances” of the 2016 *Document de Référence*.

For its business, the EDF Group depends on information systems which may fail or be subject to malicious attacks.

The EDF Group operates multiple and very complex information systems (servers, networks, applications, databases, etc.) which are essential for the conduct of its commercial and industrial activities and which have to adapt to a rapidly changing environment. Indeed, the EDF Group’s business depends heavily on the efficiency of its technology and its information systems. The risk involved with operating such systems and technologies can take numerous forms, including disruption, malfunction or failure of any of these systems, computer viruses, piracy, identity theft, diversion of sensitive data, corruption of electronically stored data, violations of regulations, human errors and terrorist attacks. The increased frequency and sophistication of recent hacking incidents demonstrates the importance of these computer risks, as well as the financial and reputational damage that may result from such incidents.

The EDF Group has implemented procedures to test these systems in order to guarantee as far as possible that any new versions provide a level of functionality suited to the EDF Group’s needs and has set out procedures for managing incidents and crises in order to be able to provide solutions in the event of one-off failures. These procedures also address potential malicious attacks. Despite the EDF Group’s multiple security measures, none of these events may be completely excluded, which could have significant adverse consequences for the EDF Group.

The EDF Group has also implemented a policy to strengthen and improve its back-up programmes and information systems, which are tested annually, and crisis management procedures have been set out which are regularly improved through feedback from incidents. However, the EDF Group cannot guarantee that these programmes will not encounter technical difficulties during deployment or delays affecting their real-life implementation or that such programmes will make it possible to limit, in the event of a major disaster, the negative impact on the activity and the EDF Group’s financial position.

Specific risks related to the EDF Group’s nuclear activities

EDF’s nuclear business creates specific risks for the following reasons:

- as with any nuclear operator, the latter’s obligations means giving ongoing priority to nuclear safety, based on technical and organizational provisions in order to guard against a nuclear accident and, in the hypothetical event of an accident occurring, to limit the consequences of such an accident. The nuclear business is carried out under the control of nuclear safety authorities in countries where the EDF Group exercises nuclear operator responsibility;

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- as the nuclear business inherently requires substantial and long-term investments, special care must be taken with regard to the soundness and efficiency of the maintenance and upgrading projects for the fleet in operation, new reactor projects and compliance with very long-term commitments;
- the nuclear business is an industrial activity that brings together a large number of industrial partner in France, Europe and throughout the world. In France, the public authorities have entrusted EDF with its leadership role in the nuclear sector, which entails specific risks associated with these orchestration and management obligations;
- in light of the fact that EDF is the world's largest nuclear operator, exploiting global feedback and making comparisons with best practices internationally represents an ongoing challenge to ensure that the EDF Group is best situated to be able to sustainably manage the risks and opportunities associated with being world leader;
- the nuclear business requires that the EDF Group be able to control large complex projects which might continue over a number of years. In turn, such projects require that modern and innovative technologies be acquired and mastered;
- increased number of requests emanating from the French Nuclear Safety Authority and enhanced controls may increase EDF's compliance costs and risks.

The EDF Group is the world's leading nuclear operator in terms of the number of plants in operation (73 reactors for which the EDF Group is the nuclear operator, among 449 operating reactors in the world³¹). Nuclear-generated electricity accounts for 48.3% of installed electrical power and 72.3% of total electricity generation in France in 2016³². EDF also operates nuclear assets in the United Kingdom with 19% of production in 2015³³. In addition, the EDF Group holds minority stakes in nuclear power plants in the United States (through Constellation Energy Nuclear Group LLC (CENG)), Belgium and Switzerland, which it does not operate. The share of nuclear energy in the EDF Group's electricity mix is thus a major competitive advantage. The EDF Group also plays an active role in construction projects for new nuclear plants in France, the United Kingdom, China and potentially in other countries.

Any event adversely affecting nuclear power at the global level is likely to have a greater impact on the EDF Group's image, activities, productivity, financial position, results and outlook than for its competitors who use this source of energy proportionally less. As from the first analyses following the accident at the Fukushima nuclear power plant, EDF decided to strengthen its crisis management organization in France through a national mechanism capable of rapidly providing material and human assistance to a site experiencing great

³¹ Source: Agence Internationale de l'Énergie Atomique, "Power Reactor Information System", source: <https://www.iaea.org/pris> indicates that there are 449 nuclear reactors in operation worldwide as of 8 February 2017.

³² Source: 2016 Electricity Report, RTE, p. 13 – <http://www.bilan-electrique-2016.rte-france.com/>

³³ Source: <http://www.iaea.org/pris/>

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difficulty, known as the Nuclear Rapid Action Force (FARN) (see section 1.4.1.1.3 “Environment, nuclear safety, radiation protection” of the 2016 *Document de Référence*).

Due to its nuclear activities, the EDF Group is exposed to significant liability risks and potentially significant additional operating costs.

Although the EDF Group has adopted strategies and procedures to control risks and incorporate international feedback for its nuclear activities that are consistent with best international standards³⁴, such activities, by their nature, still present potential risks. Therefore, the EDF Group may face significant liability as a result of *inter alia* incidents and accidents, security breaches, malicious or terrorist acts, aircraft crashes, natural disasters (such as floods or earthquakes), equipment malfunctions or problems in the course of storing, handling, transporting, processing or packaging nuclear substances and materials. Such events could lead to significantly stricter operating requirements for nuclear plants, or to a partial or total halt of the operation of the EDF Group’s power generation plants, and may have serious consequences, especially in the event of radioactive contamination or irradiation of persons working for the EDF Group, or the general population and the environment, as well as a material adverse impact on the EDF Group’s activities, strategy, outlook and financial position.

Indeed, a nuclear operator is responsible for the nuclear safety of its facilities.

The nuclear civil liability scheme that applies to nuclear facility operators of States Parties to the Paris Convention, and the insurance applicable thereto, are described in section 1.5.6.2.2 “Specific regulations applicable to basic nuclear facilities” and section 2.5.6 “Specific insurance for nuclear facility operations” of the 2016 *Document de Référence*. This scheme is based on the principle of the operator’s strict liability. Accordingly, if an event occurs that causes nuclear damage, the EDF Group would be automatically liable up to a monetary maximum set by the law applicable in the country, regardless of the source of the event that caused the damage and any safety measures that may have been taken.

The EDF Group cannot guarantee that in countries where it operates nuclear facilities the maximum liability set by law will not be increased or cancelled. For example, the protocols amending the Paris Convention and the Brussels Convention, not yet in force (see section 1.5.6.2.2 “Specific regulations applicable to basic nuclear facilities” of the 2016 *Document de Référence*), provide for these maximum amounts to be increased and a substantial expansion of the damage to be covered. The new amounts are applicable as of 18 February 2016 under Act no. 2015-992 of 17 August 2015 on Energy Transition for Green Growth and the amount of the operator’s liability in France now amounts to €700 million in the event of a nuclear accident in a facility and €70 million for nuclear accidents during transport. The entry into force of the other changes laid out in these protocols is likely to increase yet again the cost of insurance and the EDF Group cannot guarantee that insurance covering this liability will always be available or that it will always be able to maintain such insurance.

The insurance cover for the Group’s civil liability as a nuclear operator is described in section 2.5.6.1 “Civil liability of nuclear facility operators” and for insurance coverage for transport of nuclear materials in section 2.5.6.2 “Civil liability for transport of nuclear substances” of the 2016 *Document de Référence*.

³⁴ Exploitation of standards and feedback from the International Atomic Energy Agency and the World Association of Nuclear Operators WANO.

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Property damage to EDF's nuclear facilities is covered by insurance programmes (see section 2.5.6.3 "Damage to nuclear facilities" of the 2016 *Document de Référence*). Despite this cover, any event that may cause significant damage to a nuclear facility of the EDF Group could have an adverse impact on the EDF Group's business and financial position.

Lastly, the EDF Group cannot guarantee that the insurers that cover both its liability as a nuclear plant operator and property damage to its facilities will always have available capacity or that the costs of cover will not significantly increase, particularly in light of the impacts on the insurance market of events such as the nuclear accident in Japan that occurred on 11 March 2011.

A serious nuclear accident anywhere in the world may have significant consequences for the EDF Group.

Despite the measures taken during their design or operation, a serious accident at a nuclear facility cannot be excluded, such as the nuclear accident in Japan, following the earthquake and tsunami that devastated the north of the country on 11 March 2011. This type of accident may turn public opinion against nuclear power and lead the competent authorities to substantially tighten power plant operating requirements or to refuse authorisation for proposed extensions of the operating life of power plants, leading to a temporary or permanent suspension of the operation of one or more nuclear facilities, or leading the authorities to consider a moratorium on the use of nuclear power to generate electricity and, therefore, to suspend or cancel all on-going nuclear power plant development projects. Such decisions were taken in Germany (suspension of nuclear power generation) and Italy (suspension of nuclear power plant construction projects) following the Fukushima accident. Such decisions could be taken even if no accident occurs.

If such an accident were to occur near one or more of the EDF Group's facilities, it could also contaminate the environment and thus jeopardise their operation.

Such events would have a major adverse impact on the business model, strategy, activities, results, financial position and outlook of the EDF Group.

The EDF Group's nuclear business is subject to particularly detailed and demanding regulations that may become more stringent.

The EDF Group's nuclear business is subject to detailed and demanding regulations, with a system in place, in particular in France, that monitors and periodically re-examines operating conditions, which focus, firstly, on nuclear safety, environmental and public health protection, but also on national security considerations (terrorist threats, in particular). These regulations may be significantly tightened by national or European authorities (see section 1.5.6.2.2 "Specific regulations applicable to basic nuclear facilities" of the 2016 *Document de Référence*). Furthermore, stricter regulations or possible non-compliance with current or future regulations could result in the temporary or permanent shutdown of one or more of the EDF Group's plants or financial penalties as stated in Article L. 596-4 of the French Environment Code. Cases of non-compliance with regulations are also likely to be used by third parties against EDF and brought before the courts.

Such events may result in a significant increase in the costs of the EDF Group's nuclear power plants, which may have an adverse impact on its financial position.

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For example, EBITDA was adversely affected by the -8TWh decrease in nuclear generation in the first half of 2017 compared to the first half of 2016, which mainly resulted from shutdowns in connection with additional inspections related to irregularities highlighted in 2016 in the AREVA plant in Le Creusot and to the completion of tests of the steam generators concerned by the carbon segregation issue during the first quarter of 2017.

For its nuclear business, the EDF Group depends on a limited number of contractors.

Although the EDF Group has adopted a policy to diversify the suppliers and service providers for its nuclear business, it is currently dependent on a limited number of contractors and persons who have the necessary qualifications and experience. This limits competition in the markets in which EDF is a buyer and exposes the EDF Group to the risk of a default of one or more of these suppliers or service providers with specific expertise, which could have an adverse impact on the EDF Group's results and financial position. This is especially the case for AREVA, Westinghouse and Alstom (which was acquired by General Electric in November 2015), but also for most nuclear industry manufacturers and the principal maintenance service providers (see section 2.3 "Dependency factors" of the 2016 *Document de Référence*). Changes to the shareholding or governance of these various providers may also have an impact on the cost or quality of the services carried out and products delivered.

The failures observed in 2015 and 2016 in the AREVA manufacturing plants have had and will continue to have a significant impact on the availability of the nuclear power plants in operation and on the provision of equipment for new nuclear projects (see sections 1.4.1.1 "Nuclear electricity generation" and 1.4.1.2 "New Nuclear Projects" of the 2016 *Document de Référence*).

Following the irregularities highlighted in 2016 in the AREVA plant in Le Creusot, systematic controls, which took place over several months, negatively impacted the availability of the nuclear units and the EDF Group's financial performance until 1 March 2017.

These anomalies are subject of specific risk control clauses in the AREVA reactors business acquisition transaction. The contract signed on 15 November 2016 between EDF and AREVA setting the terms of the sale of an interest of 51% to 75% of the capital of New NP, initially a 100% subsidiary of AREVA NP, giving EDF exclusive control over this company, provides that AREVA SA will continue to guarantee the contractual obligations associated with the discovery of irregularities in the quality control of manufacturing equipment in the Le Creusot plant, and, if need be, the Saint-Marcel and Jeumont plants and that the conclusion of the transaction, scheduled for the second half of 2017, remains subject to obtaining favorable conclusions from the ASN regarding, in particular, the outcome of the tests on the primary circuit for the Flamanville 3 reactor and completion and satisfactory conclusions of the quality audits at le Creusot, Saint-Marcel and Jeumont plants. Notwithstanding such clauses, these defects could have unfavorable consequences, notably on the business of New NP. The EDF Group's dependency on AREVA's performance levels or the occurrence of a risk not covered by the guarantee granted by AREVA SA could negatively impact its financial position.

Furthermore, on 16 August 2017, the ASN issued a draft decision regarding the review by EDF of the manufacturing records for the parts forged at Le Creusot plant. The timetable contained in this decision is incorporated into EDF's scheduling of unit outages and EDF teams are organized to submit the information requested by the ASN no later than two

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months before the scheduled date of return to service of each relevant reactor and, in any case, no later than the end of December 2018 for the overall EDF's nuclear reactor fleet. Concerning the reactors currently subject to an outage, the information requested by the ASN was submitted by the required deadlines.

The EDF Group is exposed to changes in the conditions for procuring uranium and conversion and enrichment services.

The EDF Group's operating costs include nuclear fuel purchases.

For its nuclear power plants in France and the United Kingdom, EDF purchases uranium and conversion and enrichment services through long-term contracts containing hedging mechanisms that mitigate and smooth price fluctuations over time. Its main supplier is the AREVA group, but EDF pursues a diversification policy by also buying supplies from other industrial companies (see section 2.3 "Dependency factors" and section 1.4.1.1.4 "The nuclear fuel cycle and related issues" of the 2016 *Document de Référence*). Prices and availability of uranium and conversion and enrichment services are subject to fluctuations due to factors that are *inter alia* political and economic and that the EDF Group cannot control (in particular, the profitability outlook of mining investments, imbalances between supply and demand or supply shortages associated with, for example, an operating accident in a uranium mine or a combined cycle plant, delays in commissioning new mines or events leading to political instability in a uranium producing country).

However, the EDF Group cannot guarantee that its contracts, in France and abroad, will completely protect it from sudden or significant price increases. The EDF Group cannot guarantee that when these long-term contracts expire, it will be able to renew them, in particular at an equivalent price. This could have an adverse impact on the EDF Group's financial position.

To operate its nuclear power plants, the EDF Group relies on proper functioning of road and rail transport, in particular for the transport of fuel.

The transport of new or spent nuclear fuel is a very particular operation that requires specific and restrictive safety and security measures. These constraints could become more stringent, generating additional difficulties and costs for the EDF Group. Furthermore, several factors that are beyond the EDF Group's control (such as opposition by local residents or anti-nuclear associations, for example, in the form of manoeuvres to prevent nuclear material from being shipped) may slow these operations. Operations may also be interrupted, in particular, in the event of an accident. In such case, the EDF Group may be required to slow or halt some or all power generation at the relevant sites, either due to non-delivery of new fuel assemblies or the saturation of onsite storage facilities, which may have an adverse impact on the EDF Group's financial position (see section 1.4.1.1.4 "The nuclear fuel cycle and related issues" of the 2016 *Document de Référence*).

The nuclear power plants that the EDF Group operates may require significant or costly repairs or modifications.

The group of nuclear facilities that the EDF Group currently operates in France is highly standardised (see section 1.4.1.1.1 "EDF's nuclear fleet" of the 2016 *Document de Référence*). This enables the EDF Group, in particular, to achieve economies of scale in equipment purchases and engineering, to apply improvements made to its newest power plants to all plants and, in the event of a malfunction in a facility, to anticipate the measures

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to be taken in other plants. However, such standardisation carries the risk of a malfunction that is common to several power plants or series of power plants (see section 1.4.1.1.2 “Operation and technical performance of the nuclear fleet” of the 2016 *Document de Référence*). The EDF Group cannot guarantee that it will not be required to make significant or costly repairs or modifications to all or some of its plants, or that events will not occur that may have an impact on the operation of its plants or their output or cause a temporary or permanent shutdown of all or some of its plants.

Thus, at the time of the safety re-evaluations conducted during the ten-year inspections and following the Fukushima accident, the EDF Group was led, both on its own and as a result of the requirements of the ASN, to draw up a substantial work programme. This programme, called the “Grand Carénage” is intended to renovate existing plants, increase the safety level of reactors and, if the conditions are met, extend their operating life. This programme, which was approved in principal by the Board of Directors, involved additional investments as from 2015 and the upcoming years and bringing forward certain expenditures that were already planned before the Fukushima accident (see section 1.4.1.1.2 “Operation and technical performance of the nuclear fleet” and section 1.4.1.1.5 “Preparing for the future of the nuclear fleet in France” of the 2016 *Document de Référence*). Industrial implementation of these works in power generation facilities will involve increased costs and a greater use of internal resources and the industrial fabric, and may also result in a loss of availability in future years. Implementation-related uncertainties affecting the *Grand Carénage* program include possible delays in the examination of the authorisations required to initiate operations, in particular as regards the authorisations to be granted by the ASN. Such uncertainties may also concern the manufacture and delivery on site of new equipment or work carried out on-site in a situation where a large number of industrial operations are being carried out at the same time.

In France, further controls are ongoing to confirm that certain steam generators are capable of functioning safely, requiring the shutdown of a number of nuclear reactors operated by EDF. This had led, and could lead in the future, to the EDF Group’s nuclear production and/or financial targets being revised downward (see section 1.4.1.1 “Nuclear electricity generation” of the 2016 *Document de Référence*). Furthermore, the EDF Group operates or holds equity interests in nuclear power plants elsewhere in the world, in particular the United Kingdom, Belgium and the United States, and it may also be required to make costly repairs or modifications to these units or it could be faced with events that may impact their performance, power generation or availability. Like in France, the nuclear safety authorities in these countries may take decisions that require additional works or controls, in particular as regards exploiting feedback from international experience and anticipating potentially precursory events. This was the case in 2014 and 2015 in the United Kingdom, where a fault detected on a “RAG” type reactor (advanced gas-cooled reactor) led to further tests being conducted on three other similar reactors and where, as a precaution, pending the results of the on-going expertise, the four reactors were authorised to restart only at reduced power.

Furthermore, despite the quality of operations and the changes made by the EDF Group to its power stations, it cannot be ruled out that some of these powers stations will be subject to special operating conditions to reinforce the operating safety margins at the initiative of the nuclear operator responsible for nuclear safety or at the request of the ASN.

All such events may have an adverse impact on the EDF Group’s financial position and activities.

The EDF Group may not be able to obtain the authorisations necessary to extend the operating life of its power plants beyond the periods currently planned or it may not be authorised to operate its power plants until the end of such periods.

In France, in connection with the studies associated with the third ten-year inspections of the 900MW units, in early July 2009 the ASN publicly stated that it had not detected any generic problem calling into question EDF's ability to ensure the safety of its 900MW reactors for up to 40 years. As required by the regulations, the ASN's position has been supplemented by a decision made for each reactor following each of the third ten-year inspections (see section 1.4.1.1.5 "Preparing for the future of the nuclear fleet in France" of the 2016 *Document de Référence*). Accordingly, at the end of 2016, more than 80% of the 900MW segment units have undergone their third ten-year inspection and, for 9 of them, the ASN has already submitted its final advice to the Minister and has not objected to their continued operation, subject to their complying with additional requirements.

To postpone construction of new units and the investments associated therewith, and to continue to receive cash flows from its existing fleet, the EDF Group seeks to extend the operating life of its nuclear power plants in France beyond 40 years. In 2012, the ASN had the improvement proposals submitted by EDF reviewed by the permanent "reactors" group, which judged these proposals positively, although it recommended that they be supplemented and, in certain cases, reinforced. Discussions with the ASN are continuing on this basis. The ASN clarified in a letter dated 20 April 2016 its opinion regarding the generic guidelines for the periodic re-evaluation associated with the fourth ten-year inspections of the 900-MWe reactor (VD4-900), which was the subject of the permanent "Guidelines" group meeting of April 2015. This re-evaluation, like previous ones, will include, on the one hand, verifying that the facilities comply with the current standards and, on the other hand, carrying out a safety reassessment in order to further improve the level of safety by taking into account best international practices and the state of the facilities, the experience gained during the operation and developments in knowledge and rules which might apply to similar facilities.

A final opinion on the "generic" phase of this re-evaluation is expected in 2019 (see section 1.4.1.1.5 "Preparing for the future of the nuclear fleet in France" of the 2016 *Document de Référence*), and the final post-40-year operating authorisation will be made on a reactor-by-reactor basis. Solutions are being developed to show that non-replaceable equipment (*i.e.* containment enclosures and reactor vessels) are capable of functioning for up to 60 years. These studies are designed to confirm the availability of safety margins for operating lives of nuclear power plants after 40 years under review.

In 2016, all the technical, economic and governance conditions necessary for the amortization period of France's nuclear fleet with the EDF Group's industrial strategy to match were met (see notes 1.3.2 "Management judgments and estimates" and 3.1 "Extension to 50 years of the depreciation period of the 900MW PWR series in France" to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*). The consolidated financial statements dated 31 December 2016 incorporate the 40 to 50 year extension of the amortisation period of the REP 900MW units (except Fessenheim) as of 1 January 2016, without prejudice to any decisions which might be made by the ASN following each ten-year inspection regarding authorisations to continue operations for each level following each ten-year inspection.

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The amortization period for the other levels of the France nuclear power plant (1,300MW and 1,450MW), which are more recent, is at this point maintained at 40 years, since the conditions for an extension have not been met at this stage. The subsequent extension of these other levels continues to be part of the EDF Group's industrial strategy.

However, the EDF Group cannot guarantee that it will receive the expected extension from the competent authorities in France. Furthermore, such extensions could also be obtained under certain conditions, the financial impact of which, in particular in terms of investments, could affect the EDF Group's strategy with respect to extending the operating life of its power plants or the EDF Group's ability to pursue its global investment strategy.

In the United Kingdom, the current projected operating life of EDF Energy's nuclear power plants ranges between 41 and 47 years for advanced gas-cooled reactor (RAG) power plants and is 40 years for the pressurised water reactor (PWR). Since EDF Energy acquired them, the operating life of the RAG power plants has been extended by 10 years on average and the objective is to increase the operating life of the PWR power plants by 20 years (see section 1.4.5.1.2.1 "Nuclear generation" of the 2016 *Document de Référence*). However, in light of the safety rules applicable in the United Kingdom, the EDF Group cannot guarantee that EDF Energy will obtain the necessary authorisations at the appropriate time to operate its existing nuclear power plants until the end of their currently projected operating life, or that such authorisations will not be obtained subject to conditions that entail significant expenditures or investments for the EDF Group.

For nuclear power plants where EDF is not responsible for the operation, but in which it has financial interests (United States, Belgium, Switzerland), the EDF Group is exposed to the same risks financially: loss of revenue and depreciation of assets in the event of a stoppage or necessity of making additional investments to continue to operate. However, the EDF Group cannot guarantee that these power plants will be actually operated for the periods currently anticipated, particularly in the event of an incident affecting the safety or availability of the facilities.

If any of these events occur, they may have a material adverse impact on the EDF Group's financial position.

A decision by the French public authorities to halt one or more nuclear power generation units could have material adverse consequences for the EDF Group.

The Act no. 2015-992 of 17 August 2015 on Energy Transition for Green Growth calls for the nuclear component in electricity generation to be reduced by 50% before 2025. It also caps at current levels (63.2GW) the total authorised capacity of nuclear electricity generation. In practical terms, this provision forces EDF, in order to obtain permission for the commissioning of any new nuclear generating capacity (such as permission from the Flamanville EPR), to shut down any equivalent capacity. Accordingly, it might be decided to prematurely terminate one or more units in the EDF fleet owing not to an industrial choice but rather to the need to apply legislation. Such decisions might result in EDF receiving compensation for the damage suffered, as recalled by the French Constitutional Council in its decision of 13 August 2015, provided that the payment of compensation is compatible with applicable European regulations.

To this end, discussions with the French government concerning the compensation protocol for the closure of the nuclear capacity at Fessenheim have been taken into account for 2016

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in Amending Finance Law no. 2016-1918 dated 29 December 2016. Such discussions have resulted in a draft protocol defining the compensation provisions described in section 1.4.1.1.6 “Decommissioning of nuclear power plants” of the 2016 *Document de Référence*. This protocol, approved by EDF’s Board of Directors and the European Commission, provides for a compensation scheme based on (i) a fixed part estimated to date at approximately €490 million with an estimated payment of 20% in 2019 and 80% in 2021 and (ii) an additional variable part which may, as the case may be, result in further payments, reflecting the losses incurred by EDF until 2041 (see section 1.4.1.1.6 “Decommissioning” of the 2016 *Document de Référence*). According to the EDF Board of Directors held on 6 April 2017, the irreversible and inevitable closure of Fessenheim will occur if (i) the repeal of the authorization to operate the Fessenheim power plant only takes effect on the date of commissioning Flamanville 3 EPR and (ii) the closure of the Fessenheim power plant is necessary in order to comply with the legal ceiling of 63.2 GW both on the date of the request for repeal and on the date of commissioning Flamanville EPR 3. The Board of Directors instructed the Chairman and Chief Executive Officer to issue, within the six months prior to the commissioning of the Flamanville 3 EPR, this request for repeal under the above conditions.

This issue potentially concerns all the EDF Group’s nuclear assets. In addition, it may be decided that new nuclear construction projects, in which the EDF Group has already invested considerable sums, should be halted.

Such events would have material adverse consequences on the outlook, financial position, results and image of the EDF Group, which would lead the latter to request compensation that it is not certain to obtain.

Construction of EPRs may encounter problems meeting the implementation schedule or the budgetary envelope or not be completed.

The EDF Group initiated the construction of the European Pressurised water Reactor (EPR) in Flamanville (see section 1.4.1.2 “New Nuclear Projects” of the 2016 *Document de Référence*) in order to renew its nuclear fleet in France and to use it as a prototype for the construction of new plants abroad.

In September 2015, EDF submitted a new timetable and updated construction costs for this project for a total amount of €10.5 billion. In accordance with the new timetable, EDF launched its system performance tests on 15 March 2017. These tests will take place until the last quarter of 2018, at the end of which the loading of nuclear fuel and initial launch of the reactor are expected to occur. The new organization adopted and progress made for this project are presented in section 1.4.1.2.2 “Update on the Flamanville EPR Project” of the 2016 *Document de Référence*.

The implementation of this timetable remains nonetheless dependent on specific authorisations which remain to be issued by the ASN (equipment qualification, loading authorisations, commissioning authorisations, etc.). The EDF Group may not obtain the necessary authorisations or these authorizations may be challenged by court or administrative rulings. With respect notably to the Flamanville EPR Project, which is a new reactor, difficulties, technical or other, may yet occur during the control of manufacturing quality (as for components of AREVA NP from Le Creusot plant) and during the equipment qualification that follows, throughout onsite construction, with suppliers who operate activities

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regulated by new EUNP requirements (Equipment Under Nuclear Pressure – *équipements sous pression nucléaire* (ESPN)) on a large scale, and finally during testing or early stages of the operation of the EPRs.

These difficulties could slow or prevent the construction of other EPRs, alter the schedule for commissioning them or affect their performance. Stricter regulatory constraints (such as the implementation of the ESPN Decree on nuclear pressure equipment) may have similar effects. In addition, total construction costs, which have already been reassessed, could be higher than EDF currently estimates.

Two EPR reactors are under construction and in the start-up phase in Taishan, China. The EDF Group has a 30% stake in these reactors alongside its Chinese partner CGN (China General Nuclear Power Corporation) within TNPJVC (Taishan Nuclear Power Joint Venture Company Limited). The first reactor entered the hot-testing phase in November 2016 (see sections 1.4.1.2.3.2 “Taishan EPR” and 1.4.5.3.6. “Asia-Pacific” of the 2016 *Document de Référence*). Events affecting the start-up or commissioning of these two reactors may have an impact on the Flamanville 3 reactor (additional design or operational provisions).

In the United Kingdom, on 15 September 2016, the UK Government confirmed its intention to implement its commitments relating to the Hinkley Point C project under the terms and conditions approved by the EDF Board of Directors. On 29 September 2016, EDF signed the Hinkley Point C contracts in London with the UK Government and its Chinese partner CGN. The final decision to invest in the Hinkley Point C project by the EDF Board of Directors resulted in a number of legal proceedings (see section 2.4.1 “Legal proceedings against EDF”, paragraphs “Application to the Regional Court in Paris by EDF SA’s central works council”, “Application to the urgent applications judge sitting at the Regional Court in Paris by EDF SA’s central works council” and “Application to the Commercial Court in Paris by five EDF SA employee representative directors” of the 2016 *Document de Référence* and paragraph “Action against the final investment decision for the Hinkley Point C project” in the “Recent Events – 7. Litigation” section of this Base Prospectus). In addition, after the completion of the review of the costs and timetable of this project, announced on 3 July 2017, and based on the reference exchange rate for the Hinkley Point C project (*i.e.*, 1 sterling = 1.23 euro, the “2015 Sterling”), the total cost of this project is estimated at £19.6 billion in 2015 Sterling³⁵, an increase of £1.5 billion in 2015 Sterling, compared to previous evaluations, with a forecast return rate estimated at approximately 8.5% compared to about 9% initially. This estimate includes successful operational action plans, in partnership with suppliers. The estimated additional costs³⁶ result mainly from a better understanding of the design adapted to the requirements of the British regulators, the volume and sequencing of work on site and the gradual implementation of supplier contracts. The risk of deferral of delivery for the Hinkley Point C project is estimated at 15 months for unit 1 and 9 months for unit 2 and would entail an additional potential cost of around 0.7 billion in 2015 Sterling; under this assumption, the EDF’s projected rate of return would be around 8.2%. EDF also signed two other agreements with CGN concerning studies on two nuclear construction projects in the UK, Sizewell C and Bradwell B. Agreements that secure the income of Hinkley Point C specify the price revision in the Contract for Difference in the case of an investment

³⁵ Excluding interests during construction and excluding forex effect versus the reference exchange rate for the Hinkley Point C project.

³⁶ Net of action plans.

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decision concerning Sizewell C. EDF's ability to make a final investment decision and to finance these projects beyond the development phase may depend on the existence of partners.

The technical and regulatory risks, along with the risks of not meeting the schedule and budgetary envelope of the EPR projects in the UK are described in section 1.4.5.1.2.5 "Nuclear New Build business" of the 2016 *Document de Référence*.

The EDF Group is responsible for most spent fuel and radioactive waste from its nuclear power plants, especially Long Life Medium- and High-level waste from spent fuel.

The nuclear fuel cycle is described in section 1.4.1.1.4 "Nuclear fuel cycle and related issues" of the 2016 *Document de Référence*. In France, as an operator of nuclear power plants and radioactive waste producer, EDF is legally responsible for spent fuel from the time it leaves the power plant and for radioactive waste processing and long-term management operations. EDF assumes this responsibility both on the technical and financial levels in accordance with guidelines laid down by the public authorities and under their supervision. EDF is also responsible for all nuclear waste generated during plant operations and decommissioning.

The EDF Group's liability may be alleged, in particular as a nuclear power operator or producer of radioactive waste within the meaning of applicable legislation on waste, in the event of an accident or any damage to third parties or the environment from spent fuel or waste, even if they are handled, transported, kept, warehoused or stored by contractors other than the EDF Group (especially, in France, the AREVA group and the French National Agency for the Management of Radioactive Waste (ANDRA)), in particular in the event of a breach by such contractors. If the EDF Group were held liable for damage to third parties, the specific strict liability scheme applicable to nuclear plant operators would apply, up to the maximum amounts specified by this scheme (see section 1.5.6.2.2 "Specific regulations applicable to basic nuclear facilities" of the 2016 *Document de Référence*).

In France, the long-term management of radioactive waste has been the subject of various initiatives under the programme Acts no. 91-1381 of 30 December 1991 on research on radioactive waste management and no. 2006-739 of 28 June 2006 on sustainable management of radioactive materials and waste (see section 1.4.1.1.4 "The nuclear fuel cycle and related issues" – "Long-Lived High-Level Waste (HLW-LL)" of the 2016 *Document de Référence*). The EDF Group cannot guarantee that all long-life high- and medium-level waste will constitute "final radioactive waste" within the meaning of Article 6 of the Act of 28 June 2006 and, therefore, that such waste may be directly stored in deep geological layers, especially as the nuclear order of 10 February 2016 adopted pursuant to Act no. 2015-992 on Energy Transition for Green Growth empowers the administrative authority to reclassify radioactive material as radioactive waste and radioactive waste as radioactive material.

Furthermore, the EDF Group cannot guarantee the timeframe in which the public authorities will authorise such storage, or predict certain technical instructions related to such authorisations, which creates uncertainties about the future of the waste, the resulting liability and costs for EDF (see section 1.4.1.1.4 "The nuclear fuel cycle and related issues" – "Storing conditioned ultimate waste" of the 2016 *Document de Référence*).

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In the United Kingdom, when British Energy was restructured, agreements were entered into with the authorities concerning the management of certain radioactive waste from existing nuclear power plants (see section 1.4.5.1.2.1 “Nuclear generation” of the 2016 *Document de Référence*). Under the terms of these agreements, the liability and certain costs associated with the management of certain radioactive waste are transferred to the British government. However, EDF Energy Nuclear Generation Ltd. remains financially, technically and legally liable for the management, storage and processing of waste that does not come within the scope of the aforementioned agreements.

Directive no. 2011/70/Euratom of 19 July 2011 confirms the Council’s intention to establish a shared European framework for the responsible and safe management of spent fuel and radioactive waste (see section 1.5.6.2.2 “Specific regulations applicable to basic nuclear facilities” of the 2016 *Document de Référence*).

For nuclear power plants which EDF does not operate, but in which it has financial interests (United States, Belgium, Switzerland), the EDF Group is exposed financially in proportion to its shareholding to contribute to future expenditures related to the management of spent fuel and waste. The EDF Group cannot guarantee that it will have available, in a timely manner and under acceptable financial conditions, long-term storage and treatment solutions for the radioactive waste generated by the power plants which it operates in the relevant countries, which could have an adverse impact on the EDF Group’s financial position.

Provisions booked by the EDF Group for spent fuel processing operations and long-term waste management may increase significantly in the event that the assumptions for the costs and work time sequencing are revised.

In France, EDF has booked provisions for spent nuclear fuel management operations (transport, processing, conditioning for recycling) (see note 29.1.1 to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*) based on the price and volume conditions of the master agreement signed with AREVA in December 2008 and broken down in the successive implementation agreements. The implementation agreement for the period from 2016-2023 was signed in February 2016 (see section 1.4.1.1.4 “The nuclear fuel cycle and related issues” of the 2016 *Document de Référence*). The amount of provisions currently booked to cover the period not covered by the current agreement should be reassessed if the terms under which this agreement is renewed prove more onerous than those currently applicable. EDF has also booked provisions for long-term waste management based on an assumption of geological storage, and on a reasonable interpretation of the work conducted in 2006 by a working group comprising ANDRA, the public authorities and radioactive waste producers (see note 29.1.2 to the consolidated financial statements for the financial year ended 31 December 2016 and section 1.4.1.1.4 “The nuclear fuel cycle and related issues” of the 2016 *Document de Référence*). Following new calculations of the costs of deep storage under the supervision of the French *Direction Générale de l’Énergie et du Climat* (DGEC) in conjunction with EDF, the Minister of Ecology, Sustainable Development and Energy, in an order of 15 January 2016, set the new reference cost at €25 billion under the economic conditions of 31 December 2011. This change in cost was reflected in the EDF Group’s late-2016 financial statements (see note 29.1.2 to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*). The current estimate is based on the assumptions of the preliminary design and will be regularly revised based on the progress of the project, as stated in the Ministerial order.

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The amount of the provisions currently booked is nonetheless subject to change in the upcoming years. Determining the amount of these provisions is sensitive to assumptions made in terms of costs, inflation rate, long-term discount rate and payment schedules. Pursuant to the French Environment Code, the amount of these provisions may be controlled by the administrative authority formed jointly by the Ministry for the Economy and the Ministry of Energy, which shall verify in particular the adequacy of the provisioned expenses and imposes a cap on the discount rate for the provisions. Given these sensitivity factors, changes in certain parameters may require significant adjustments of the provisions booked. In such case, any insufficiency of provisions for long-term nuclear commitments may have a material adverse impact on the EDF Group's financial position (see note 29.1.5 to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*).

Note 29.1.5.2 "Analyses of sensitivity to macro-economic assumptions" of note 29.1 "Nuclear provisions in France" to the consolidated financial statements as of 31 December 2016, included in the 2016 *Document de Référence*, indicates the connection between "costs based on year-end economic conditions", which represent estimated amounts as at 31 December 2016, and "provisions made at present value". Regarding spent fuel management, costs based on year-end economic conditions are estimated at €18,460 million and amounts in provisions at present value are valued €10,658 million. As for long-term radioactive waste management, costs based on year-end economic conditions are estimated at €29,631 million and amounts in provisions at present value are valued €8,966 million, as the discounting effect is very significant due to distant waste storage maturities. Note 29.1.5.2 indicates the analyses of sensitivity of the provisions and the EDF Group's results to a discount rate change, for the different types of provisions.

Provisions booked by the EDF Group for decommissioning operations for nuclear power plants may increase significantly if assumptions are revised. In particular, decommissioning existing nuclear facilities may present currently unforeseen difficulties or be much costlier than currently anticipated.

Given the size of the EDF Group's nuclear fleet, decommissioning presents a significant technical and financial challenge. Although the EDF Group has assessed the challenges, in particular the technical challenges, involved in decommissioning (particularly decommissioning the first-generation power plants in France), and has identified the solutions to be developed, it has not yet decommissioned nuclear power plants similar to those currently in service. Chooz A is a pressurised water reactor already being decommissioned, similar in technology to the 58 units in operation but of older design. The whole decommissioning programme for the first generation of reactors is ongoing (see section 1.4.1.1.6 "Decommissioning of nuclear power plants" of the 2016 *Document de Référence*).

In France, the EDF Group has booked provisions to cover the anticipated costs of decommissioning and managing the last cores. However, the amount of current provisions is likely to change in the next few years. Indeed, determining the amount of these provisions is sensitive to assumptions made in terms of technical processes, costs, inflation rates, long-term discount rates and payment schedules. The amount of these provisions, in accordance with the French Environment Code, is subject to control by the administrative authority, which verifies in particular the adequacy of the provisioned expenses and imposes a cap on the discount rate for the provisions. The timeframe and costs of these works also depend on

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administrative authorisations and the availability, at required times, of radioactive waste storage centres or other facilities required for conditioning or storing waste packages (see section 1.4.1.1.6 “Decommissioning of nuclear power plants” of the 2016 *Document de Référence*). The Act no. 2006-739 of 28 June 2006 provided for a dedicated storage centre for Low-Level Long-Life waste (FAVL), such as graphite. The initial search for a site was unsuccessful, and in 2013 ANDRA initiated a new search and submitted a progress report in July 2015 in connection with the National Radioactive Materials and Waste Management Plan (PNGMDR). This report assesses several storage concepts and allows for the possibility of storage of graphite waste on the Soulaines site (see section 1.4.1.1.4 “The nuclear Fuel Cycle and Related Issues” of the 2016 *Document de Référence*). Given these sensitivity factors, changes in certain parameters may require significant adjustments of the provisions booked and, therefore, the EDF Group cannot guarantee that the provisions booked will equal the costs actually incurred at the relevant time, which would have an adverse impact on the EDF Group’s financial position (see note 29.1.3 to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*). The EDF Group regularly conducts an update of the key assumptions underlying the provisions (see note 29.1.5 to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*). Accordingly, for the preparation of its financial statements as at 31 December 2016, the EDF Group revised the estimate and the resulting provisions for the decommissioning of the operating fleet, making it possible to take into account the recommendations of the audit of these provisions made at the request of the administrative authority formed jointly by the Ministry for the Economy and the Energy Ministry whose conclusions were made public in January 2016 by the aforementioned authority.

Regarding the provision for decommissioning operations, costs based on year-end economic conditions are valued €26,752 million and provisions at present value amounts to €14,354 million as of 30 June 2017 (see note 18.2.1 to the 2017 Half-Year Financial Statements). As for the last core provision, costs based on year-end economic conditions are estimated at €4,302 million and provision at present value amounts are valued €2,305 million as of 30 June 2017, as the discounting effect is very significant due to distant waste storage maturities (see note 18.2.1 to the 2017 Half-Year Financial Statements). Note 29.1.5.2 “Analyses of sensitivity to macro-economic assumptions” to the consolidated financial statements for the financial year ended 31 December 2016, included in the 2016 *Document de Référence*, indicates the analyses of sensitivity of provisions and EDF Group’s results to a discount rate change, for the different types of provisions.

In the United Kingdom, under the agreements concluded in connection with the restructuring of British Energy, the costs of decommissioning EDF Energy Nuclear Generation Group Ltd.’s existing nuclear power plants will be paid by the Nuclear Liabilities Fund. If the assets of this Fund prove insufficient, these costs will be borne by the UK Government (see section 1.4.5.1.2.1 “Nuclear Generation”).

For nuclear power plants which EDF does not operate, but has financial interests (United States, Belgium, Switzerland), the EDF Group is exposed financially in proportion to its participation to contribute to future decommissioning costs.

The amount of dedicated assets in France allocated by the EDF Group to cover the costs of its long-term nuclear business commitments (radioactive waste and

decommissioning) might need to be revised upwards and require additional expenditures.

In France, as of 31 December 2016, the market value of EDF's portfolio of dedicated assets was €25.7 billion, compared to €23.5 billion on 31 December 2015 (see sections 1.4.1.1.7 "Assets available to cover long-term nuclear-related commitments (outside the operating cycle)" and 1.5.6.2.2 "Specific regulations applicable to basic nuclear facilities" of the 2016 *Document de Référence*, and note 47.3 to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*).

In the event of a significant change in the provisions determining the reference base of the dedicated assets, it might prove necessary to make additional disbursements to adjust the value of these assets, which could have a material adverse impact on EDF's financial position. Moreover, stricter regulations at the national level (in particular those that impact the base for determining the dedicated assets to be constituted by EDF) or European level may lead to more stringent requirements regarding the constitution of dedicated assets and have a significant impact on EDF's financial position.

Lastly, although these assets are constituted and managed in accordance with strict prudential rules (see section 1.4.1.1.7 "Assets available to cover long-term nuclear commitments (outside the operating cycle)" of the 2016 *Document de Référence*), the EDF Group cannot guarantee that price fluctuations in the financial markets or changes in valuation will not have a material adverse impact on the value of these assets (see section 5.1.6.1.6 "Management of financial risk on EDF's dedicated asset portfolio" of the 2016 *Document de Référence* for a sensitivity analysis), which could require EDF to disburse additional amounts to restore the value of these assets; such events could have a material adverse effect on the EDF Group's financial position.

In the United Kingdom, funds to finance nuclear commitments are managed by an independent organisation created by the UK government (Nuclear Liabilities Fund – NLF). Operators therefore have no assets to manage for this purpose (see section 1.4.5.1.2.1 "Nuclear generation" of the 2016 *Document de Référence*).

Risks related to the EDF Group's structure and changes within the EDF Group

The EDF Group's expansion strategy may not be implemented in accordance with the objectives set by the EDF Group.

The EDF Group intends to continue its expansion in the electricity, gas and energy services industries, both in France and abroad, in line with the CAP 2030 strategy, in accordance with its business model for each geographical area and in light of any relevant experience (upstream/downstream balance, marketing strategy, development of energy sources that produce low levels of greenhouse gases: nuclear, hydropower, wind, photovoltaic, etc.). In order to procure the resources for its strategy, the EDF Group thus implements programmes that focus on expansion, reorganisation, increasing profitability (see the discussion below of the risk factor entitled "The EDF Group has set up programmes that aim to improve its operating and financial performance and increase its financial flexibility. The objectives set for these programmes may not be achieved") and disposals.

In the field of nuclear power generation, the EDF Group may not achieve the expansion it anticipates, or it may be unable to carry out projects it has initiated abroad or it may be unable to carry out such projects under satisfactory economic, financial and legal conditions.

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Through partnerships or equity investments, the EDF Group is committed to international projects for the construction and operation of nuclear power plants (in particular, in China and the United Kingdom). During the development phase, these projects require obtaining administrative authorisations, licences, permits and, in certain cases, setting up additional partnerships. These are major projects involving significant investment, and their funding conditions are subject to confirmation. Given the current economic climate, obtaining such funding may be delayed. Furthermore, the regulatory framework in some countries is in the process of being updated, which could have an impact on EDF's commitments and liability. Even when it has negotiated protective contractual arrangements, the EDF Group cannot guarantee that any or all of these projects will be carried out in accordance with the anticipated schedules, under satisfactory economic, financial, regulatory or legal conditions or that they will, in the long term, generate the profitability anticipated at the outset, which could have a material adverse impact on the EDF Group and its financial position.

In the new energies field, EDF relies primarily on its EDF Énergies Nouvelles subsidiary (see section 1.4.1.4.3 "EDF Énergies Nouvelles" of the 2016 *Document de Référence*), which does business in numerous countries. The profitability of these developments is often dependent on the support policies adopted in the various countries. The EDF Group cannot guarantee that the support programmes will not change in some of these countries and adversely impact the profitability of investments made.

Furthermore, the expansion of the EDF Group's gas business is an important issue, both in terms of the use of gas in power generation and the development of gas offers (see section 1.4.6.2 "Gas activities" of the 2016 *Document de Référence*). The outlook for global supply and demand for gas is changing (the boom in unconventional sources of gas, particularly in the United States, rising demand in emerging countries, etc.). The competitive environment for the gas sector is evolving in France and in Europe with the emergence of new operators and the mergers of energy companies. The dependence of European countries on imports of natural gas is already high and continues to increase, due mainly to the depletion of local resources and increasingly distant supply sources. To implement its gas strategy, the EDF Group must not only have access to competitive sources of supply, but also to logistical infrastructure (such as storage, gas pipelines and liquefied natural gas (LNG) terminals) that allow it to transport its gas to locations near points of consumption, have the requisite flexibility and generate synergies between the various entities of the EDF Group, including those which it does not control. The EDF Group cannot guarantee that it will always, under competitive financial conditions, have access to gas supply sources (through long-term contracts or the acquisition of gas fields, for example) or to gas infrastructure, or be able to generate the synergies anticipated. All of these factors may slow the expansion of the EDF Group's gas strategy, which could have an adverse impact on its activities, financial position and outlook. Moreover, in the event of a harsher global geopolitical context, the EDF Group cannot guarantee that it could withdraw from projects in which it has committed itself either rapidly or under acceptable economic conditions (see section 1.4.5.3.2 "Central and Eastern Europe" of the 2016 *Document de Référence*).

Lastly, the EDF Group also intends to develop and reinforce its offer of integrated services, including eco-efficiency energy services, as part of a sustainable development approach. The energy services market is very competitive, and the energy efficiency market has strong development potential (see section 1.4.6.1 "Energy Services" of the 2016 *Document de Référence*). The integration of Dalkia into the EDF Group since 25 July 2014 reinforces this

Risk Factors

expertise and development sector (see section 1.4.6.1.1 “Dalkia” of the 2016 *Document de Référence*). However, the EDF Group cannot guarantee that its service offer will be successful or that it will always be able to implement its expansion policy in this area, which may have an adverse impact on its financial position and outlook.

More generally, the EDF Group may face unexpected changes in its regulatory, economic and competitive context, which may render its decisions inappropriate, or it may encounter difficulties in implementing or changing its strategy, which may have an adverse impact on the EDF Group’s business, financial position and outlook.

The EDF Group’s acquisition and disposal transactions carry risks and may not always achieve the objectives pursued.

As part of its development strategy, the EDF Group is required to carry out transactions involving the acquisition of assets or equity interests, as well as the creation of joint ventures and, more generally, all types of external growth transactions (see sections 1.4 “Description of the Group’s activities” and 5.1.3.11 “New investments and partnerships” of the 2016 *Document de Référence*).

External growth transactions involve *inter alia* the following risks: (i) the assumptions used by the EDF Group in valuing an acquisition may not prove accurate, particularly concerning anticipated market prices, cost savings, profits, synergies and profitability; (ii) difficulties concerning the quality and performance of assets acquired may be encountered or the liabilities of acquired companies may be undervalued; (iii) difficulties integrating the businesses or companies acquired may occur; (iv) the EDF Group may not be able to retain certain key employees, customers or suppliers of the acquired companies; (v) the EDF Group may be required or wish to terminate certain pre-existing contractual relationships on costly or unfavourable financial terms; (vi) the EDF Group may increase its debt to finance these acquisitions, thus limiting its financial flexibility and the opportunity to obtain additional loans in the future; and (vii) the EDF Group may be required to make commitments to the antitrust authorities, which may be implemented on terms that are less favourable than anticipated by the EDF Group.

Consequently, the benefits expected from external growth operations may be lower or may not be obtained as quickly as expected, which could have an adverse impact on the EDF Group’s financial position and outlook.

The EDF Group has also carried out and may carry out transactions involving the disposal of assets or equity investments, in particular as part of its plan for disposals announced on 22 April 2016 (see risk factor below, “The EDF Group has set up programmes that aim to improve its operating and financial performance and increase its financial flexibility. The objectives set for these programmes may not be achieved”). In connection with such disposals, the EDF Group may provide guarantees concerning the assets sold and, consequently, may have to pay compensation or make price adjustments to the purchaser, which could have an adverse impact on the EDF Group’s financial position and outlook.

The EDF Group may also decide to not carry out the external growth transactions and disposals it has planned, or to carry them out for a price other than the desired price, due *inter alia* to contractual, financial or regulatory limitations, or political intervention. This may have an adverse impact on the EDF Group’s financial position and outlook.

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The EDF Group may not hold a controlling majority or it may share control in certain of its subsidiaries and equity interests.

Certain of the EDF Group's business activities are conducted, or may in the future be conducted, through entities in which the EDF Group shares control or in which it is the minority shareholder. In such situations, the EDF Group may experience a deadlock if the partners are unable to agree, or decisions may be taken that are contrary to its interests, which may limit the EDF Group's ability to implement the strategies it has adopted and have an adverse impact on its business activities, financial position and outlook.

The various reorganisations required by market liberalisation could have operational and financial consequences for the EDF Group.

The organisation that has been put in place since the market has been liberalised, in which regulated activities are separated from competing activities, may yet generate difficulties for customers or confusions regarding the respective roles that may impact the image of the EDF Group and, in particular, the energy supplier. This separation could also have an impact on the EDF Group's ability to deploy its strategy and financial objectives.

As the EDF Group's majority shareholder, the French government may influence the activities or decisions made by the EDF Group.

Pursuant to Article L. 111-67 of the French Energy Code, the French government is EDF's principal shareholder and must retain ownership of at least 70% of its share capital. Under French law, a majority shareholder controls most corporate decisions, including resolutions that must be adopted by general meetings (in particular, the appointment and dismissal of members of the Board of Directors, the distribution of dividends and amendments to the articles of association, including in the context of share capital increases, mergers or asset contribution deals). In addition, the legal restriction on dilution of the French government's stake may limit EDF's capacity to access capital markets or carry out external growth transactions.

The price of EDF shares could be subject to significant fluctuations.

In recent years, the stock markets have undergone considerable fluctuations which have not always been commensurate with the results of companies whose shares are traded. Such fluctuations in the French and international financial markets could significantly affect the market price of EDF shares. Changes in energy prices, significant regulatory constraints surrounding the energy and nuclear markets, and the increasing demands of nuclear safety authorities also contribute to the volatility of EDF actions.

The EDF share price could also be significantly affected by many factors affecting the EDF Group, its competitors, economic conditions in general or the energy sector in particular, for example as a result of political decisions on energy policy.

A share of the EDF Group's workforce is employed by organisations common to EDF and Engie. Therefore, the EDF Group depends in part on management mechanisms set up within these joint structures.

A share of the EDF Group's workforce is employed by organisations common to EDF and Engie (almost all of them by the joint department of Enedis and GRDF, the two distribution subsidiaries of the EDF and Engie groups). Therefore, certain decisions made within these joint organisations can have an impact on EDF, in particular on its costs and on the manner

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in which its resources are managed. Furthermore, EDF and Engie may have divergent interests or views concerning these joint structures, which may have an adverse impact on the EDF Group's labor relations, financial results and financial position (see section 1.4.4.2.3 "Service shared by Enedis and GRDF" of the 2016 *Document de Référence*).

The EDF Group does business in numerous countries and may face periods of political, economic or social instability.

Certain EDF Group investments and commitments are exposed to risks and uncertainties associated with doing business in countries that may experience, or have experienced, periods of political or economic instability. Several countries in which the EDF Group operates have regulations that are less advanced and less protective, practice or may introduce controls or restrictions on repatriation of profits and capital invested, levy or may levy specific taxes and fees affecting energy businesses and impose or may impose restrictive rules on the business of international groups. In these countries, identified in particular by assessments performed by credit insurance groups (including Coface) the electricity sector is also subject to sometimes rapidly changing regulations or regulations which may be influenced by political, social and other considerations, which may affect the operations or financial position of EDF Group subsidiaries in a way that is contrary to its interests. The occurrence of any of these events may have an adverse impact on the EDF Group's activities, and financial position.

Lastly, the EDF Group has developed or built a portfolio of Independent Power Plants (IPPs) in different parts of the world, including Brazil, Vietnam, Laos and China, in which it plays one or more roles (engineering, project owner, project manager, investor, operator). In these different capacities, the EDF Group may incur liability or its financial performance may be affected, especially if the return on capital employed for the IPPs is lower than expected, if long-term electricity contracts or pass-through clauses, if applicable, are challenged, or in the event of major changes to electricity market rules in the relevant country.

The EDF Group must continually adapt its expertise in a rapidly changing environment and renew a significant share of its workforce, while ensuring experience and skills are transferred to new employees.

The challenges associated with achieving the EDF Group's strategic objectives in a rapidly changing environment (in particular, the full liberalisation of markets, the international development of nuclear power, the development of renewable energies, etc.) require continuously adapting and planning its expertise requirements, especially in functional and geographic areas.

In France, a large number of EDF employees leave the labour force each year, despite the impact of the reform of the special pension scheme for Electricity and Gas Industry employees on average retirement age. For example, within the scope of EDF, around 20% of the workforce could retire between 2015 and 2020 (see section 3.3.1 "Professional excellence: employment and skill development" of the 2016 *Document de Référence*). Although this situation represents an opportunity to adapt employees' expertise to the EDF Group's new challenges, the renewal of this workforce requires planning the transfer of knowledge and involves competing in the market to recruit the most competent people.

The EDF Group considers skills development to be a major challenge and, therefore, takes all necessary measures to recruit, retain, redeploy or renew such skills in a timely manner

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and under satisfactory conditions. However, it cannot guarantee that the measures adopted will always prove sufficient, which may have an impact on its activities and financial position.

The EDF Group may be required to meet significant commitments related to pensions and other employee benefits.

The pension plans applicable in the various countries in which the EDF Group operates involve long-term commitments to pay benefits to the EDF Group's employees (see note 31 to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*). In France, in addition to these pension commitments, the EDF Group also owes obligations for post-employment benefits and long-term benefits for employees currently in service.

To cover these commitments, the EDF Group has set up outsourced funds or pension funds, as appropriate. At the end of 2016, such assets only partially covered these commitments, although, for the EDF Group, the maturity dates of these obligations are relatively smoothed over time. At 31 December 2016, the average duration of employee benefits commitments was 19.4 years in France and 20.8 years in the United Kingdom.

The amounts of these commitments, the provisions booked, the outsourced funds or pension funds set up and the additional contributions required to make up insufficient funding are calculated based on certain actuarial assumptions, including a discount rate subject to adjustment depending on market conditions and, in the event of any employee-related commitments in France, on the rules governing retirement benefits paid out by the general retirement scheme, and amounts owed by the EDF Group. These assumptions and rules may be adjusted in the future, which could increase the EDF Group's current commitments for pensions and other employee benefits and, therefore, require a corresponding increase in provisions.

Furthermore, if the value of outsourced funds or pension funds proves insufficient to meet the corresponding commitments, in particular in the United Kingdom or France, primarily due to calculation assumptions or developments in the financial markets (see risk factor above, "The EDF Group is exposed to risks in the financial markets"), the EDF Group may be obliged to make additional contributions to the relevant funds, which may have an adverse impact on its financial position.

Labour disputes could have an adverse impact on the EDF Group's business.

The EDF Group cannot exclude that labour disputes or unrest, such as strikes, walk-outs, claims or other labour disturbances, could disrupt its business. The EDF Group has not taken out any insurance to cover losses due to business disruptions caused by labour movements. Consequently, its financial position and operating results may be adversely affected by labour unrest.

The EDF Group has set up programmes that aim to improve its operating and financial performance and increase its financial flexibility. The objectives set for these programmes may not be achieved.

The EDF Group has set up and may set up programmes that aim to improve its operating performance and increase its financial flexibility. The Board of Directors meeting of 22 April 2016 adopted a performance plan which includes a control of net investments (excluding Linky, excluding Hinkley Point C (HPC) and excluding new developments), a reduction in

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operating expenses and a plan to sell assets by 2020, reiterated by the Board of Directors on 14 December 2016. However, the EDF Group cannot guarantee that the programmes to improve performance that it implements will have the expected results or that those results will be achieved on schedule.

Risks associated with amendments to the IFRS standards applicable to the EDF Group.

The EDF Group's consolidated financial statements for the financial year ended 31 December 2016 have been prepared in accordance with the applicable international accounting standards published by the International Accounting Standards Board (IASB), as approved by the European Union as at 31 December 2016 (see note 1.1 to the consolidated financial statements for the financial year ended 31 December 2016 included in the 2016 *Document de Référence*).

This accounting standards framework evolves and new standards and interpretations are currently in the process of being drafted or approved by the competent international bodies. The EDF Group is studying the potential impact of these standards and interpretations, but cannot foresee their development or potential impact on its consolidated financial statements.

DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency, subject as set out hereinafter. An overview of the Programme and of the terms and conditions of the Notes appears in the “*Summary*” set out on pages 5 to 65 of this Base Prospectus. The “*Summary*” must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole by any investor, including any documents incorporated by reference and any supplement from time to time. The Notes will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and will be subject to the Terms and Conditions of the Notes set out on pages 143 to 185 of this Base Prospectus, as completed by the applicable Final Terms.

FORWARD-LOOKING STATEMENTS

This Base Prospectus (including the documents incorporated by reference and/or supplements thereto from time to time) may contain certain statements that are forward-looking including statements with respect to the Issuer and/or the EDF Group's business strategies, expansion and growth of operations, trends in its business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "**believe**", "**expect**", "**project**", "**anticipate**", "**seek**", "**estimate**" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

RETAIL CASCADES

In the context of any offer of Notes in France, Belgium and/or the Grand Duchy of Luxembourg (the "**Public Offer Jurisdictions**") that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a "**Public Offer**"), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together, the "**Prospectus**") in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the "**Offer Period**") and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by:

1. subject to conditions set out in the relevant Final Terms, any financial intermediary designated in such Final Terms; or
2. if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor; (b) complies with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a Dealer; (c) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes is fully and clearly disclosed to investors or potential investors; (d) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules; (e) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery and "know your client" rules applying to the Issuer and/or the relevant Dealer(s); (f) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (g) satisfies any further conditions specified in the relevant Final Terms, (in each case an "**Authorised Offeror**"). For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies

Documents incorporated by reference

with applicable laws and regulations and shall therefore have no liability in this respect.

The Issuer accepts responsibility, in the Public Offer Jurisdiction(s) specified in the Final Terms, for the content of the Prospectus in relation to any person (an "Investor") in such Public Offer Jurisdiction(s) to whom an offer of any Notes is made by any Authorised Offeror and where the offer is made during the period for which that consent is given. However, none of the Issuer or any Dealer shall have any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of this Base Prospectus by the AMF.

In the event the Final Terms designate financial intermediary(ies) to whom the Issuer has given its consent to use the Prospectus during an Offer Period, the Issuer may also give consent to additional Authorised Offerors after the date of the relevant Final Terms and, if it does so, it will publish any new information in relation to such Authorised Offerors who are unknown at the time of the approval of this Base Prospectus or the filing of the relevant Final Terms at ([www.http://france.edf.com](http://france.edf.com)).

If the Final Terms specify that any financial intermediary may use the Prospectus during the Offer Period, any such Authorised Offeror is required, for the duration of the Offer Period, to publish on its website that it is using the Prospectus for the relevant Public Offer with the consent of the Issuer and in accordance with the conditions attached thereto.

Other than as set out above, none of the Issuer or any of the Dealers has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors shall have any responsibility or liability for the actions of any person making such offers.

An investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the "Specific Terms of the Public Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Specific Terms of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. None of the Issuer or any of the Dealers or other Authorised Offerors shall have any responsibility or liability for such information.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (in the French language only) are hereby incorporated by reference in, and form part of, this Base Prospectus, with the exception of the items mentioned below as being excluded from this Base Prospectus:

- (a) the 2016 *Document de Référence* filed with the AMF under no. D.17-0125 on 6 March 2017 prepared by the Issuer (hereafter the “**2016 Document de Référence**”) which (a) contains, *inter alia*, the audited annual consolidated financial statements of the Issuer for the period ended 31 December 2016 and the statutory auditors report on such financial statements and (b) incorporates by reference the annual consolidated financial statements of the Issuer for the period ended 31 December 2015 and the statutory auditors report on such financial statements (as included in the 2015 *Document de Référence* filed with the AMF under no. D.16-0448 on 29 April 2016), with the full exception of the following items (originally included in the 2016 *Document de Référence*), which are hereby explicitly excluded from the scope of incorporation to this Base Prospectus:
 - Chapter 8.1.2 of the 2016 *Document de Référence* relating to the EDF Chairman and Chief Executive Officer's declaration of responsibility regarding the content of the 2016 *Document de Référence*; and
 - Chapter 5.4 of the 2016 *Document de Référence* relating to the financial outlook announced for 2017;
- (b) the Issuer's half-year management report as at 30 June 2017 (*rapport semestriel d'activité*) with the exception of Section 11 relating to the financial outlook for 2017 which is hereby explicitly excluded from the scope of incorporation to this Base Prospectus (the “**2017 Half-Year Management Report**”);
- (c) the condensed consolidated half-year financial statements of the Issuer as at, and for the period ending on 30 June 2017 (the “**2017 Half-Year Financial Statements**”);
- (d) the statutory auditors' review report on the 2017 interim condensed consolidated financial statements;
- (e) the section “Terms and Conditions” contained in the base prospectus of the Issuer dated 14 September 2016 (pages 127 to 168) filed with the AMF under number 16-433 on 14 September 2016 (the “**EMTN 2016 Conditions**”);
- (f) the section “Terms and Conditions” contained in the base prospectus of the Issuer dated 1 July 2015 (pages 115 to 156) filed with the AMF under number 15-330 on 1 July 2015 (the “**EMTN 2015 Conditions**”);
- (g) the section “Terms and Conditions” contained in the base prospectus of the Issuer dated 17 June 2013 (pages 109 to 149) filed with the AMF under number 13-280 on 17 June 2013 (the “**EMTN 2013 Conditions**”);

Documents incorporated by reference

- (h) the section “Terms and Conditions” contained in the base prospectus of the Issuer dated 1 June 2012 (pages 72 to 109) filed with the AMF under number 12-240 on 1 June 2012 (the “**EMTN 2012 Conditions**”); and
- (i) the section "Terms and Conditions" contained in the base prospectus of the Issuer dated 6 September 2011 (pages 72 to 107) which received visa number 11-391 on 6 September 2011 from the AMF (the “**EMTN 2011 Conditions**” and together with the EMTN 2012 Conditions, the EMTN 2013 Conditions, the EMTN 2015 Conditions and the EMTN 2016 Conditions, the “**EMTN Previous Conditions**”).

Such documents and sections shall be deemed to be incorporated in, and form part of this Base Prospectus, save that (i) any statement contained in a document or part of a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise), and (ii) any statement contained in this Base Prospectus or in a section which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any section which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The attention of international investors is drawn to the fact that the 2016 *Document de Référence* includes (i) the statutory auditors' special report on agreements involving members of the Board of Directors for the financial year ended 31 December 2016 in Section 7.5.4 and (ii) the statutory auditors' report prepared in accordance with Article L.225-235 of the French commercial code in Section 4.8.

Both of these reports correspond to French law specific requirements and are addressed to EDF's shareholders only. In addition, the procedures and practices followed by the statutory auditors in France in respect to such reports may differ from those generally accepted and applied by auditors in other countries on issues that could appear to be similar as those covered by such reports.

Attention is also drawn to the statutory auditors' report included in Section 6.4 of the 2016 *Document de Référence* and the statutory auditors' review report on the 2017 interim condensed consolidated financial statements for the six-month period ended 30 June 2017. Such reports shall be construed in accordance with French law and French auditing professional standards. The statutory auditors' report included in Section 6.4 of the 2016 *Document de Référence* includes for the information of the reader explanatory paragraphs discussing the auditors' assessment of significant accounting matters performed for purpose of issuing their audit opinion on the consolidated financial statements taken as a whole as required under French law in any auditors' reports, whether qualified or not.

For as long as the Programme remains in effect or any Notes are outstanding, copies of this Base Prospectus, documents incorporated by reference in this Base Prospectus, any supplement to this Base Prospectus and the Final Terms related to the Notes will be available for viewing on the website of the AMF (www.amf-france.org) or on the Issuer's

Documents incorporated by reference

website (www.edf.com), as applicable, and may be obtained, free of charge, during normal business hours from Électricité de France, 22-30, avenue de Wagram, 75008 Paris, France and at the specified offices of each of the Paying Agents.

An English translation of the 2016 *Document de Référence*, the 2017 Half-Year Management Report and the 2017 Half-Year Financial Statements is available on the website of the Issuer for information purposes only.

In addition, if the Notes are listed and admitted to trading on a Regulated Market other than the Paris Stock Exchange (Euronext Paris), the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

The cross-reference tables below set out the relevant page references for the information incorporated herein by reference:

Annex IV of Commission Regulation (EC) no. 809/2004 of 29 April 2004 (as amended)

Rule	2016 <i>Document de Référence</i> (DR) / 2017 Half-Year Management Report (HYMR) / 2017 Half-Year Financial Statements (HYFS)
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1. PERSONS RESPONSIBLE	
1.1. Names of persons responsible for the information given in the registration document	N/A
1.2. A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import	N/A
2. STATUTORY AUDITORS	
2.1. Names and addresses of the Issuer's auditors for the period covered by the historical financial information	Chapter 8, Section 8.2.1 (page 525) and Section 8.2.2 (page 525) (DR)
2.2. If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material	N/A
3. SELECTED FINANCIAL INFORMATION	

Documents incorporated by reference

- 3.1. Selected historical financial information Chapter 6, Section 6.5 (page 499) (DR)
- 3.2. Selected financial information for interim periods Section 1 (pages 7-8) (HYMR)

4. RISK FACTORS

Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed 'Risk Factors' Chapter 2, Section 2.1 (pages 108-127) (DR)

5. INFORMATION ABOUT THE ISSUER

5.1. History and development of the Issuer:

- Chapter 1, Section 1.1 (pages 8-9) (DR)
- 5.1.1. Legal and commercial name of the Issuer Chapter 7, Section 7.1.1 (page 508) (DR)
- 5.1.2. Place of registration of the Issuer and its registration number Chapter 7, Section 7.1.2 (page 508) (DR)
- 5.1.3. Date of incorporation and the length of life of the Issuer Chapter 7, Section 7.1.3 (page 508) (DR)
- 5.1.4. Domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, and the address and telephone number of its registered office Chapter 7, Section 7.1.1 (page 508) and Section 7.1.4 (page 508) (DR)
- 5.1.5. Recent events Chapter 5, Section 5.2 (page 313), Chapter 6, Section 6.1, note 50 (page 432) and Section 6.3, note 42 (page 496) (DR)
- Section 3.1 (page 16), Section 3.4 (page 19), Section 3.5 (page 19-20), Section 10 (page 45) (HYMR)
- Note 2 (pages 14-21), Note 26 (page 46) (HYFS)

5.2. Investments

- 5.2.1. Principal investments Chapter 1, Section 1.3.3.1 (page 16), Chapter 5, Section 5.1.5.1.2 (page 296) (DR)
- Section 3.2 (pages 16-17) (HYMR)

Documents incorporated by reference

- Note 13 (pages 27-30) (HYFS)
- 5.2.2. Principal future investments Chapter 1, Section 1.3.3.2 (page 16) (DR)

- Section 3.2 (pages 16-17) (HYMR)
- 5.2.3. Anticipated sources of funds Chapter 1, Section 1.3.3.2 (page 16) (DR)

6. BUSINESS OVERVIEW

6.1. Principal activities:

- 6.1.1. A description of the Issuer's principal activities stating the main categories of products sold and/or services performed Chapter 1, Section 1.4 (pages 17-80) (DR)
- 6.1.2. Indication of any significant new products and/or activities. Chapter 1, Section 1.4 (pages 17-80) (DR)

6.2. Principal markets

- A brief description of the principal markets in which the Issuer competes Section 2 (pages 9-15), Section 3.3 (pages 17-19) (HYMR)
- 6.3. Basis for any statements made by the Issuer regarding its competitive position Chapter 1, Section 1.4.2.1.2 (page 44) and Section 1.4.5.1.2.4 (pages 61-63) (DR)

7. ORGANISATIONAL STRUCTURE

- 7.1. Brief description of the group and of the Issuer's position within it. Chapter 1, Section 1.2 (pages 10-12) (DR)
- 7.2. If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence. N/A

8. TREND INFORMATION

- 8.1 A statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements. N/A

In the event that the issuer is unable to make such a statement, provide details of this

Documents incorporated by reference

material adverse change.

- 8.2 Information on any known trends, N/A uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.

9. PROFIT FORECASTS OR ESTIMATES

- 9.1. A statement setting out the N/A principal assumptions upon which the issuer has based its forecast, or estimate.
- 9.2 A report prepared by N/A independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.

10. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

- 10.1. Names, business addresses and Chapter 4, Section 4.2 (pages 232-254) and functions in the Issuer of Section 4.3 (pages 254-257) (DR) members of the administrative, management or supervisory bodies
- 10.2. Administrative, Management and Chapter 4, Section 4.4.3 (page 257) (DR) Supervisory bodies' conflicts of interests
- Potential conflicts of interest Note 24 (page 45-46) (HYFS)

11. BOARD PRACTICES

- 11.1. Audit committee Chapter 4, Section 4.2.3.1 (pages 251-252) (DR)
- 11.2. Corporate governance regime(s) Chapter 4, Section 4.1 (pages 230-231) (DR)

12. MAJOR SHAREHOLDERS

- 12.1. To the extent known to the Chapter 7, Section 7.3 (pages 511-517) (DR) Issuer, state whether the Issuer is directly or indirectly owned or

Documents incorporated by reference

controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused

- 12.2. A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer Chapter 7, Section 7.3.9 (page 517) (DR)

13. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

13.1. Historical Financial Information

- (a) balance sheet Chapter 6, Section 6.1 (pages 322-323) and Section 6.3 (pages 440-441) for the year ended 31 December 2016 (DR)
- Chapter 6, Section 6.1 (pages 308-309) for the year ended 31 December 2015 of the 2015 *Document de Référence* for the year ended 31 December 2015
- Page 4 at 30 June 2017 (HYFS)
- (b) the income statement Chapter 6, Section 6.1 (page 320) and Section 6.3 (page 439) for the year ended 31 December 2016 (DR)
- Chapter 6, Section 6.1 (page 306) for the year ended 31 December 2015 of the 2015 *Document de Référence* for the year ended 31 December 2015
- Page 2 at 30 June 2017 (HYFS)
- (c) cash flow statement; and Chapter 6, Section 6.1 (page 324) and Section 6.3 (page 442) for the year ended 31 December 2016 (DR)
- Chapter 6, Section 6.1 (page 310) for the year ended 31 December 2015 of the 2015 *Document*

Documents incorporated by reference

de Référence for the year ended 31 December 2015

Page 5 at 30 June 2017 (HYFS)

- (d) the accounting policies and explanatory notes. Chapter 6, Section 6.1 (pages 326-436) and Section 6.3 (pages 443-496) for the year ended 31 December 2016 (DR)

Chapter 6, Section 6.1 (pages 312-412) for the year ended 31 December 2015 of the 2015 *Document de Référence* for the year ended 31 December 2015

Notes 1-26 at 30 June 2017 (pages 10-46) (HYFS)

13.2. Financial statements

If the Issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.

Chapter 6 (pages 319-506) for the year ended 31 December 2016 (DR)

Chapter 6 (pages 305-478) for the year ended 31 December 2015 of the 2015 *Document de Référence* for the year ended 31 December 2015

Pages 2-7 at 30 June 2017 (HYFS)

13.3. Auditing of historical and annual financial information

- 13.3.1. A statement that the historical financial information has been audited Chapter 6 (pages 319-506) for the year ended 31 December 2016 (DR), including the Statutory Auditors' report on the consolidated financial statements (pages 437-438) and the Statutory Auditors' report on the financial statements (pages 497-498)

Chapter 6, Section 6.1 and Section 6.2 (pages 305-478) for the year ended 31 December 2015 of the 2015 *Document de Référence* for the year ended 31 December 2015, including the Statutory Auditors' report on the consolidated financial statements (pages 413-414)

- 13.3.2. An indication of other information in the registration document which has been audited by the auditors. N/A

Documents incorporated by reference

13.3.3. Where financial data in the N/A registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.

13.4. Age of latest financial information

13.4.1. The last year of audited financial N/A information may not be older than 18 months from the date of the registration document

13.5. Interim and other financial information

13.5.1. If the Issuer has published HYFS (pages 1-46) and the related Statutory quarterly or half yearly financial Auditors' review report information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.

13.5.2. If the registration document is N/A dated more than nine months after the end of the last audited financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is un-audited state that fact.

13.6. Legal and arbitration proceedings Information on any governmental, legal or arbitration proceedings Chapter 2, Section 2.4 (pages 141-150) (DR)
Section 9 (pages 43-45) (HYMR)

13.7 Significant change in the issuer's N/A financial or trading position

14. ADDITIONAL INFORMATION

14.1. Share Capital

14.1.1. The amount of the issued capital, Chapter 6, Section 6.1, note 27 (pages 380-382)

Documents incorporated by reference

the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up, with an indication of the number, or total nominal value, and type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up.

14.2. Memorandum and Articles of Association

- 14.2.1. The register and the entry number therein, if applicable, and a description of the Issuer's objects and purposes and where they can be found in the memorandum and articles of association.
- Chapter 7, Section 7.1.2 (page 508) and Section 7.2 (pages 508-511) (DR)

15. MATERIAL CONTRACTS

A brief summary of all material contracts

Chapter 1, Section 1.4.1.1.6 (pages 28-30), Section 1.4.1.2.3.4 (pages 32-33), Section 1.4.4.1 (pages 49-51), Section 1.4.5.1.2.5 (pages 63-64), Chapter 5, Section 5.1.3.5.1 (page 278), Section 5.1.3.5.2 (page 278), Section 5.1.3.9.1 (page 280), Section 5.1.3.14.4 (page 286), Chapter 6, Section 6.1, note 3.2 (page 348), note 3.4 (page 349), note 3.5.1 (page 350), note 3.7 (pages 350-351) to the consolidated financial statements for the year ended 31 December 2016, Chapter 7, Section 7.6 (page 522) (DR)

Section 3.1 (page 16), Section 3.2 (pages 16-17), Section 10 (page 45) (HYMR)

16. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

- 16.1. Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is

Documents incorporated by reference

included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the registration document.

- 16.2. Where information has been N/A sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information.

17. DOCUMENTS ON DISPLAY

A statement that for the life of the Chapter 8, Section 8.3 (page 525) (DR) registration document the documents may be inspected

Investors should when reading the information incorporated by reference take into account the "*Recent Events*" section of this Base Prospectus which may modify or supersede the information incorporated by reference.

EMTN Previous Conditions	
EMTN 2016 Conditions	Pages 127 to 168 of the base prospectus of the Issuer dated 14 September 2016
EMTN 2015 Conditions	Pages 115 to 156 of the base prospectus of the Issuer dated 1 July 2015
EMTN 2013 Conditions	Pages 109 to 149 of the base prospectus of the Issuer dated 17 June 2013
EMTN 2012 Conditions	Pages 72 to 109 of the base prospectus of the Issuer dated 1 June 2012
EMTN 2011 Conditions	Pages 72 to 107 of the base prospectus of the Issuer dated 6 September 2011

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued pursuant to the relevant EMTN Previous Conditions. Non-incorporated parts of the base prospectuses of the Issuer dated 14 September 2016, 1 July 2015, 17 June 2013, 1 June 2012 and 6 September 2011 respectively are not relevant for investors.

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to the provisions of Article 16 of the Prospectus Directive and Article 212-25 of the General Regulations (*Règlement général*) of the AMF and any legislation in any Member State of the European Economic Area that implements the Prospectus Directive and subordinated legislation hereto, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus which in respect of any subsequent issue of Notes shall amend or supplement this Base Prospectus. Such supplement to this Base Prospectus will be submitted to the AMF for the purposes of obtaining its visa thereon.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED BEARER NOTES

Temporary Global Certificates

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**"), Euroclear or Clearstream, Luxembourg will credit the accounts of each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicate that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable, in whole, but not in part, for the Definitive Materialised Bearer Notes; and
- (ii) otherwise, in whole but not in part upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised Bearer Notes.

Delivery of Definitive Materialised Bearer Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes.

In this Base Prospectus, "**Definitive Materialised Bearer Notes**" means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal and Regulated Market requirements. Forms of such Definitive Bearer Materialised Notes shall be available at the specified offices of any of the Paying Agent(s).

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by Part A of the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed or attached on Definitive Materialised Bearer Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued by Électricité de France (the "**Issuer**") with the benefit of an amended and restated agency agreement dated 15 September 2017 between the Issuer, Société Générale as fiscal agent and the other agents named in it (as amended or supplemented from time to time, the "**Amended and Restated Agency Agreement**"). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Redenomination Agent**", the "**Consolidation Agent**" and the "**Calculation Agent(s)**".

References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below. Unless otherwise provided for, all references in these Conditions to a "day" shall be to a calendar day.

A copy of the Amended and Restated Agency Agreement is available for inspection during normal business hours at the specified offices of each of the Paying Agents.

For the purpose of these Conditions, "**Regulated Market**" means any regulated market situated in a Member State of the European Economic Area (the "**EEA**") as defined in the Markets in Financial Instruments Directive no. 2004/39/EC of 21 April 2004 (as amended) and as listed on the website of Europa (http://ec.europa.eu/internal_market/securities/isd/mifid_fr.htm#reg_markets).

1. **Form, Denomination(s), Title, Redenomination**

- (a) **Form:** Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").
 - (i) Title to Dematerialised Notes will be evidenced in accordance with Article L.211-3 of the French *Code monétaire et financier* by book entries (*inscriptions en compte-titres*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer and as specified in the relevant final terms ("**Final Terms**"), in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these Conditions, "**Account Holder**" means any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

- (ii) Materialised Notes are issued in bearer form ("**Materialised Bearer Notes**"). Materialised Bearer Notes are serially numbered and are issued with coupons (each, a "**Coupon**") and, where appropriate, a talon (a "**Talon**") attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

In accordance with Article L.211-3 of the French Code monétaire et financier, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

- (b) **Denomination(s)**: Notes shall be issued in the specified denomination(s) set out in the relevant Final Terms (the "**Specified Denomination(s)**") subject to compliance with the regulations of the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market, or offered to the public, in a Member State of the European Economic Area (the "**EEA**") in circumstances which require the publication of a prospectus under Directive 2003/71/EC of 4 November 2003, as amended (the "**Prospectus Directive**") will be Euro 1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date). Dematerialised Notes shall be issued in one Specified Denomination only.

Terms and Conditions of the Notes

- (c) **Title:**
- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or of the Registration Agent.
 - (ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue ("**Definitive Materialised Bearer Notes**"), shall pass by delivery.
 - (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
 - (iv) In these Conditions, "**holder of Notes**" or "**holder of any Note**", or "**Noteholder**" means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Coupons ("**Couponholder**" being construed accordingly), or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.
 - (v) Unless expressly excluded in the relevant Final Terms, the Issuer may, in accordance with Article L.228-2 of the French *Code de commerce*, at any time request from the central depository identification information of the Noteholders such as the name or the company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, e-mail address of holders of Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (d) **Redenomination**
- (i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holder of any Note, Coupon or Talon, by giving at least 30 days' notice in accordance with Condition 15 (*Notices*) and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as

provided in the Treaty establishing the European Community (the "EC"), as amended from time to time (the "Treaty"), or events have occurred which have substantially the same effect, redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".

- (ii) The redenomination of the Notes pursuant to Condition 1(d)(i) (*Redenomination*) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 15 (*Notices*). Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.
- (iii) Upon redenomination of the Notes, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.
- (iv) The Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14 (*Further Issues and Consolidation*), without the consent of the holder of any Note, Coupon or Talon, make any changes or additions to these Conditions or Condition 14 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.
- (v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Coupon or Talon or other person for any commissions,

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costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

- (e) **Method of Issue:** The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.

2. Conversion and Exchanges of Notes

(a) **Dematerialised Notes**

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such Noteholder.

(b) **Materialised Notes**

Materialised Bearer Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

3. Status of the Notes

The Notes and, where applicable, any related Coupons, constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are

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from time to time mandatory under French law) equally and ratably with all other present or future unsecured and unsubordinated obligations of the Issuer.

4. Negative Pledge

- (a) So long as any of the Notes remains outstanding, the Issuer has agreed that it will not create or have outstanding any mortgage, charge, pledge or other security interest upon the whole or any part of its undertaking, revenues or assets, present or future, in order to secure any Indebtedness (as defined below), or any guarantee or indemnity in respect of any Indebtedness, without at the same time according to the Notes the same security.
- (b) For the purposes of this Condition 4 and Condition 9 (*Events of Default*), "**Indebtedness**" means any indebtedness of the Issuer which, in each case, is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

For the avoidance of doubt, the Indebtedness shall include any obligations of the Issuer under dematerialised debt securities that may be issued from time to time by the Issuer and are traded under a book-entry transfer system.

5. Interest and other Calculations

- (a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below. Certain defined terms contained in the June 2013 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules published by the *Fédération Bancaire Française* ("**FBF**") (together, the "**FBF Master Agreement**") and in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), have either been used or reproduced in this Condition 5.

"**Business Day**" means:

- (i) in the case of Euro, a day on which TARGET2 (as defined below) is operating (a "**TARGET Business Day**"); and/or
- (ii) in the case of a specified currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency (which, in the case of Renminbi, shall be Hong Kong); and/or
- (iii) in the case of a specified currency and/or one or more Business Centre(s) specified in the relevant Final Terms (the "**Business Centre(s)**"), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in

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such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

"CMS Rate" shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time on the Interest Determination Date in question, all as determined by the Calculation Agent.

"CMS Reference Banks" means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent.

"Designated Maturity", "Margin", "Specified Time" and "Relevant Screen Page" shall have the meaning given to those terms in the applicable Final Terms.

"Relevant Swap Rate" means:

- (i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;
- (ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A)

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if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBORBBA with a designated maturity of three months;

- (iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and
- (iv) where the Reference Currency is any other currency, the mid-market swap rate as determined in accordance with the applicable Final Terms.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Accrual Period or Interest Period, the **"Calculation Period"**):

- (i) if **"Actual/365 – FBF"** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during the Calculation Period and whose denominator is 365. If part of that Calculation Period falls in a leap year, Actual /365 – FBF shall mean the sum of (i) the fraction whose numerator is the actual number of days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual days elapsed during the leap year and whose denominator is 366;
- (ii) if **"Actual/Actual – FBF"** is specified in the relevant Final Terms in respect of each calculation, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period);
- (iii) if **"Actual/Actual"** or **"Actual/Actual – ISDA"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

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- (iv) if "**Actual/Actual – ICMA**" is specified in the relevant Final Terms:
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (B) if the Calculation Period is longer than one Determination Period, the sum of:
- the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

in each case where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"Determination Date" means the date specified in the relevant Final Terms or, if none is so specified, the Interest Payment Date;

- (v) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (vi) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (vii) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.

- (viii) if "**30E/360**" or "**Eurobond Basis**" is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30.

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- (ix) if "**30E/360 (ISDA)**" is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"**Euro-zone**" means the region comprised of member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**FBF Definitions**" means the definitions set out in the June 2013 FBF Master Agreement, as supplemented or amended as at the Issue Date.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

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"Interest Amount" means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount as specified in the relevant Final Terms, as the case may be.

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

"Interest Payment Date" means the date(s) specified in the relevant Final Terms.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

"ISDA Definitions" means the 2006 ISDA Definitions (a copy of which may be obtained at the registered office of the Issuer during usual business hours), as published by the International Swaps and Derivatives Association, Inc., as amended or supplemented as at the Issue Date.

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 ("**Reuters**") and Telerate ("**Telerate**")) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

"Rate of Interest" means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions of the relevant Final Terms.

"Reference Banks" means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter

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index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone).

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, Paris.

"Relevant Rate" means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 am in the Relevant Financial Centre and for the purpose of this definition, **"local time"** means, with respect to Europe and the Euro zone as a Relevant Financial Centre, Brussels time.

"Representative Amount" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"Specified Currency" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

"Specified Duration" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii) (*Business Day Convention*).

"TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.

- (b) ***Interest on Fixed Rate Notes:*** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The

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amount of interest payable shall be determined in accordance with Condition 5(h) (*Calculations*).

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

(c) ***Interest on Floating Rate Notes***

(i) ***Interest Payment Dates:*** Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h) (*Calculations*). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) ***Business Day Convention:*** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

(A) the "**Floating Rate Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;

(B) the "**Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day;

(C) the "**Modified Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

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- (D) the "**Preceding Business Day Convention**", such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either FBF Determination or ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) **FBF Determination for Floating Rate Notes**

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

- (a) the Floating Rate is as specified in the relevant Final Terms; and
- (b) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**" (*Taux Variable*), "**Calculation Agent**" (*Agent*), "**Floating Rate Determination Date**" (*Date de Détermination du Taux Variable*) and "**Transaction**" (*Transaction*) have the meanings given to those terms in the FBF Definitions, provided that "**Euribor**" means the rate calculated for deposits in euro which appears on Reuters Page EURIBOR 01, as more fully described in the relevant Final Terms.

In the applicable Final Terms, when the paragraph "Floating Rate" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Floating Rate, one of which shall be determined as if the maturity were the period of time for which rates are available of next shorter

length before the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time for which rates are available of next longer length after the length of the relevant Interest Period.

(B) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub paragraph (B), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms;
- (b) the Designated Maturity is a period specified in the relevant Final Terms; and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (B), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

In the applicable Final Terms, when the paragraph "Floating Rate Option" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Floating Rate Option, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available of next shorter length before the length of the relevant Interest Period, and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available of next longer length after the length of the relevant Interest Period.

(C) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
 - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub paragraph (a)(i) or (a)(ii) applies and the Page is not available at the Relevant Time on the Interest Determination Date, or if sub paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant time on the Interest Determination Date, as determined by the Calculation Agent; and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of

the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-Zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

In the applicable Final Terms, when the paragraph "Relevant Rate" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Relevant Rate, one of which shall be determined as if the maturity were the period of time for which rates are available of next shorter length before the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time for which rates are available of next longer length after the length of the relevant Interest Period.

- (iv) *CMS Rate Notes*: Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Benchmark in respect of the Floating Rate Notes is specified as being CMS Rate, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be determined by the Calculation Agent by reference to the following formula:

CMS Rate + Margin

If the Relevant Screen Page is not available, the Calculation Agent shall request each of the CMS Reference Banks to provide the

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Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the Interest Determination Date in question. If at least three of the CMS Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Accrual Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date less than two or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon and is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(f)(i) (*Zero Coupon Notes*)).
- (e) **Fixed/Floating Rate Notes:** Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate (including, for the avoidance of doubt, CMS Rate), or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate at the date(s) set out in the Final Terms.
- (f) **Accrual of interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8(b) (*Additional Amounts*)).
- (g) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding**
 - (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a

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negative number) of such Margin, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be. Unless a higher rate is stated in the applicable Final Terms, the Minimum Rate of Interest (including any applicable margin) shall be deemed to be zero.
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (h) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount is specified in respect of such period in the Final Terms, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.
- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Make-Whole Redemption Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, Optional Redemption Amount, Early Redemption Amount or Make-Whole Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Make-Whole Redemption Amount to be notified to the Issuer, the Fiscal Agent, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of

the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii) (*Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (j) **Calculation Agent.** The Issuer shall use its best efforts to procure that there shall at all times one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined below). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make-Whole Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 15 (*Notices*).

For the purpose of these Conditions:

"**outstanding**" means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form and in administered registered form, to the relevant Account Holders on

behalf of the Noteholder as provided in Condition 7(a) (*Dematerialised Notes*), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the relevant account with, or, by check drawn on, a Bank as provided in Condition 7(b) (*Materialised Bearer Notes*) and remain available for payment against presentation and surrender of Bearer Materialised Notes and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Bearer Materialised Notes that have been surrendered in exchange for replacement Bearer Materialised Notes, (ii) (for the purpose only of determining how many such Bearer Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Bearer Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Bearer Materialised Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Bearer Materialised Notes, pursuant to its provisions.

6. Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which is its nominal amount).
- (b) **Redemption at the Option of the Issuer and Partial Redemption:** If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 (*Notices*) to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), redeem all, or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the

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circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market requirements.

In the case of a partial redemption in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the *French Code monétaire et financier*, subject to compliance with any other applicable laws and Regulated Market requirements.

So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the Autorité des marchés financiers and on the website of any other competent authority and/or Regulated Market of the EEA Member State where the Notes are admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

(c) ***Make-Whole Redemption by the Issuer:***

(i) Unless otherwise specified in the relevant Final Terms, the Issuer may, having given:

(A) not less than 15 nor more than 30 calendar days' notice to the Noteholders in accordance with Condition 15; and

(B) not less than 15 calendar days before the giving of the notice referred to in paragraph (A) above, notice to the Fiscal Agent, the Calculation Agent and such other parties as may be specified in the Final Terms,

(which notices shall be irrevocable and shall specify the date fixed for redemption (each such date, a "**Make-whole Redemption Date**")) redeem all (but not some only) of the Notes then outstanding at any time prior to their Maturity Date at their relevant Make-whole Redemption Amount.

(ii) For the purposes of this Condition, the following defined terms shall have the meanings set out below:

"Make-whole Redemption Amount" means an amount calculated by the Calculation Agent and equal to the greater of (x) 100 per cent. of the principal amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal

and interest on such Notes (excluding any interest accrued on the Notes to, but excluding, the relevant Make-whole Redemption Date) discounted to the relevant Make-whole Redemption Date on an annual basis at the Make-whole Redemption Rate plus a Make-whole Redemption Margin, plus in each case, any interest accrued on the Notes to, but excluding, the Make-whole Redemption Date.

"Make-whole Redemption Margin" means the margin specified as such in the relevant Final Terms.

"Make-whole Redemption Rate" means (i) the average of the four quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Security on the fourth Business Day preceding the Make-whole Redemption Date at 11:00 a.m. (Central European Time ("CET")) ("**Reference Dealer Quotation**") or (ii) the Reference Screen Rate, as specified in the relevant Final Terms.

"Reference Dealers" means each of the four banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues, or such other banks or method of selection of such banks as specified in the Final Terms.

"Reference Screen Rate" means the screen rate specified as such in the relevant Final Terms.

"Reference Security" means the security specified as such in the relevant Final Terms.

If the Reference Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer and published in accordance with Condition 15.

"Similar Security" means a reference bond or reference bonds issued by the same issuer as the Reference Security having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

The Make-whole Redemption Rate will be published by the Issuer in accordance with Condition 15.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

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So long as the Notes are listed and admitted to trading on Euronext Paris and the rules of that stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* and on the website of any other competent authority and/or Regulated Market of the EEA Member State where the Notes are listed and admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

- (d) **Redemption at the Option of Noteholders:** If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the Noteholder must deposit with any Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the "**Exercise Notice**") in the form obtainable during usual business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. Such notice shall, in the case of Materialised Bearer Notes, have attached to it such Note (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paris Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

- (e) **Residual Maturity Call Option:** If a Residual Maturity Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 (*Notices*) to the Noteholders redeem the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption, at any time as from the Residual Maturity Call Option Date (as specified in the relevant Final Terms) which Residual Maturity Call Option Date shall be no earlier than six months before the Maturity Date of the Notes.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

(f) **Early Redemption**

(i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(g) (*Redemption for Taxation Reasons*) or Condition 6(h) (*Illegality*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) shall be the Amortised Nominal Amount (calculated as provided below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or Condition 6(g) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d) (*Zero Coupon Notes*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

(ii) *Other Notes:*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(f) or Condition 6(g), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption

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Amount together with interest accrued to the date fixed for redemption.

(g) **Redemption for Taxation Reasons:**

(i) If, by reason of any change in French law or published regulations becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8(b) (*Additional Amounts*) below, the Issuer may, at its option, on any Interest Payment Date (if this Note is not a Floating Rate Note) or, at any time (if this Note is not a Floating Rate Note), subject to having given not more than 60 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

(ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

(h) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered

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therewith) in the open market or otherwise at any price, subject to the applicable laws and/or regulations.

The Notes purchased by the Issuer may be held and resold in such amount as may be permitted by and in accordance with Article L.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes.

- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer, to the extent that the Issuer is not permitted to hold and resell such Notes in accordance with Article L.213-1 A of the French *Code monétaire et financier*, and all Notes cancelled at the option the Issuer, shall be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering to the Fiscal Agent the Temporary Global Certificate and the Definitive Materialised Bearer Notes in question together with all unmatured Coupons and all unexchanged Talons and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- (j) **Illegality:** If, by reason of any change in French law or published regulations becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15 (*Notices*), redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

7. Payments and Talons

- (a) **Dematerialised Notes:** Payments of principal and interest in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank (as defined below) designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

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- (b) **Materialised Bearer Notes:** Payments of principal and interest in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(v) (*Unmatured Coupons and unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 7(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to TARGET2 (a "**Bank**").
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain:
- (i) a Fiscal Agent;
 - (ii) one or more Calculation Agent(s) where the Conditions so require;

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- (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require;
- (iv) Paying Agents having specified offices in at least two major European cities (including Paris so long as Notes are admitted to trading on Euronext Paris and, in either case, so long as the rules of, or applicable to, the relevant Regulated Market so require);
- (v) in the case of Materialised Notes, a Paying Agent with a specified office in a European Union Member State (which may be any of the Paying Agents referred to in (iv) above);
- (vi) in the case of Dematerialised Notes, in fully registered form, a Registration Agent; and
- (vii) such other agents as may be required by any other Regulated Market on which the Notes may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer Notes denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) (*Redenomination*) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 14 (*Further Issues and Consolidation*), the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15 (*Notices*).

- (f) ***Unmatured Coupons and unexchanged Talons***
 - (i) Upon the due date for redemption, Materialised Bearer Notes which comprise Fixed Rate Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount, Optional Redemption Amount or Make-Whole Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such

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principal (whether or not such Coupon has become void pursuant to Condition 10 (*Prescription*)).

- (ii) Upon the due date for redemption of any such Materialised Bearer Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (iii) Upon the due date for redemption of any Materialised Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
 - (iv) Where any Materialised Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
 - (v) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10), provided that, in respect of Notes listed and admitted to trading on Euronext Paris, such exchange shall always take place at the specified office of the Fiscal Agent or of the Paying Agent, as a case may be, in Paris.
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such

jurisdictions as shall be specified as "**Financial Centres**" in the relevant Final Terms and (B) (i) (in the case of a payment in a currency other than Euro), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro), which is a TARGET Business Day.

- (i) **Alternative Payment in U.S. Dollar:** if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able, or it would be impracticable for it, to satisfy payments of principal or interest (in whole or in part) in respect of RMB Notes when due, the Issuer, on giving not less than five nor more than 30 days irrevocable notice in accordance with Condition 15 "Notices" to the Noteholders prior to the due date for payment, shall be entitled to satisfy its obligations in respect of such payment by making such payment in U.S. dollars on the basis of the Spot Rate on the second FX Business Day prior to such payment or, if such rate is not available on such second FX Business Day, on the basis of the rate most recently available prior to such second FX Business Day.

Any payment made under such circumstances in U.S. dollars will constitute valid payment, and will not constitute a default in respect of the Notes.

FX Business Day shall mean a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in U.S. dollars in Hong Kong and New York.

Governmental Authority means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

Illiquidity means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the RMB Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two RMB Dealers.

Inconvertibility means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the RMB Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation becomes effective on or after the issue date of such RMB Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

Non-transferability means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong

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Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation becomes effective on or after the issue date of the relevant RMB Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

RMB Dealer means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong.

Spot Rate means the spot U.S. dollar/RMB exchange rate for the purchase of U.S. dollars with RMB in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Business Days, as determined by the Calculation Agent in good faith and in a commercially reasonable manner at or around 11.00 a.m. (Hong Kong time) on the date of determination, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent in good faith and in a commercially reasonable manner will determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the date of determination as the most recently available U.S. dollar/RMB official fixing rate for settlement in two FX Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

The Calculation Agent will not be responsible or liable to the Issuer or any holder of the Notes for any determination of any Spot Rate determined in accordance with this provision in the absence of its own gross negligence, bad faith or wilful misconduct.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and all Noteholders.

8. Taxation

- (a) **Tax exemption:** all payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

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- (b) **Additional Amounts:** If French law should require that payments of principal or interest in respect of any Note or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon, as the case may be:
- (i) *Other connection:* to, or to a third party on behalf of, a Noteholder or, if applicable, a Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some present or former connection with the Republic of France other than the mere holding of the Note or Coupon; or
 - (ii) *Presentation more than 30 days after the Relevant Date:* in the case of Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder or, if applicable, a Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
 - (iii) *Payment by another Paying Agent:* in respect of Definitive Materialised Notes in bearer form, presented for payment by or on behalf of a holder of any Note or Coupon, as the case may be, who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU; or
 - (iv) Any combination of the items (i) to (iii) above.

In addition, any amounts to be paid on any Notes or Coupons will be paid net of any deduction or withholding imposed or required pursuant to FATCA, which refers to (1) sections 1471 to 1474 of the United States Internal Revenue Code or any associated regulations or other official guidance; (2) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of (1) above; or (3) any agreement pursuant to the implementation of (1) or (2) above with the United States Internal Revenue Service, the United States government or any governmental or taxation authority in any other jurisdiction, and the Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FACTA deduction or withholding deducted or withheld by the Issuer, any paying agent or any other party.

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As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Make-Whole Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

9. Events of Default

The Representative (as defined in Condition 11 (*Representation of Noteholders*)), upon request of any Noteholder, may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause all the Notes (but not some only) to become immediately due and payable at their principal amount, together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent without further formality, if any of the following events (each an "**Event of Default**") shall occur:

- (i) the Issuer (a) fails to pay principal in respect of the Notes of the relevant Series or any of them within 15 days following the Maturity Date or date of redemption thereof or (b) fails to pay interest in respect of the Notes of the relevant Series or any of them within 15 days of the due date for payment thereof; or
- (ii) the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes of the relevant Series which default is continuing (except in any case where such default is incapable of remedy when no such continuation or notice, as is hereinafter mentioned, will be required) for a period of 30 days after the Issuer receives written notice specifying such default at the specified office of the Fiscal Agent by the Holder of any such Note; or
- (iii) (a) any Indebtedness (as defined in Condition 4 (*Negative Pledge*)) of the Issuer (being Indebtedness having an outstanding aggregate principal

amount in excess of €100,000,000 or its equivalent in any other currency) is not paid within 30 days after its stated maturity or earlier redemption date, as the case may be, or within any longer applicable grace period, as the case may be, (b) any Indebtedness of the Issuer (being Indebtedness having an outstanding aggregate principal amount in excess of €100,000,000 or its equivalent in any other currency) becomes due and payable prior to its stated maturity as a result of a default thereunder which is not remedied within the relevant grace period or (c) the Issuer fails to pay when due any amount payable by it under any guarantee of Indebtedness (being Indebtedness having an outstanding aggregate principal amount in excess of €100,000,000 or its equivalent in any other currency) unless, in each case, the Issuer is contesting in good faith its obligations to make payment or repayment of any such amount; or

- (iv) a judgment is issued for judicial liquidation (*liquidation judiciaire*) of the Issuer or for a transfer of the whole of its business (*cession totale de l'entreprise à la suite d'un plan de cession*) pursuant to a judicial reorganisation (*redressement judiciaire*), or the Issuer is subject to equivalent legal proceedings, or in the absence of legal proceedings the Issuer makes a voluntary conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors or the Issuer is voluntarily wound up or dissolved (*dissolution or liquidation amiable*).

10. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years (in the case of both principal and interest) from the appropriate Relevant Date in respect of them.

11. Representation of Noteholders

In respect of the representation of the Noteholders, the following shall apply:

- (a) If the relevant Final Terms specifies "**Full Masse**", the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (in each case, the "**Masse**") and the provisions of the French *Code de commerce* relating to the masse shall apply subject to the below provisions of this Condition 11(a).

The names and addresses of the initial Representative (as defined below) of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

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In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the Noteholders (the "**General Meeting**").

- (b) If the relevant Final Terms specifies "**Contractual Masse**", the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse which will be subject to the below provisions of this Condition 11(b).

The Masse will be governed by the provisions of the French *Code de commerce* and, in the case only of Notes which are issued outside the Republic of France, with the exception of Articles L.228-48, L.228-59, the second sentence of Articles L.228-65 II, R.228-63, R.228-67 and R.228-69, subject to the following provisions:

(a) **Legal Personality**

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a General Meeting.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(b) **Representative**

The office of Representative may be conferred on a person of any nationality who agrees to perform such function. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Executive Board (*Directoire*), the members of its Supervisory Board (*Conseil de surveillance*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Executive Board (*Directoire*), or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

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The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(c) ***Powers of Representative***

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

(d) ***General Meeting***

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 15 (*Notices*).

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence, by videoconference or by any other means of telecommunications allowing the identification of participating Noteholders. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple

of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(e) ***Powers of the General Meetings***

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the obligations (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R. 228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in the General Meetings must be evidenced by entries in the books of the relevant Account Holder of the name of such Noteholder on the second business day in Paris preceding the date set for the relevant General Meeting at 0.00, Paris time.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15 (*Notices*).

(f) ***Written resolution and electronic consent***

Pursuant to Article L. 228-46-1 of the French *Code de commerce*, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Resolution (as defined below). Subject to the following sentence a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders. Approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Noteholders ("**Electronic Consent**").

Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 13 not less than 15 calendar days prior to the date fixed for the passing of such Written

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Resolution (the "Written Resolution Date"). Notices seeking the approval of a Written Resolution will contain the procedure to be followed by the Noteholders who wish to express their approval or rejection of such proposed Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will undertake not to disclose of their Notes until after the Written Resolution Date.

For the purpose hereof, a "**Written Resolution**" means a resolution in writing signed by the holders of not less than 90 per cent. in nominal amount of the Notes outstanding.

(g) **Information to Noteholders**

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours and at any other place specified in the notice of the General Meeting.

(h) **Expenses**

The Issuer will pay all the reasonable and duly documented expenses relating to the operation of the Masse, including the reasonable and duly documented expenses relating to the calling and holding of General Meetings and, more generally, all reasonable and duly documented administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(i) **Single Masse**

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14 (*Further Issues and Consolidation*), shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

For the avoidance of doubt, in this Condition 11 "outstanding" shall not include those Notes purchased by the Issuer pursuant to Article L.213-1 A of the French *Code monétaire et financier* that are held by it and not cancelled.

12. Final Terms

These Conditions may be completed in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

13. Replacement of definitive Notes, Coupons and Talons

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Bearer Notes, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues and Consolidation

- (a) **Further Issues:** The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest in the relevant Final Terms) and that the terms of such further notes provide for such assimilation and references in these Conditions to "**Notes**" shall be construed accordingly.
- (b) **Consolidation:** The Issuer may, with the prior approval (which shall not be unreasonably withheld) of the Redenomination and Consolidation Agent, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), without the consent of the Noteholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

15. Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the mailing, or (ii) at the option of the Issuer, they are published in a leading daily newspaper with general circulation in Europe (which is expected to be the

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Financial Times) and, so long as such Notes are listed and admitted to trading on any Regulated Market and the rules of, or applicable to, such Regulated Market so require, in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located, which in the case of Euronext Paris is expected to be *Les Echos*.

- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a daily leading newspaper with general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed and admitted to trading on any Regulated Market, in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located, which in the case of Euronext Paris is expected to be *Les Echos*.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 15(a), (b) and (c) above; except that notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11 (*Representation of Noteholders*) shall also be published in a leading daily newspaper of general circulation in Europe.

16. **No application of Article 1195 of the French *Code civil***

Article 1195 of the French *Code civil* shall not apply to, or in connection with, any Notes or Conditions thereof as supplemented and amended from time to time.

17. **Governing Law and Jurisdiction**

17.1 **Governing Law**

The Notes (and, where applicable, the Coupons and the Talons) and any non-contractual obligations arising out of or in connection with the Notes (and, where applicable, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.

17.2 Jurisdiction

- (a) The Paris Commercial Court (*Tribunal de Commerce de Paris*) has jurisdiction to settle any disputes arising out of or in connection with the Notes (and, where applicable, the Coupons and the Talons) (including a dispute relating to the existence, validity or termination of the Notes (and, where applicable, the Coupons and the Talons) or any non-contractual obligation arising out of or in connection with the Notes (and, where applicable, the Coupons and the Talons)) and accordingly, any legal action or proceedings arising out of or in connection therewith may be brought in such courts.
- (b) Any claim against the Issuer in connection with the Notes (and, where applicable, the Coupons and the Talons) will be brought before the said Paris Commercial Court (*Tribunal de Commerce de Paris*).

USE OF PROCEEDS

The net proceeds of the issue of each Tranche will be applied by the Issuer to meet part of its general financing requirements unless otherwise set out in the relevant Final Terms.

DESCRIPTION OF THE ISSUER

Detailed information in relation to the Issuer is contained in the documents referred to in the section headed "Documents incorporated by reference" in this Base Prospectus.

Information regarding the EDF Group's activities

General introduction to the EDF Group

The EDF Group is an integrated energy company, active in all electricity businesses: nuclear, renewable and thermal generation, transmission (activity handled by RTE¹, shareholding consolidated resorting to the equity method), distribution (handled by Enedis), sales and marketing, efficiency and energy services and energy trading. It is the leading player in the French electricity market² and holds strong positions in Europe (mainly in the United Kingdom (UK)³, Italy and Belgium⁴), which makes it one of the world's leading electric energy companies and a renowned gas player.

With a global installed net generation capacity of 132.3GWe⁵ as at 31 December 2016, generating 583.9TWh, the Group has one of the largest generation fleets in the world⁶. Among the ten largest global power suppliers, it produces the smallest amount of CO₂ per kilowatt-hour generated⁷ thanks to the share of nuclear, hydro and other renewable energies in its generation mix.

The EDF Group supplies electricity, gas and related services to 37.1 million customer accounts⁸ worldwide (of which 26.2 million in France).

Electricity generation is a non-regulated activity, which is open to competition in the same way as the sale of electricity and gas and upstream/downstream optimisation. The Group is thus implementing an integrated model for the joint operational management of its portfolio of assets upstream (generation and procurement of energy and fuels) and downstream (wholesale and retail) to guarantee supply of energy to its customers through the best possible management of operational and market risks and with a view to maximising gross margin.

¹ An EDF's fully independent subsidiary as defined by the Energy Code.

² Source: CRE, *Observatoire des marchés de détail*, available at: <http://www.cre.fr/marches/observatoire-des-marches>

³ Source: Office of Gas and Electricity Markets, Retail Market Indicators, available at: <https://www.ofgem.gov.uk/data-portal/retail-market-indicators>

⁴ Source: Commission for Electricity and Gas Regulation, *Parts de marché des fournisseurs d'énergie*, available at: <http://www.creg.be/fr/consommateurs/le-marche-de-lenergie/parts-de-marche-des-fournisseurs-denergie>

⁵ Source: EDF. Figures calculated according to the consolidation accounting rules.

⁶ Source: Wood Mackenzie study published in August 2017.

⁷ Source: Comparison based on data published by these ten groups.

⁸ One customer can have two customer accounts: one for electricity and another for gas.

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In addition, the Group is also present in regulated sectors such as electricity transmission and distribution, in particular via RTE and Enedis, respectively, which are fully independent subsidiaries as for the purposes of the Energy Code.

EDF Group strategic vision

Being a responsible and efficient electricity producer that champions low carbon growth: this is the goal of the EDF Group, driven by the CAP 2030 strategy. This goal can be split into three priorities, which combine the search for growth drivers with the optimisation of existing assets:

- proximity to customers and local communities;
- low carbon generation, with a balanced mix of nuclear and renewable energy;
- international expansion.

More than 15 strategic programmes were launched in 2015 and continued in 2016, embodying each of these three priorities.

This goal will also be achieved through a transformation programme based on the following four main lines: innovation and digital, human ambition, accountability and performance management, simplification.

Proximity to customers and local communities

In order to support customers and local communities in their energy transition, the EDF Group offers them competitive low carbon energy solutions and acquired industrial expertise in smart grids.

The EDF Group's strong position in energy services via Dalkia and other subsidiaries (Sodetrel, Edelia, Netseenergy) allows to support its customers in achieving energy performance and developing decentralised local systems.

As for residential customers, the EDF Group offers and continues to develop a range of digital energy services, marketed in France and in the "core European countries" (United Kingdom, Italy, Belgium). For example, the launch of Soweel in 2016 (a subsidiary offering Connected Home innovative products and solutions) reflects EDF's commitment to meeting the new expectations of its customers, especially regard sustainable well-being at home. Existing offerings and customer relations will also continue to be enriched by new digital technologies and features, facilitated in particular by smart meter systems deployed in several countries.

The EDF Group is fully engaged in the energy transition:

- by proposing or developing energy saving solutions for its customers (insulation, high-efficiency solutions, deployment of digital tools such as e.quilibre, enabling residential customers to monitor their energy consumption, etc.);

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- by working to replace fossil fuels with new efficient uses of electricity, which could represent additional dozens of TWh in France by 2030 (electric mobility, heat pumps, low carbon habitat, etc.);
- by developing carbon-free and decentralised electricity generation capacity such as the self-consumption offer “Mon soleil et moi”;
- by developing and operating heating networks that use renewable and recovery energies.

Finally, the development of renewable energies, the deployment of the Linky ¹ smart meters and the emergence of metropolitan areas are putting the distribution networks at the front line of the transformation of the electricity system. The distributor thus plays a key role as facilitator of the energy transition.

To support the energy transitions, the EDF Group is intensifying research and development in storage, solar energy, electric mobility, smart electricity systems and sustainable local energy solutions (smart cities).

It is also increasing its innovation efforts to meet the expectations of its customers and offer solutions and services adapted to the new consumption patterns and based on increasingly digital connections.

Lastly, in the context of CAP 2030, the EDF Group has been giving much thought to its sustainable development ambitions in terms of corporate responsibility.

Low carbon generation: nuclear and renewable energies

To remain the leader in low carbon electricity generation², the EDF Group is intensifying the development of renewable energies while ensuring at the same time the safety, performance and competitiveness of the existing nuclear fleet and new nuclear investments. In fact, EDF's nuclear fleet is already giving France a major lead compared to its neighbours as for curbing greenhouse gas emissions, all while ensuring lower electricity costs.

Achieving the low carbon generation goal starts with the consolidation of the hydropower and nuclear asset basis:

- EDF regularly invests in hydropower concessions in order to tie together economic, energy and environmental performance, and will propose solutions strengthening hydropower generation;
- EDF is investing in order to obtain approval to extend, under the highest safety conditions, the operating life of the French nuclear fleet beyond 40 years, now that the economic and carbon competitiveness of this fleet has been demonstrated. In

¹ Linky is a project handled by Enedis, the distribution network operator. For the sake of brevity, further mentions of Linky in the rest of the document will not always specify that it is a project handled by Enedis.

² Source: PricewaterhouseCoopers, *Etudes Facteur Carbone européen*, available at: <https://www.pwc.fr/fr/publications/developpement-durable/changement-climatique-et-energie/etudes-facteur-carbone-europeen.html>

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this context, EDF's Board of Directors approved the principle of the "Grand Carénage" on 22 January 2015. Furthermore, on 28 July 2016 the Board of Directors approved the extension to 50 years of the amortisation period of the PWR 900MW series (excluding Fessenheim) in France, without prejudice to the decisions authorizing the continuation of the operation, which will be made on a unit-by-unit basis by the ASN after each ten-year inspection. These decisions are consistent with the multi-year energy plan. The project to close the Fessenheim plant underwent a consultation procedure by the Central Works Council, which, during its meeting held on 10 January 2017, voted unanimously against such project. During its meeting held on 24 January 2017, EDF's Board of Directors approved the terms of the compensation protocol and authorised the Chairman and CEO to sign it on behalf of EDF in due course. The Board also decided that the filing of the application for the revocation of Fessenheim's operating permit will be subject to further deliberation on its part;

- investments are also made to extend the operating life of the entire UK nuclear fleet by of eight years on average;
- as a responsible electricity producer, the EDF Group will also carry on investing in the preparations for the decommissioning of the nuclear fleet and for the waste management in France and the United Kingdom.

The EDF Group will continue new developments, balanced between nuclear new build projects and renewable energies. The main issues concerning nuclear new build projects are:

- the commissioning of Flamanville 3 and Taishan;
- the project of building and operating two EPR reactors at Hinkley Point, for which the final contracts were signed on 29 September 2016 by EDF, CGN and the British Government;
- the preparation of the reactors of the future with the New Model EPR project, conducted jointly with AREVA;
- the strategic and industrial partnership with AREVA, which includes the acquisition by EDF of the exclusive control over a new company comprising the design and supply activities of AREVA's nuclear boilers and fuel assemblies, and the incorporation of a company, owned at 80% by EDF and dedicated to the design and construction of the nuclear island for new reactor projects.

In regard to renewable energy, the new means developed will be essentially onshore wind power, photovoltaic, hydropower and offshore wind power. The development of these assets outside France is undertaken in line with the Group's international strategy. In that respect, the EDF Group strengthened its integration in the renewable energy industry throughout 2016 by developing new projects, not only in France, but also in the United States, Brazil, Chile, India and China.

In line with the low carbon generation priority, EDF supports the need to implement measures to increase the price of CO₂, such as the principle supported by the French

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Government of a price corridor for European quotas. EDF believes that such measures should be applied to all sectors to be fully effective. They will constitute an incentive for economic and financial operators to invest in the cheapest ways to reduce carbon emissions and help give full value to non-polluting assets.

International expansion

The EDF Group wants to be a key player in the energy market in France and in its core countries in Europe (United Kingdom, Italy, Belgium) by playing a role in energy security, the enhancing of economic competitiveness and the European economy low carbon transition, in line with public policies.

The Group is also expanding outside Europe in a few targeted countries with high growth potential and is strengthening its expertise and the competitiveness of its offers.

Investment in low carbon generation projects, and in energy and engineering services are central to the Group's development strategy in these countries.

A proactive approach is also being implemented in hydropower to reproduce the undisputed success of the dam in Laos through some specific projects.

Gas-to-power regulated infrastructure projects are also being developed where they are a key component of the energy transition. The Group resorts to all its areas of expertise that can contribute to developing such projects: renewables, energy services, nuclear new build but also other engineering skills (network, thermal, hydropower, etc.), trading and gas delivery capabilities in Europe and worldwide.

Transformation

Health and safety, digital and new work practices, responsibility and simplification, skills and the recognition model are the five major levers of the Group's transformation.

The Group adapts its managerial practices by streamlining its organisations and modus operandi. For example, in 2016, two labour agreements were signed by EDF SA concerning both the introduction of a fixed number of working days for managers and an "expertise" agreement aimed at boosting the careers of employees and promoting internal mobility and promotional training.

Moreover, the promotion of innovation, based in particular on experiments (labs and co-construction platforms with customers) and on an open innovation programme will contribute to this transformation. The (undergoing) creation of a department in charge of "new businesses" will complement the skills EDF is gradually developing in order to meet the challenges in this field.

The digital transformation involves employees and internal modus operandi, customer relations and the management and design of industrial assets. The creation of a Transformation and Operational Efficiency Department, which would combine the Group's activities relating to information systems, purchasing, real estate and shared services, reflects the Group's desire to be more active in this field.

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Performance improvement has always been a priority for the EDF Group. The current economic and financial context further increases the urge for such improvement. The Group is strengthening control of its costs to bring them into line with its environment. The approach is adjusted depending on the scopes involved (cross-disciplinary functions, operating entities, etc.).

Sustainable development

As part of its CAP 2030 strategic project, EDF has undertaken a review of its ambition in terms of corporate responsibility, echoing the United Nation's new Sustainable Development Goals (2015-2030). Such review led to a strong commitment through six Corporate Responsibility Goals in respect of which the Group has committed to presenting annual results - that lay down a road map for the Group's functions and subsidiaries to serve a profitable and responsible development:

- going beyond the requirements of the 2°C trajectory defined by COP 21 by drastically reducing the Group's CO₂ emissions, which already reach a remarkable level compared to the Group's main European counterparts¹;
- incorporating best practices of the industrial groups in terms of human development: health & safety, gender equality and internal social advancement;
- offering all vulnerable groups information and solutions to support them in their energy consumption and help them assert their rights;
- innovating through digital energy efficiency solutions so that each customer can better manage their usage;
- systematically organising an initiative of worldwide dialogue and consultation which is transparent and includes all involved parties, for each new project;
- launching a positive approach of biodiversity, to understand and reduce the impacts of the Group's activities and in the long run to have a positive effect on biodiversity.

Cap 2030 success factors

CAP 2030 enables the Group to develop a portfolio of assets focused on low-carbon, renewable and nuclear energy: services for customers, decentralised energy solutions. The key success factors of CAP 2030 are:

- the management of major projects, in particular the new models of nuclear reactors, the "Grand carénage" programme or the development of the Nuclear New Build in the United Kingdom;
- the selectiveness of investments in international projects;

¹ Source: PricewaterhouseCoopers, *Etudes Facteur Carbone européen*, available at: <https://www.pwc.fr/fr/publications/developpement-durable/changement-climatique-et-energie/etudes-facteur-carbone-europeen.html>

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- the expansion of the range of offers and the exemplarity in customer relations;
- the transformation of the Group's modus operandi and the collective commitment;
- cost control.
- In this context, the Group announced on 22 April 2016 the launch of a performance plan that includes:
 - an optimisation of net investments (excluding Linky, new developments and assets disposals) to reach ~€10.5 billion in 2018;
 - a reduction in operational expenditures ¹ of €0.7 billion from 2015 to 2018, and of €1 billion from 2015 to 2019;
 - an asset disposal plan of ~ €10 billion between 2015 and 2020.

On 26 July 2016, EDF's Board of Directors agreed on the principle of a capital increase in an amount of €4 billion to strengthen its equity capital. The French State, holding a 85% equity interest in the Group, announced that it would subscribe to it for €3 billion.

Key figures as at 31 December 2016

Pursuant to European Regulation no. 1606/2002 of 19 July 2002 on the adoption of international accounting standards, the EDF Group's consolidated financial statements for the year ended 31 December 2016 are prepared under the international accounting standards published by the IASB and approved by the European Union for application at 31 December 2016. These international standards are IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and SIC and IFRIC interpretations.

The EDF Group's accounting policies are presented in note 1 to the consolidated financial statements at 31 December 2016.

The figures presented in the present Base Prospectus are taken from the EDF Group's consolidated financial statements at 31 December 2016.

The EDF Group's key figures for 2016 are shown in the following tables.

Extract from the consolidated income statements

<i>(in millions of Euros)</i>	2016	2015	Variation	Variation (%)	Organic growth (%)
Sales	71,203	75,006	(3,803)	-5.1	-3.2
Operating profit before depreciation and amortisation (EBITDA)	16,414	17,601	(1,187)	-6.7	-4.8

¹ At constant scope, exchange and hypothesis of pensions discount rates. Excluding change in operating expenses of service activities.

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Operating profit (EBIT)	7,514	4,280	3,234	+75.6	+76.6
Income before taxes of consolidated companies	4,181	1,692	2,489	+147.1	+148.0
EDF net income	2,851	1,187	1,664	+140.2	+141.4
Net income excluding non-recurring items ⁽¹⁾	4,085	4,822	(737)	-15.3	-15.0

(1) Net income excluding non-recurring items is not defined by IFRS, and is not directly visible in the consolidated income statements. It corresponds to the net income excluding non-recurring items and the net change in fair value on energy and commodity derivatives, excluding trading activities, net of tax (see section 5.1.4.9 of the 2016 Document de Référence).

Extract from the consolidated balance sheets

<i>(in millions of Euros)</i>	31/12/2016	31/12/2015
Non-current assets	147,626	149,439
Inventories and trade receivables	37,397	36,973
Other assets	66,238	69,536
Cash and cash equivalents, other liquid assets, loans to RTE ⁽¹⁾ and joint ventures	25,159	22,993
Assets held for sale ⁽²⁾	5,220	-
TOTAL ASSETS	281,640	278,941
Equity (EDF share)	34,438	34,749
Equity (non-controlling interests)	6,924	5,491
Special concession assets	45,692	45,082
Provisions	74,966	75,327
Loans and other financial liabilities	61,230	60,388
Other liabilities	56,281	57,904
Liabilities related to assets classified as held for sale ⁽³⁾	2,109	-
TOTAL EQUITY AND LIABILITIES	281,640	278,941

(1) RTE is a subsidiary of EDF that is independent under the French Energy Code.
(2) Including €104 million of financial assets impacting net indebtedness (see below).
(3) Including €1,458 million of financial debts impacting net indebtedness (see below).

EDF Group cash flow

<i>(in millions of Euros)</i>	2016	2015	Variation	Variation (%)
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Description of the Issuer

Group cash flow ⁽¹⁾	(1, 565)	(2, 064)	+499	+24. 2
<i>(1) Group cash flow is not an aggregate defined by IFRS as a measure of financial performance, and is not comparable with indicators of the same name reported by other companies. It is equivalent to the operating cash flow after net change in working capital, net investments, allocations and withdrawals from dedicated assets, and dividends.</i>				

Details of net indebtedness

<i>(in millions of Euros)</i>	31/12/2016	31/12/2015	Variation	Variation (%)
Loans and other financial liabilities	65, 195	64, 183	1, 012	+1. 6
Derivatives used to hedge liabilities	(3, 965)	(3, 795)	(170)	+4. 5
Financial liabilities reclassified as liabilities related to assets held for sale ⁽¹⁾	1, 458	-	1, 458	+100
Cash and cash equivalents	(2, 893)	(4, 182)	1, 289	-30. 8
Available-for-sale financial assets - Liquid assets	(22, 266)	(18, 141)	(4, 125)	+22. 7
Loan to RTE	-	(670)	670	-100. 0
Financial assets reclassified as assets held for sale ⁽¹⁾	(104)	-	(104)	+100. 0
NET INDEBTEDNESS ⁽²⁾	37,425	37,395	30	+0.1
<i>(1) Net indebtedness of assets held for sale in 2016 principally concerns C25 (the holding company for RTE) and Polish companies.</i>				
<i>(2) Net indebtedness is not defined in the accounting standards and is not directly visible in the Group's consolidated balance sheets. 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.</i>				

Key figures as at 30 June 2017

Pursuant to European Regulation 1606/2002 of 19 July 2002 on the adoption of international accounting standards, the EDF Group's condensed consolidated financial statements for the half-year ended 30 June 2017 are prepared under IAS 34 "Interim Financial Reporting" using the presentation, recognition and measurement rules set forth in the international accounting standards published by the IASB and approved by the European Union for application at 30 June 2017. These international standards are IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and SIC and IFRIC interpretations.

The accounting methods applied by the EDF Group are presented in note 1 to the condensed consolidated half-year financial statements at 30 June 2017.

Description of the Issuer

The figures presented in the present Base Prospectus are taken from the EDF Group's condensed consolidated half-year financial statements at 30 June 2017.

The condensed consolidated half-year financial statements comply with standard IAS 34 on interim financial reporting. They do not therefore include all the information required for full annual financial statements, and are to be read in conjunction with the consolidated financial statements at 31 December 2016.

The EDF Group's key figures for the first half of 2017 are shown in the following table.

<i>(in millions of Euros)</i>	H1 2017	H1 2016	Variation	Variation (%)	Organic growth (%)
Sales	35,723	36,659	(936)	- 2.6	- 1.1
Operating profit before depreciation and amortisation (EBITDA)	6,996	8,944	(1,948)	- 21.8	- 20.6
Operating profit (EBIT)	3,882	4,512	(630)	- 14.0	-12.8
Income before taxes of consolidated companies	2,894	3,288	(394)	- 12.0	- 10.5
EDF net income	2,005	2,081	(76)	- 3.7	- 1.6
Net income excluding non-recurring items ⁽¹⁾	1,370	2,968	(1,598)	-53.8	-52.4

(1) Net income excluding non-recurring items is not defined by IFRS, and is not directly visible in the Group's consolidated income statements. It corresponds to the Group's share of net income (EDF net income) excluding the net change in fair value on energy and commodity derivatives, excluding trading activities, net of tax (see section 4.9 of the 2017 HYMR).

From EDF net income to net income excluding non-recurring items

<i>(in millions of Euros)</i>	H1 2017	H1 2016
EDF net income	2,005	2,081
Gain on sale of 49.9% of CTE	(1,289)	-
Other, including net changes in fair value on Energy and Commodity derivatives, excluding trading activities	291	156
Impairment	363	731
NET INCOME EXCLUDING NON-RECURRING ITEMS	1,370	2,928

(1) The company that holds 100% of RTE's shares (an independent EDF subsidiary as defined in the French Energy Code).

Group cash flow

<i>(in millions of Euros)</i>	H1 2017	H1 2016	Variation	Variation (%)
Group cash flow ⁽¹⁾⁽²⁾	1,482	107	1,375	n.a.

(1) Group cash flow is not an aggregate defined by IFRS as a measure of financial performance, and is not comparable with indicators of the same name reported by other companies. It is equivalent to the operating cash flow after changes in working capital and net investments, allocations and withdrawals from dedicated assets, and dividends (see section 5 of the 2017 HYMR).

(2) Before the capital increase.

Description of the Issuer

Details of net indebtedness

<i>(in millions of Euros)</i>	H1 2017	H1 2016	Variation	Variation (%)
Net indebtedness ⁽¹⁾	31,268	37,425	(6,157)	- 16.5
Equity (EDF's share)	39,752	34,438	5,314	+15.4
Net indebtedness/EBITDA	2.2 ⁽²⁾	2.3		

(1) Net indebtedness is not defined in the accounting standards and is not directly visible in the Group's consolidated balance sheets. 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. (see note 20.3 to the condensed consolidated half-year financial statements at 30 June 2017).

(2) The ratio at 30 June 2016 is calculated based on cumulative EBITDA for the second half-year of 2016 and the first half-year of 2017.

Members of the Board of Directors as at 15 September 2017

Directors appointed by the General Shareholders' Meeting

Jean-Bernard Lévy
Oliver Appert
Philippe Crouzet
Bruno Lafont
Bruno Lechevin
Marie-Christine Lepetit
Colette Lewiner
Christian Masset
Laurence Parisot
Claire Pedini
Michèle Rousseau

Representative of the French State

Martin Vial

Employee Representatives

Christine Chabauty
Jacky Chorin
Marie-Hélène Meyling
Jean-Paul Rignac
Christian Taxil
Maxime Villota

DESCRIPTION DE L'ÉMETTEUR (DESCRIPTION OF THE ISSUER IN FRENCH)

La description de l'Émetteur ci-après est une traduction libre en français, fournie uniquement à titre indicatif, de la section « Description of the Issuer » établie en langue anglaise. En cas de contradiction entre la version originale et la traduction française, la version anglaise fera foi.

Des informations détaillées relatives à l'Émetteur sont disponibles dans les documents indiqués dans la section intitulée "Documents incorporés par référence" dans ce Prospectus de Base.

Informations concernant l'activité du Groupe EDF

Présentation générale du Groupe EDF

Le Groupe EDF est un énergéticien intégré, présent sur l'ensemble des métiers de l'électricité : la production nucléaire, renouvelable et fossile, le transport (activité portée par RTE¹, participation mise en équivalence), la distribution (activité portée par Enedis), la commercialisation, les services d'efficacité et de maîtrise de l'énergie, ainsi que le négoce d'énergie. Il est l'acteur principal du marché français de l'électricité² et bénéficie de positions fortes en Europe (notamment au Royaume-Uni³, en Italie et en Belgique⁴) qui en font l'un des électriciens leader dans le monde et un acteur gazier reconnu.

Avec une puissance installée nette de 132,3 GWe⁵ dans le monde au 31 décembre 2016 pour une production mondiale de 583,9 TWh, le Groupe dispose de l'un des plus importants parcs de production au monde⁶ et, parmi les dix plus grands énergéticiens de la planète, du parc le moins émetteur de CO₂ par kilowattheure produit⁷ grâce à la part du nucléaire, de l'hydraulique et des autres énergies renouvelables dans son mix de production.

Le Groupe EDF fournit de l'électricité, du gaz et des services associés à 37,1 millions de comptes client⁸ dans le monde (dont 26,2 millions en France).

¹ Filiale gérée en toute indépendance, au sens des dispositions du Code de l'énergie.

² Source : Commission de régulation de l'énergie, Observatoire des marchés de détail, disponible à l'adresse suivante : <http://www.cre.fr/marches/observatoire-des-marches>

³ Source : Office of Gas and Electricity Markets, *Retail Market Indicators*, disponible à l'adresse suivante : <https://www.ofgem.gov.uk/data-portal/retail-market-indicators>

⁴ Source : Commission de Régulation de l'Électricité et du Gaz, Parts de marché des fournisseurs d'énergie, disponible à l'adresse suivante : <http://www.creg.be/fr/consommateurs/le-marche-de-lenergie/parts-de-marche-des-fournisseurs-denergie>

⁵ Source : EDF. Chiffres calculés conformément aux règles de consolidation comptable.

⁶ Source : étude du cabinet Wood Mackenzie publiée en août 2017.

⁷ Source : comparaison basée sur les données publiées par ces dix groupes.

⁸ Un client peut avoir deux comptes client : un pour l'électricité et un autre pour le gaz.

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Les activités de production d'électricité constituent des opérations non régulées et en concurrence, au même titre que la commercialisation d'électricité et de gaz et l'optimisation amont/aval. Le Groupe met ainsi en œuvre un modèle intégré pour la gestion opérationnelle conjointe de ses portefeuilles d'actifs amont (production, achats d'énergies et de combustibles) et aval (ventes en gros, commercialisation) pour garantir la fourniture d'énergie à ses clients avec la meilleure maîtrise possible des risques liés aux aléas physiques et de marché, dans une optique de maximisation de la marge brute.

Par ailleurs, le Groupe est également présent dans les secteurs régulés du transport et de la distribution d'électricité, notamment par l'intermédiaire respectivement de RTE et d'Enedis, filiales gérées en toute indépendance au sens des dispositions du Code de l'énergie.

Vision stratégique du Groupe EDF

Être un électricien performant et responsable, champion de la croissance bas carbone : c'est l'ambition du Groupe EDF, portée par la stratégie CAP 2030. Cette ambition se décline en trois priorités, qui combinent la recherche de relais de croissance à la valorisation des actifs existants :

- proximité avec les clients et les territoires ;
- production bas carbone, avec un mix équilibré entre énergies nucléaire et renouvelables ;
- développement international.

En tout, ce sont plus d'une quinzaine de programmes stratégiques qui ont été lancés en 2015 et poursuivis en 2016, concrétisant chacune de ces trois priorités.

L'atteinte de cette ambition repose également sur un programme de transformation en quatre axes : innovation et numérique, ambition humaine, responsabilisation et pilotage de la performance, simplification.

Proximité avec les clients et les territoires

Afin d'accompagner les clients et les territoires dans leur transition énergétique, le Groupe EDF leur propose des solutions énergétiques bas carbone compétitives et s'est doté d'une expertise industrielle dans les réseaux intelligents.

La position forte du Groupe EDF dans les services énergétiques au travers de Dalkia et d'autres filiales (Sodetrel, Edelia, Netseenergy) lui permet d'accompagner les clients dans leur recherche de performance énergétique et de développement des systèmes locaux.

S'agissant des clients particuliers, le Groupe EDF propose et continue à développer une gamme de services énergétiques numériques, commercialisée en France et dans les « pays cœurs européens » (Royaume-Uni, Italie, Belgique). Ainsi, le lancement en 2016 de Soweel (filiale proposant des offres innovantes dans le domaine de la maison connectée) témoigne de l'engagement d'EDF à répondre aux nouvelles attentes de ses clients, en particulier le bien-être durable dans l'habitat. Les offres existantes et la relation client continueront par ailleurs d'être enrichies par de nouvelles technologies et fonctionnalités numériques,

Description de l'Émetteur

facilitées notamment par les systèmes de compteurs communicants déployés dans plusieurs pays.

Le Groupe EDF s'inscrit pleinement dans la transition énergétique :

- en proposant ou en développant des solutions d'économies d'énergie auprès de ses clients (isolation, solutions à haut rendement, déploiement d'outils numériques comme e.equilibre permettant aux clients particuliers de suivre leur consommation etc.) ;
- en travaillant à la substitution des énergies fossiles par de nouveaux usages performants de l'électricité, pouvant présenter un potentiel de dizaines de térawattheures supplémentaires en France à l'horizon 2030 (mobilité électrique, pompe à chaleur, habitat bas carbone etc.) ;
- en développant des capacités de production d'électricité décarbonées et décentralisées telles que l'offre en autoconsommation « Mon soleil et moi » ;
- en développant et exploitant des réseaux de chaleur utilisant des énergies renouvelables et de récupération.

Enfin, le développement des énergies renouvelables, le déploiement des compteurs communicants Linky¹ et l'émergence des métropoles placent les réseaux de distribution en première ligne de la transformation du système électrique. Le distributeur a ainsi un rôle clé de facilitateur de la transition énergétique.

Pour accompagner les transitions énergétiques, le Groupe EDF accélère la Recherche & Développement sur le stockage, le solaire, la mobilité électrique, les systèmes électriques intelligents et les solutions énergétiques territoriales durables (*smart cities*).

Il accentue également ses efforts en matière d'innovation pour répondre aux attentes de ses clients et proposer des solutions et des services adaptés aux nouveaux modes de consommation, en utilisant des modes de relations plus numériques.

Enfin, dans le cadre de CAP 2030, le Groupe EDF a également engagé une réflexion sur son ambition Développement durable en matière de responsabilité d'entreprise.

Production bas carbone : nucléaire et énergies renouvelables

Pour rester leader de la production d'électricité bas carbone², le Groupe EDF accélère le développement des énergies renouvelables tout en garantissant la sûreté, la performance et la compétitivité du parc nucléaire existant et du nouveau nucléaire. De fait, le parc nucléaire d'EDF donne déjà à la France une avance considérable vis-à-vis de ses voisins en termes

¹ Linky est un projet porté par Enedis, gestionnaire du réseau de distribution. Dans un souci de lisibilité, il sera simplement fait mention, dans le reste du document, de Linky, sans préciser systématiquement qu'il s'agit d'un projet porté par Enedis.

² Source : PricewaterhouseCoopers, Etudes Facteur Carbone européen, disponible à l'adresse suivante : <https://www.pwc.fr/fr/publications/developpement-durable/changement-climatique-et-energie/etudes-facteur-carbone-europeen.html>

Description de l'Émetteur

de limitation des émissions de gaz à effet de serre, tout en assurant un coût de l'électricité inférieur.

L'ambition de production bas carbone passe d'abord par la consolidation de la base d'actifs hydrauliques et nucléaires :

- EDF investit régulièrement dans les concessions hydrauliques pour allier performances économique, énergétique et environnementale, et proposera des solutions renforçant le productible hydraulique ;
- EDF investit pour obtenir l'autorisation de prolonger, dans les meilleures conditions de sûreté, la durée de fonctionnement du parc nucléaire français au-delà de 40 ans, la compétitivité de ce parc et sa place dans un mix bas carbone étant en effet avérées. Dans ce cadre, le Conseil d'administration d'EDF a approuvé le principe du « Grand carénage » le 22 janvier 2015. Par ailleurs, le Conseil d'administration du 28 juillet 2016 a approuvé l'allongement à 50 ans de la durée d'amortissement du palier REP 900 MW (hors Fessenheim) en France, sans préjuger des décisions d'autorisation de poursuite d'exploitation qui seront données tranche par tranche par l'Autorité de Sûreté Nucléaire (ASN) après chaque visite décennale. Ces décisions sont compatibles avec la programmation pluriannuelle de l'énergie. Le projet de fermeture de la centrale de Fessenheim a fait l'objet d'une procédure de consultation du Comité central d'entreprise qui, lors de sa séance du 10 janvier 2017, a émis à l'unanimité un avis défavorable. Le Conseil d'administration d'EDF, réuni le 24 janvier 2017 a approuvé les termes du protocole d'indemnisation et autorisé le Président-Directeur Général à le signer, le moment venu, au nom d'EDF. Le Conseil a également décidé que la présentation de la demande d'abrogation de l'autorisation d'exploiter Fessenheim donnera lieu à une nouvelle délibération de sa part ;
- des investissements sont aussi réalisés pour prolonger la durée de fonctionnement de l'ensemble du parc nucléaire britannique de huit ans en moyenne ;
- électricien responsable, le Groupe EDF continuera à investir dans la préparation à la déconstruction du parc nucléaire et à la gestion des déchets en France et au Royaume-Uni.

Le Groupe EDF poursuivra de nouveaux développements équilibrés entre le nouveau nucléaire et les énergies renouvelables. Les principaux enjeux du nouveau nucléaire concernent :

- la mise en service de Flamanville 3 et de Taishan ;
- le projet de construction et d'exploitation de deux EPR à Hinkley Point pour lesquels les contrats définitifs ont été signés le 29 septembre 2016 par EDF, CGN et le gouvernement britannique ;
- la préparation des réacteurs de demain avec le projet EPR Nouveau Modèle mené conjointement avec AREVA ;
- le partenariat stratégique et industriel avec AREVA qui comprend notamment l'acquisition par EDF du contrôle exclusif d'une nouvelle société groupant les

Description de l'Émetteur

activités de conception et de fourniture de chaudières nucléaires et d'assemblages combustibles d'AREVA et la création d'une société détenue à 80 % par EDF et dédiée à la conception et la construction de l'îlot nucléaire pour les projets de nouveaux réacteurs.

S'agissant des énergies renouvelables, les nouveaux moyens développés seront pour l'essentiel l'éolien terrestre, le photovoltaïque, l'hydraulique et l'éolien *offshore*. Le développement hors de France de ces actifs est conduit en cohérence avec la stratégie internationale du Groupe EDF. A ce titre, le Groupe a renforcé tout au long de l'année 2016 son ancrage dans les énergies renouvelables par le développement de nouveaux projets en France, mais également aux États-Unis, au Brésil, au Chili, en Inde et en Chine.

En cohérence avec la priorité d'une production bas carbone, EDF soutient la nécessité de mettre en place des mesures visant au relèvement du prix du CO₂ telles que le principe soutenu par le gouvernement français d'un corridor de prix pour les quotas européens. EDF estime que de telles mesures doivent être appliquées à l'ensemble des filières pour être pleinement efficaces. Elles permettront d'orienter les décisions des acteurs industriels et financiers vers les gisements de réduction les moins coûteux et de donner aux actifs non émetteurs leur pleine valeur.

Développement international

Le Groupe EDF veut être un acteur clé du paysage énergétique en France et dans ses pays cœurs en Europe (Royaume-Uni, Italie, Belgique) en participant à la sécurité énergétique, au renforcement de la compétitivité économique et à la décarbonation de l'économie européenne, en cohérence avec les politiques publiques.

Le Groupe se développe également hors Europe, de manière ciblée, dans quelques pays présentant un fort potentiel de croissance, et renforce ses compétences et la compétitivité de ses offres.

L'investissement dans des projets de production bas carbone et les activités de services énergétiques et d'ingénierie sont au cœur de la stratégie de développement du Groupe dans ces pays.

Une démarche volontariste est également à l'œuvre dans l'hydraulique pour reproduire l'incontestable succès du barrage au Laos, au travers de quelques projets spécifiques.

Des projets d'infrastructures régulées *gas-to-power* sont aussi développés là où ils constituent un élément essentiel de la transition énergétique. Toutes les compétences du Groupe utiles à ces développements sont mobilisées : renouvelables, services énergétiques, nouveau nucléaire mais aussi autres ingénieries (de réseaux, thermique, hydraulique, etc.), capacité de *trading* et d'acheminement de gaz en Europe et dans le monde.

Transformation

Santé et sécurité, numérique et nouveaux modes de travail, responsabilité et simplification, compétences, modèle de reconnaissance sont les cinq leviers majeurs de la transformation du Groupe.

Description de l'Émetteur

Le Groupe fait évoluer ses pratiques managériales à travers la simplification de ses organisations et de ses modes de fonctionnement. Ainsi, en 2016, deux accords sociaux ont été signés par EDF SA concernant d'une part, l'introduction du forfait jours pour les cadres et d'autre part, un accord « compétences » destiné à dynamiser les parcours professionnels des salariés et à favoriser la mobilité interne et les formations promotionnelles.

Par ailleurs, la promotion de l'innovation, basée notamment sur des expérimentations (« *labs* » et plateformes de co-construction avec les clients) et sur un dispositif d'*open innovation*, contribuera à cette transformation. La création (en cours) d'une Direction en charge des « nouveaux *business* » complétera la palette d'outils dont EDF se dote progressivement pour relever les défis dans ce domaine.

La transformation numérique concerne les salariés et les modes de fonctionnement internes, ainsi que la relation clients, la gestion et la conception des actifs industriels. La création d'une Direction de la Transformation et de l'Efficacité Opérationnelle, qui regroupe les activités du Groupe en matière de systèmes d'information, d'achats, d'immobilier et de services partagés, traduit la volonté du Groupe d'accélérer dans ce domaine.

La recherche de performance a toujours été une priorité pour le Groupe EDF. Le contexte économique et financier actuel accroît encore cette exigence. Le Groupe renforce la maîtrise de ses coûts pour les adapter à son environnement. L'approche est différenciée selon les périmètres considérés (fonctions transverses, entités opérationnelles, etc.).

Développement durable

Dans le cadre de son projet stratégique CAP 2030, EDF a engagé une réflexion sur son ambition en matière de responsabilité d'entreprise, en lien avec le nouveau programme pour le Développement durable de l'ONU (2015-2030). Le résultat est un engagement fort au travers de six Objectifs de Responsabilité d'Entreprise, sur lesquels le Groupe s'est engagé à présenter chaque année les résultats, qui fixent une feuille de route aux métiers et aux filiales du Groupe pour réussir un développement rentable et responsable :

- aller au-delà des exigences de la trajectoire 2°C fixée par la COP 21, en améliorant encore les émissions de CO₂ du Groupe dont le niveau actuel constitue déjà une performance remarquable au regard des grands comparants européens¹ ;
- intégrer les meilleures pratiques des groupes industriels en matière de développement humain : santé/sécurité, égalité hommes/femmes et promotion sociale interne ;
- proposer de l'information et des solutions d'accompagnement en matière de consommation d'énergie et d'accès aux droits à 100 % des populations fragiles ;
- innover par des solutions numériques d'efficacité énergétique pour que chaque client puisse consommer mieux ;

¹ Source : PricewaterhouseCoopers, Etudes Facteur Carbone européen, disponible à l'adresse suivante : <https://www.pwc.fr/fr/publications/developpement-durable/changement-climatique-et-energie/etudes-facteur-carbone-europeen.html>

Description de l'Émetteur

- organiser de façon systématique, et partout dans le monde, une démarche de concertation, transparente et contradictoire, autour de chaque nouveau projet ;
- lancer une approche positive de la biodiversité en ne se limitant pas, à terme, à la connaissance ou à la réduction des impacts des activités du Groupe pour avoir un effet positif.

Les conditions de succès de CAP 2030

CAP 2030 permet au Groupe de développer un portefeuille d'actifs centré sur l'énergie décarbonée, renouvelable et nucléaire : services pour les clients, solutions énergétiques décentralisées. Les facteurs clés de la réussite de CAP 2030 sont :

- la maîtrise des grands projets, notamment les nouveaux modèles de réacteurs nucléaires, le programme du « Grand carénage » ou encore le développement du Nouveau Nucléaire au Royaume-Uni ;
- la sélectivité des investissements dans les projets à l'international ;
- l'enrichissement de la gamme d'offres et l'exemplarité dans la relation client ;
- la transformation des modes de fonctionnement du Groupe et la mobilisation de tous ;
- la maîtrise des coûts.

Dans ce cadre, le Groupe a annoncé le 22 avril 2016 le lancement d'un plan de performance qui comprend :

- une optimisation des investissements nets (hors Linky, nouveaux développements et cessions d'actifs) pour atteindre environ 10,5 milliards d'euros en 2018 ;
- une réduction des charges opérationnelles¹ de 0,7 milliards d'euros de 2015 à 2018, et de 1 milliard d'euros de 2015 à 2019 ;
- un plan de cession d'actifs d'environ 10 milliards d'euros entre 2015 et 2020.

Le 26 juillet 2016, le Conseil d'administration d'EDF a acté le principe d'une augmentation de capital de 4 milliards d'euros afin de renforcer ses fonds propres. L'Etat, actionnaire à 85 % du Groupe, a annoncé qu'il y souscrirait à hauteur de 3 milliards d'euros.

Chiffres clés au 31 décembre 2016

En application du règlement européen n° 1606/2002 du 19 juillet 2002 sur les normes internationales, les états financiers consolidés du Groupe EDF au titre de l'exercice clos le 31 décembre 2016 sont préparés conformément aux normes comptables internationales telles que publiées par l'IASB et approuvées par l'Union européenne au 31 décembre 2016. Ces normes internationales comprennent les normes IAS (*International Accounting*

¹ A périmètre, taux de change et hypothèse de taux d'actualisation retraites constants. Hors variation des charges opérationnelles des activités de services.

Description de l'Émetteur

Standards), IFRS (*International Financial Reporting Standards*), et les interprétations (SIC et IFRIC).

Le référentiel comptable du Groupe EDF est présenté en note 1 de l'annexe aux comptes consolidés au 31 décembre 2016.

Les informations financières présentées dans ce document sont issues des comptes consolidés au 31 décembre 2016 du Groupe EDF.

Les chiffres clés du Groupe EDF pour l'exercice 2016 sont présentés ci-après.

Extraits des comptes de résultat consolidés

<i>(en millions d'euros)</i>	2016	2015	Variation en valeur	Variation en %	Croissance organique en %
Chiffre d'affaires	71 203	75 006	(3 803)	-5,1	-3,2
Excédent brut d'exploitation (EBE)	16 414	17 601	(1 187)	-6,7	-4,8
Résultat d'exploitation	7 514	4 280	3 234	+75,6	+76,6
Résultat avant impôt des sociétés intégrées	4 181	1 692	2 489	+147,1	+148,0
Résultat net part du Groupe	2 851	1 187	1 664	+140,2	+141,4
Résultat net courant ⁽¹⁾	4 085	4 822	(737)	-15,3	-15,0
<i>(1) Le résultat net courant n'est pas défini par les normes IFRS et n'apparaît pas en lecture directe dans les comptes de résultat consolidés du Groupe. Il correspond au résultat net hors éléments non récurrents et hors variation nette de juste valeur sur instruments dérivés énergie et matières premières hors activités de trading nets d'impôts (voir section 5.1.4.9 du Document de Référence 2016).</i>					

Extraits des bilans consolidés

<i>(en millions d'euros)</i>	31/12/2016	31/12/2015
Actif immobilisé	147 626	149 439
Stocks et clients	37 397	36 973
Autres actifs	66 238	69 536
Trésorerie, autres actifs liquides, prêt à RTE ⁽¹⁾ et aux sociétés en contrôle conjoint	25 159	22 993
Actifs détenus en vue de la vente ⁽²⁾	5 220	-
TOTAL DE L'ACTIF	281 640	278 941
Capitaux propres - part du Groupe	34 438	34 749
Intérêts attribuables aux participations ne donnant pas le	6 924	5 491

Description de l'Émetteur

contrôle		
Passifs spécifiques des concessions	45 692	45 082
Provisions	74 966	75 327
Emprunts et dettes financières	61 230	60 388
Autres passifs	56 281	57 904
Passifs liés aux actifs détenus en vue de la vente ⁽³⁾	2 109	–
TOTAL DU PASSIF	281 640	278 941
<p>(1) RTE est une filiale indépendante d'EDF au sens des dispositions du Code de l'énergie. (2) Inclut 104 millions d'euros d'actifs financiers impactant l'endettement financier net (voir ci-dessous). (3) Inclut 1 458 millions d'euros de dettes financières impactant l'endettement financier net (voir ci-dessous).</p>		

Cash flow Groupe EDF

(en millions d'euros)	2016	2015	Variation	Variation (%)
Cash flow Groupe ⁽¹⁾	(1 565)	(2 064)	+499	+24,2
<p>(1) Le cash flow Groupe ne constitue pas un agrégat défini par les normes IFRS comme élément de mesure de la performance financière et ne peut pas être comparable aux indicateurs ainsi dénommés par d'autres entreprises. Il est égal au cash flow opérationnel après variation du besoin en fonds de roulement net, investissements nets, dotations et retraits sur actifs dédiés et dividendes.</p>				

Informations relatives à l'endettement financier net

(en millions d'euros)	31/12/2016	31/12/2015	Variation en valeur	Variation en %
Emprunts et dettes financières	65 195	64 183	1 012	+1,6
Dérivés de couvertures des dettes	(3 965)	(3 795)	(170)	+4,5
Dettes financières reclassées dans les passifs liés aux actifs détenus en vue de leur vente ⁽¹⁾	1 458	–	1 458	100
Trésorerie et équivalents de trésorerie	(2 893)	(4 182)	1 289	–30,8
Actifs financiers disponibles à la vente - Actifs liquides	(22 266)	(18 141)	(4 125)	+22,7
Prêt à RTE	–	(670)	670	–100,0
Actifs financiers reclassés dans les actifs détenus en vue de leur vente ⁽¹⁾	(104)	–	(104)	+100,0
ENDETTEMENT FINANCIER NET ⁽²⁾	37 425	37 395	30	+0,1

Description de l'Émetteur

(1) L'endettement financier net des actifs destinés à être cédés en 2016 concerne principalement la société C25 (holding de RTE) et des sociétés en Pologne.

(2) L'endettement financier net n'est pas défini par les normes comptables et n'apparaît pas en lecture directe dans les bilans consolidés du Groupe EDF. Il correspond aux emprunts et dettes financières diminués de la trésorerie et des équivalents de trésorerie ainsi que des actifs liquides. Les actifs liquides sont des actifs financiers composés de fonds ou de titres de maturité initiale supérieure à trois mois, facilement convertibles en trésorerie, et gérés dans le cadre d'un objectif de liquidité.

Chiffres clés au 30 juin 2017

En application du règlement européen n° 1606/2002 du 19 juillet 2002 sur les normes internationales, les comptes consolidés résumés du semestre clos le 30 juin 2017 du Groupe EDF sont préparés sur la base de présentation, de reconnaissance et d'évaluation des normes comptables internationales telles que publiées par l'IASB et approuvées par l'Union européenne au 30 juin 2017. Ces normes internationales comprennent les normes IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), et les interprétations (SIC et IFRIC).

Le référentiel comptable du Groupe EDF est présenté en note 1 de l'annexe aux comptes consolidés résumés du semestre clos le 30 juin 2017.

Les informations financières présentées dans ce document sont issues des comptes consolidés résumés du semestre clos le 30 juin 2017 du Groupe EDF.

Les comptes consolidés résumés sont établis conformément à la norme IAS 34 relative à l'information financière intermédiaire. Ils ne comportent donc pas l'intégralité des informations requises pour des états financiers annuels complets. A ce titre, ils doivent être lus conjointement avec les états financiers consolidés au 31 décembre 2016.

Les chiffres clés du Groupe EDF pour le premier semestre 2017 sont présentés ci-après.

Extrait des comptes de résultat consolidés

(en millions d'euros)	1er semestre 2017	1er semestre 2016	Variation en valeur	Variation en %	Croissance organique en %
Chiffre d'affaires	35 723	36 659	(936)	- 2,6	- 1,1
Excédent brut d'exploitation (EBE)	6 996	8 944	(1 948)	- 21,8	- 20,6
Résultat d'exploitation	3 882	4 512	(630)	- 14,0	-12,8
Résultat avant impôt des sociétés intégrées	2 894	3 288	(394)	- 12,0	- 10,5
Résultat net part du Groupe	2 005	2 081	(76)	- 3,7	- 1,6
Résultat net courant ⁽¹⁾	1 370	2 968	(1 598)	-53,8	-52,4

(1) Le résultat net courant n'est pas défini par les normes IFRS et n'apparaît pas en lecture directe dans les comptes de résultat consolidés du Groupe. Il correspond au résultat net hors éléments non récurrents et hors variation nette de juste valeur sur instruments dérivés énergie et matières premières hors activités de trading nets d'impôts (voir section 4.9 du Rapport semestriel d'activité 2017).

Description de l'Émetteur

Passage du résultat net part du Groupe au résultat net courant

(en millions d'euros)	1er semestre 2017	1er semestre 2016
Résultat net part du Groupe	2 005	2 081
Plus-value de cession de 49,9 % de la participation du Groupe dans CTE ⁽¹⁾	(1 289)	-
Autres, y compris variations nettes de juste valeur sur instruments dérivés énergie et matières premières hors activités de trading	291	156
Pertes de valeur	363	731
RÉSULTAT NET COURANT	1 370	2 928

(1) Holding détenant 100 % de titres RTE (filiale indépendante d'EDF au sens des dispositions du Code de l'énergie).

Cash flow Groupe

(en millions d'euros)	1er semestre 2017	1er semestre 2016	Variation en valeur	Variation en %
Cash flow Groupe (1)(2)	1 482	107	1 375	n.a.

(1) Le cash flow Groupe ne constitue pas un agrégat défini par les normes IFRS comme élément de mesure de la performance financière et ne peut pas être comparable aux indicateurs ainsi dénommés par d'autres entreprises. Il est égal au cash flow opérationnel après variation du besoin en fonds de roulement net, investissements nets, dotations et retraits sur actifs dédiés et dividendes (voir section 5 du rapport semestriel d'activité 2017).

(2) Avant augmentation de capital.

Informations relatives à l'endettement financier net

(en millions d'euros)	30/06/2017	31/12/2016	Variation en valeur	Variation en %
Endettement financier net ⁽¹⁾	31 268	37 425	(6 157)	- 16,5
Capitaux propres - part du Groupe	39 752	34 438	5 314	+15,4
Endettement financier net/EBE	2,2 ⁽²⁾	2,3		

(1) L'endettement financier net n'est pas défini par les normes comptables et n'apparaît pas en lecture directe dans les bilans consolidés du Groupe. Il correspond aux emprunts et dettes financières diminués de la trésorerie et des équivalents de trésorerie ainsi que des actifs liquides. Les actifs liquides sont des actifs financiers composés de fonds ou de titres de maturité initiale supérieure à trois mois, facilement convertibles en trésorerie, et gérés dans le cadre d'un objectif de liquidité (voir note 20.3 des comptes consolidés résumés du semestre clos le 30 juin 2017).

(2) Le ratio au 30 juin 2017 est calculé sur la base du cumul de l'EBE du second semestre 2016 et du premier semestre 2017.

Membres du Conseil d'administration au 15 septembre 2017

Administrateurs élus par l'Assemblée
Générale des actionnaires

Jean-Bernard Lévy
Oliver Appert
Philippe Crouzet
Bruno Lafont
Bruno Lechevin

Description de l'Émetteur

Marie-Christine Lepetit
Colette Lewiner
Christian Masset
Laurence Parisot
Claire Pedini
Michèle Rousseau

Administrateur représentant l'Etat

Martin Vial

Administrateurs représentant les salariés

Christine Chabauty
Jacky Chorin
Marie-Hélène Meyling
Jean-Paul Rignac
Christian Taxil
Maxime Villota

RECENT EVENTS

1. EDF'S CREDIT RATINGS AS OF 15 SEPTEMBER 2017

Since the publication of a press release by Moody's on 28 September 2016, Standard and Poor's on 21 September 2016 and Fitch Ratings on 7 June 2016, EDF's long-term and short-term ratings have been respectively set at "A3" (stable outlook) and "P-2" for Moody's, "A-" (stable outlook) and "A-2" for Standard and Poor's and "A-" (stable outlook) and "F2" for Fitch Ratings. These ratings have been confirmed by Moody's, Standard and Poor's and Fitch Ratings respectively on 6 June 2017, 20 December 2016 and 3 August 2017. Moreover, the Programme has been rated "A3" (senior unsecured debt) by Moody's and "A-" (long-term debt) by Standard and Poor's.

In addition, Moody's indicated that the rating could be downgraded notably if (i) credit metrics fall below Moody's guidance for the A3 rating, (ii) EDF were to be significantly exposed to AREVA NP's liabilities, (iii) a change in the EDF Group's relationship with the government were to cause Moody's to remove the uplift for government support, or (iv) there were to be a significant downgrade of France's government rating.

Standard and Poor's indicated that a negative rating action on EDF might be considered if remedy measures (including asset disposals and efficiency gains) are not effectively implemented, since this will slow the group's debt reduction and weigh on its credit profile. Specific risk factors identified by Standard and Poor's included the evolution of power prices over the next few years and uncertainty surrounding the current ASN investigations and EDF's Flamanville nuclear power plant. Standard and Poor's also indicated that a downgrade of France by more than one notch would trigger a downgrade of EDF and that a downward revision of their assessment of the likelihood of extraordinary support from the French government to EDF could also lead to a downgrade of the EDF Group's ratings.

Fitch Ratings indicated that future developments that may, individually or collectively, lead to negative rating action included (i) Funds From Operations (FFO) lease adjusted net leverage above 4.5x on a sustained basis, (ii) FFO fixed charge cover below 3.5x on a sustained basis, and (iii) a substantial deterioration in electricity prices in France, UK and Italy or weakened business profile.

Rating Agency	Long-term rating	Short-term rating
Moody's	A3, stable outlook	P-2
Standard and Poor's	A-, stable outlook	A-2
Fitch Ratings	A-, stable outlook	F2

Each of Moody's Investors Service Ltd, Standard and Poor's Credit Market Services Europe Limited and Fitch Ratings Limited is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit rating agencies as

Recent Events

amended and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu).

Recent Events

2. 27 JULY 2017 – HALF-YEAR RESULTS

2017 half-year results in line with expectations Excellent execution of the performance plan Outlook confirmed

Key figures of the 2017 half-year results

EBITDA	€7.0bn -20.6% org. ¹
Net income excluding non-recurring items	€1.4bn -53.8%
Net income – Group share	€2.0bn -3.7%
Net financial debt	€31.3bn -€6.2 bn
Electricity Output	
Nuclear France: 197.2TWh	-3.9%
Nuclear United Kingdom: 32.2TWh	+4.2%
Hydropower France: 21.3TWh	-16.5%
EDF EN: 6.4TWh	+5.0%

Main events

- **Renewable energies:**
 - Takeover of FUTUREN (onshore wind power)
 - 2.4GW under construction by EDF EN, of which 0.9GW solar power
 - EDF EN gross installed capacity greater than 10GW²
- **Energy services:**
 - Acquisition of Imtech in the United Kingdom
- **Success of the €4bn capital increase**
- **Finalisation of the sale of 49.9% of CTE, which holds 100% of RTE shares**
- **Nuclear France:** output in line with forecasts given the outages of reactors for additional controls started in 2016 following the quality control audit of the Creusot Forge plant
- **New nuclear:**
 - Approval of the Flamanville 3 vessel: draft opinion of the French Nuclear Safety Agency (ASN) specifying that the composition of the steel of the vessel head and bottom is not likely to call into question its commissioning under certain conditions and in particular the replacement of the vessel head by the end of 2024 (see press release of 29 June 2017). System performance tests are under way
 - Hinkley Point C: update of project costs to £19.6bn (in 2015 sterling)³ (see press release of 3 July 2017)
 - Creation of EDVANCE: bringing together EDF and AREVA NP's engineering teams (see press release of 17 May 2017)
 - Signature of binding agreements with strategic investors for the acquisition of an equity stake in NEW NP (see press release of 10 July 2017)

Performance plan

Operating expenses ⁴	~70% total of the target 2018 vs. 2015
Working Capital Requirement	~90% total of the target 2015-2018
Disposals signed or realised	~80% total of the target 2015-2020
Net investments ⁵	-€0.3bn vs. H1 2016

2017 targets confirmed

- Nuclear output:	390 - 400TWh
- EBITDA ⁶ :	€13.7bn - €14.3 bn
- Net financial debt/EBITDA ⁷ :	≤ 2.5x
- Payout ratio of Net income excluding non-recurring items ⁸ :	55% to 65%

2018 targets confirmed

- Operating expenses ⁴ :	-€0.7 bn compared to 2015
- EBITDA ⁹ :	≥ €15.2 bn
- Net investments ⁵ :	~ €10.5 bn
- Cash flow ^{9,10} :	≥ 0
- Net financial debt/EBITDA ^{7,9} :	≤ 2.5x
- Payout ratio of Net income excluding non-recurring items ⁸ :	50%

Targets beyond 2018 confirmed

- 2019 operating expenses ⁴ :	Reduction ≥ €1 bn compared to 2015
- Asset disposals in 2015-2020:	at least €10 bn
- Payout ratio of Net income excl. non-recurring items ⁸ :	45% to 50%

¹ Organic change at comparable scope and exchange rate

² Net installed capacity: 6.7GW

³ Excluding interim interest and excluding foreign exchange compared to a reference exchange rate for the project of 1 sterling = 1.23 euros ; net of action plans

⁴ Sum of personnel expenses and other external expenses. At comparable consolidation scope and exchange rates. At constant pensions discount rates. Excluding change in operating expenses of service activities

⁵ Net investments excluding Linky, new developments and disposals. Linky is a project led by Enedis, an independent EDF subsidiary as defined in the French Energy Code

⁶ At 2016 exchange rate

⁷ At 2016 exchange rate and at an assumed discount rate on nuclear provisions of 4.1% for 2017 and 3.9% for 2018

⁸ Adjusted for the remuneration of hybrid bonds accounted for in equity

⁹ At 2016 exchange rate and assumption for 2018 power prices in France on volumes not hedged as of 31.12.2016 ≥ €36/MWh

¹⁰ At 2016 exchange rate. Cash flow excluding Linky, new developments and asset disposals, with an assumed discount rate on nuclear provisions of 4.1% for 2017 and 3.9% for 2018, excluding interim dividend for 2018, which will be decided in the second half of 2018

Recent Events

EDF's Board of Directors meeting on 27 July 2017, under the chairmanship of Jean-Bernard Lévy, approved the consolidated financial statements at 30 June 2017.

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

"In an unfavourable market context and in line with its forecasts, the Group is continuing to implement its performance plan and maintains its annual objectives. Based on its strengthened balance sheet, EDF is deploying its CAP 2030 strategy. The first half of 2017 was marked by an acceleration in the area of renewable energies, with, in particular, the takeover of Futuren and the increase in installed net capacity. The reorganisation of the French nuclear sector has also reached essential and positive milestones in recent months. I would like to thank our teams for their daily efforts to make EDF the leader in low-carbon growth."

Change in EDF group's half-year results

<i>In millions of euros</i>	H1 2016	H1 2017	Change (%)	Organic change (%)
Sales	36,659	35,723	-2.6	-1.1
EBITDA	8,944	6,996	-21.8	-20.6
EBIT	4,512	3,882	-14.0	
Net income – Group share	2,081	2,005	-3.7	
Net income excluding non-recurring items ¹	2,968	1,370	-53.8	

Change in EDF group's half-year EBITDA

<i>In millions of euros</i>	H1 2016	H1 2017	Organic change (%)
France – Generation and supply activities	3,450	2,453	-28.9
France – Regulated activities	2,791	2,400	-14.0
United Kingdom	1,118	627	-34.4
Italy	328	426	+28.4
Other International	363	275	-21.5
Other activities	894	815	-9.4
Total Group	8,944	6,996	-20.6

¹ 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.

Recent Events

In a context of unfavourable market conditions and a decline in nuclear generation in France, the financial results for the first half of 2017 were down. During this period, the Group continued to deploy its transformation plan in accordance with the CAP 2030 strategy. In particular, it successfully carried out a share capital increase of €4 billion in 2017. The asset disposal plan continued to be implemented and reached a total of approximately €8.0 billion¹ in disposals signed or realised for a target of at least €10 billion between 2015 and 2020.

The actions undertaken within the framework of the performance plan have resulted in a significant reduction in operating expenses² by 2.2% (-€225 million) compared to the first half of 2016, representing a total of approximately 70% of the target of -€700 million in savings between 2015 and 2018. The efforts to optimise the working capital requirement, estimated at €200 million, have allowed more than 90% of the target of €1.8 billion optimisation to be reached over the period 2015-2018.

EBITDA of the France - Generation and supply activities segment amounted to €2,453 million, corresponding to an organic decline of 28.9%, due mainly to a drop in nuclear and hydropower generation and unfavourable market conditions.

EBITDA of the France - Regulated activities³ segment recorded an EBITDA of €2,400 million, down 14.0% in organic terms due to unfavourable weather and storm effects and to favourable events in 2016 with no equivalent in 2017.

In the United Kingdom, EBITDA was down organically 34.4% to €627 million, mainly due to the significant impact of lower realised nuclear prices.

In Italy, EBITDA recorded an organic increase of 28.4% to €426 million due to favourable developments in electricity sales prices and an increase in hydrocarbon exploration and production activities driven by higher Brent and gas prices.

EBITDA of the Other International segment was down in organic terms by 21.5%, in Belgium due mainly to lower generation, and in Brazil due to the annual tariff review.

In the Other activities segment, EBITDA benefited from a 5% increase in renewable energy output and from an increase of 0.8GW in EDF Énergies Nouvelles' net installed capacity. Activity in Development and Sales of Structured Assets was down, however, after a high volume of operations in the first half-year of 2016. This led to a drop in EBITDA of 9.4% in the segment in the first half of 2017.

The financial result improved by €236 million compared to the first half of 2016, due in particular to an increase in capital gains on the disposal of dedicated assets, a reduction in the cost of debt and lower unwinding costs related to the discount rate.

The Group's net income excluding non-recurring items stood at €1,370 million for first-half 2017, a decrease of 53.8% compared to first-half 2016.

The Group's share of net income totalled €2,005 million in the first half of 2017, relatively stable compared to the first half of 2016 (-3.7%), the positive effect of the capital gain recorded for the sale of 49.9% of CTE⁴ and the improvement of the financial result offsetting overall the decline in EBITDA.

The Group continued to ensure the control and selectivity of net investments excluding Linky⁵, new developments⁶ and assets disposals, which totalled €4,913 million, including the

¹ Impact on net financial debt

² Sum of personnel expenses and other external expenses. At comparable consolidation scope and exchange rates. At constant pension discount rates. Excluding change in operational expenditures of service activities

³ Regulated activities: Enedis, Électricité de Strasbourg and island activities. Enedis is an independent EDF subsidiary as defined in the French Energy Code

⁴ The company that holds 100% of RTE's shares (an independent EDF subsidiary as defined in the French Energy Code)

⁵ Linky is a project led by Enedis, an independent EDF subsidiary as defined in the French Energy Code

⁶ New developments: in particular the UK NNB and offshore wind farm projects

Recent Events

investment in Futuren. This corresponds to a decrease of €252 million, thanks in particular to the rationalisation of the thermal power plant fleet and efforts made across all of the operational segments. Total net investments amounted to €1,480 million in the first half of 2017, compared to €5,569 million in the first half of 2016, taking into account the sale of 49.9% of CTE¹.

Operating cash flow amounted to €4,156 million in the first half of 2017 compared to €7,959 million in the first half of 2016, a decrease of €3,803 million. This change was due primarily to the decrease of €1,948 million in EBITDA and to the increase in the income taxes paid.

Cash flow after net investments was up significantly to €3,158 million thanks primarily to the sale of 49.9% of CTE¹ and to a favourable change in the working capital requirement. Group cash flow² amounted to +€1,482 million. It incorporates the payment in shares of the majority of the final dividend for 2016 and regulatory allocation³ to the dedicated assets.

	31/12/2016	30/06/2017
Net financial debt ⁴ (in billions of euros)	37.4	31.3
Net financial debt/EBITDA	2.3x	2.2x ⁵

The Group's net financial debt amounted to €31,268 million at 30 June 2017. It was €37,425 million at 31 December 2016. This improvement is mainly attributable to the capital increase of €4 billion and to asset disposals carried out in the first half of 2017. The ratio of net financial debt/EBITDA was 2.2x at 30 June 2017, in line with Group's target for 2017 of less than 2.5x.

Main Group results by segment

France – Generation and supply activities

	H1 2016	H1 2017	Organic change (%)
Sales	18,683	18,564	-0.6
EBITDA	3,450	2,453	-28.9

Sales in the first half of 2017 in the France - Generation and supply segment amounted to €18,564 million, corresponding to a decline of €119 million (-0.6%) compared to the first half of 2016.

EBITDA was down 28.9% organically to €2,453 million in an unfavourable market environment.

In the first half of 2017, the decrease in nuclear output and hydropower output compared to the first half of 2016 had an unfavourable impact on EBITDA estimated at -€514 million.

¹ The company that holds 100% of RTE's shares (an independent EDF subsidiary as defined in the French Energy Code)

² Cash flow after dividends without taking into consideration the capital increase

³ Allocation to the dedicated assets of €1,095 million in compliance with the ministerial letter of 10 February 2017

⁴ 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

⁵ The ratio at 30 June 2017 is calculated based on cumulative EBITDA for the second half-year of 2016 and the first half-year of 2017

Recent Events

EBITDA was also affected by negative market conditions and ARENH subscriptions in November 2016 (40.7TWh for the first half of 2017) for an estimated total of -€504 million. Tariff changes, excluding the incorporation of the capacity payment in the tariff “stacking” calculation, led to an estimated decrease of -€221 million compared to the first half of 2016.

Intense competition and negative price effects on new offers also affected downstream market conditions, with a net unfavourable impact estimated at -€191 million.

The weather effect, in particular in January 2017, as well as the leap year in 2016, had a negative effect estimated at -€183 million in comparison to the same period in 2016.

The introduction of the capacity mechanism¹ had a favourable +€286 million estimated impact on EBITDA for the first half of 2017.

Under the EDF group's performance plan, operating expenses² were brought down by an estimated €272 million (-6.0%) through operating performance action on purchases and control of staff costs. These measures are being applied across all entities, cutting the costs of support functions and commercial activities, and optimising costs for the hydropower, nuclear and thermal fleets.

Nuclear output reached 197.2TWh at the end of June 2017, a level in line with forecasts.

The 8.0TWh (-3.9%) year-on-year decrease is essentially explained at the fact that Gravelines 5 and Fessenheim 2 were offline for the whole period for checks in connection with the Creusot Forge manufacturing records, and also by completion of tests on the steam generators concerned by the carbon segregation issue during the first quarter of 2017.

The unplanned reactor outages at Flamanville 1 and Cattenom 1 were largely counterbalanced by higher dispatch of the reactors in operation.

Based on nuclear power output at 30 June, and the restart of operations by the Bugey 5 and the Gravelines 5 reactors, the Group confirms its nuclear output target of 390-400TWh for 2017.

Hydropower output³ stood at 21.3TWh⁴, down by 4.2TWh compared to the first half of 2016 due to less favourable hydrological conditions.

Thermal generation facilities, particularly gas-fired plants, were used more extensively. Their output, up 3.6TWh compared to the first half of 2016, reached 7.8TWh.

France – Regulated activities

	H1 2016	H1 2017	Organic change (%)
Sales	8,125	8,174	+0.6
EBITDA	2,791	2,400	-14.0

Sales in the first half of 2017 in the France - Regulated activities segment amounted to €8,174 million, an organic increase of €49 million (+0.6%) compared to the first half of 2016.

¹ The introduction of the capacity mechanism on 1 January 2017 affected tariffs, purchases and sales on the wholesale markets and market price offers

² At comparable consolidation scope and exchange rate. At constant pension discount rates. Excluding change in operational expenditures of service activities

³ Hydropower, excluding island activities before deduction of pumped volumes

⁴ After deduction of pumped-storage hydropower volumes: 22.1TWh in H1 2016 and 17.6TWh in H1 2017

Recent Events

EBITDA was down organically by €391 million (-14.0%) with in particular an unfavourable volume effect estimated at €-91 million linked to weather effects, overruns in subscribed capacity due to the significant cold spell in January 2017 and the leap year effect in 2016. Exceptionally forceful gales in mainland France were another significant factor in the first half-year of 2017, with an estimated negative impact of -€62 million on operating expenses and indemnities for power cuts. All these unfavourable elements were only partially offset by tariff rises (estimated at +€50 million). In addition, positive factors in 2016 that had no equivalent in 2017 also adversely affected EBITDA (-€240 million).

United Kingdom

<i>In millions of euros</i>	H1 2016	H1 2017	Organic change (%)
Sales	4,988	4,427	-1.8
EBITDA	1,118	627	-34.4

The United Kingdom contributed €4,427 million to Group sales in the first half of 2017, down €561 million. EBITDA amounted to €627 million, down 34.4% in organic terms compared to June 2016.

EBITDA was mainly affected by the decline in the energy margin mainly due to lower realised nuclear prices. The drop in consumption from residential customers following milder weather also had an impact on EBITDA. However, the number of customer accounts is quasi stable.

Nuclear output amounted to 32.2TWh, +1.3TWh compared to June 2016, thanks to good operational performance driven by favourable scheduling of the refuelling operations during the first half of 2017 and good availability of the nuclear fleet.

Italy

<i>In millions of euros</i>	H1 2016	H1 2017	Organic change (%)
Sales	5,561	4,968	-10.8
EBITDA	328	426	+28.4

In Italy, sales for the first half of 2017 amounted to €4,968 million, an organic decrease of 10.8% over the first of half 2016, without having a significant effect on the margin. EBITDA recorded an organic increase of 28.4% to €426 million.

EBITDA for the Electricity activities was up, essentially reflecting favourable trends in average electricity sale prices. Also, the good performance in thermal power generation made up for the lower hydropower generation.

EBITDA for the Hydrocarbon activities recorded organic growth, principally driven by favourable movements in Brent oil and gas prices, and better optimisation of maintenance costs for the exploration-production activity. The downstream margin is improving.

Recent Events

Other International

<i>In millions of euros</i>	H1 2016	H1 2017	Organic change (%)
Sales	2,708	2,537	-2.8
EBITDA	363¹	275	-21.5

Sales in the Other International segment amounted to €2,537 million, down by 2.8% in organic terms compared to the first half of 2016. EBITDA recorded an organic decrease of 21.5% to €275 million.

In Belgium, EBITDA recorded an organic decrease of 40.4% to €69 million. This decline was attributable to the downturn in electricity sale prices and lower nuclear generation due to the maintenance programme. Unfavourable weather factors (winds, water) also contributed to the decline in renewable energy generation. Service activities were up and installed wind power capacity continued to increase to reach 309MW at the end of June 2017 (+3% compared with 31 December 2016).

In Poland², EBITDA totalled €133 million, corresponding to an organic growth of 2.4%, thanks to the increase in heat volumes and energy savings certificates, combined with the fall in the price of coal consumed. EDF Polska's assets are currently held for sale³.

After an exceptional year in 2016, Brazil's EBITDA has been negatively affected by the downward revision of the annual PPA (power purchase agreement) price.

Other activities

<i>In millions of euros</i>	H1 2016	H1 2017	Organic change (%)
Sales	3,528	3,811	+6.8
EBITDA	894	815	-9.4

Sales in the Other activities segment amounted to €3,811 million, up 6.8% in organic terms over 2016. EBITDA recorded an organic decrease of 9.4% to €815 million.

EDF Énergies Nouvelles' contribution to consolidated EBITDA totalled €451 million, corresponding to an organic decrease of €113 million (-20.4%) from the first half of 2016. The net installed capacity was up by 0.8GW to reach 6.7GW at 30 June 2017. Generation continued its organic growth, rising by 5.0% over the first half of 2017. The portfolio of projects under construction by EDF Énergies Nouvelles increased significantly to 2.4GW gross at the end of June 2017 (of which 0.9GW in solar power). The significant volume of operations relating to the Development and Sales of Structured Assets activity in the first half of 2016 in Europe (Portugal, Greece), which had no equivalent in 2017, had a negative impact on EBITDA.

Dalkia's EBITDA was €155 million, corresponding to a year-on-year organic increase of €12 million (+8.9%), notably thanks to conclusion or renewal of a large number of commercial contracts, such as the energy management of municipal buildings in Valence, France, over a period of seven years, or the recovery of heat from the PSA site in Charleville-Mézières over

¹ EBITDA of the first half of 2016, including the activities of EDF Demasz in Hungary, sold on 31 January 2017

² EDF EN and Dalkia's activities in Poland are incorporated in the "Other activities" segment

³ EDF Polska assets currently held for sale, see press release published by EDF on 19 May 2017

Recent Events

25 years. EBITDA of the first half of 2017 benefited from the favourable trends in the indexes for revising service prices and the positive effect of rising energy prices.

EBITDA at EDF Trading amounted to €187 million in the first half of 2017, an organic increase of 3.2% compared to first-half 2016. This increase resulted from a good performance in January, partly counterbalanced by unfavourable market conditions in particular on seasonal gas contracts in North America.

Main events¹ since the 2017 first quarter press release

Major Events

- EDF partially waived one of the conditions precedent contained in the NEW NP acquisition agreement (see press release of 12 July 2017)
- Binding agreements were signed with strategic investors for the acquisition of an equity stake in NEW NP (see press release of 10 July 2017)
- Clarifications were made to the Hinkley Point C project: update of project costs (see press release of 3 July 2017)
- Approval of the Flamanville 3 vessel: draft opinion of the French Nuclear Safety Agency (ASN) specifying that the composition of the steel of the vessel head and bottom is not likely to call into question its commissioning under certain conditions and in particular the replacement of the vessel head by the end of 2024 (see press release of 29 June 2017)
- EDF announced the signing of an agreement with PGE for the sale of EDF Polska's assets (see press release of 19 May 2017 and note 2.5.2 to the condensed consolidated half-year financial statements at 30 June 2017)
- EDF's Board of Directors approved the creation of EDVANCE, a significant milestone in the reconstruction of the French nuclear industry (see press release of 17 May 2017)

New investments, partnerships and investment projects

Development of renewable energies, EDF Énergies Nouvelles²

- On 20 July 2017, EDF Énergies Nouvelles announced the success of its simplified tender offer for FUTUREN (see note 3.1 to the condensed consolidated half-year financial statements at 30 June 2017)
- On 13 July 2017, EDF Énergies Nouvelles acquired a group of wind power projects in the United Kingdom with capacity of over 600MW
- On 5 July 2017, EDF Énergies Nouvelles acquired OWS, an offshore wind farm operations and maintenance specialist
- On 22 June 2017, EDF Énergies Nouvelles announced the strengthening of its positions in the Auvergne-Rhône-Alpes region

¹ For more details see Section 2 of the Half-year Management Report at 30 June 2017, the full list of press releases is available on the website: www.edf.fr

² A full list of press releases is available from the EDF Énergies Nouvelles website: www.edf-energies-nouvelles.com

Recent Events

- On 21 June 2017, EDF Énergies Nouvelles signed a Power Purchase Agreement for a 100MW wind project in the United States
- On 19 June 2017, EDF Énergies Nouvelles announced that it would undertake a new solar project (115MWp) in Brazil
- The EDF group, together with EDF ENR, consolidated and diversified its position in the self-consumption market in France (see press release of 7 June 2017)
- Finalisation of the financing of Phase 3 of the 800MW Mohammed bin Rashid Al Maktoum Solar Park (see press release of 14 June 2017)

Development of energy services

- On 6 June 2017, EDF Energy Services acquired Imtech, a leading engineering services company and provider of technical services to construction, industrial, commercial and public sector clients in the UK and Ireland (see note 22.1.2 of the Annex to the condensed consolidated half-year financial statements at 30 June 2017)
- EDF is aiming to double its sales by 2025 in energy services for businesses and local authorities (see press release of 20 June 2017)
- On 11 May 2017, Soweel launched its first connected charging station for electric vehicles

Sustainable development

- EDF received the ISO 14001 certification from AFNOR Certification for the fifth time (see press release of 23 June 2017)
- EDF signed an innovative bilateral Revolving Credit Facility with an interest rate that depends on its sustainability rating (see press release of 22 May 2017)

Other significant events

- New Leadership roles announced at EDF Energy (see press release of 27 July 2017)
- Results of the option for the payment of the balance of the dividend to be paid for 2016 (see press release on 28 June 2017 and notes 17.1 and 17.2 of the annex to the condensed consolidated financial statements at 30 June 2017)
- Jean-Bernard Lévy, EDF's Chairman and CEO, made several appointments within the Executive Committee, which took effect on 17 July 2017 (see press release of 12 June 2017)

Innovation

- EDF and CEA consolidated their R&D collaboration in the areas of nuclear, digital technology and energy transition (see press release of 19 June 2017)

Recent Events

APPENDICES :

Consolidated income statement

<i>(in millions of euros)</i>	H1 2017	H1 2016
Sales	35,723	36,659
Fuel and energy purchases	(19,345)	(18,764)
Other external expenses	(3,733)	(3,991)
Personnel expenses	(6,286)	(6,333)
Taxes other than income taxes	(2,687)	(2,727)
Other operating income and expenses	3,324	4,100
Operating profit before depreciation and amortisation	6,996	8,944
Net changes in fair value on energy and commodity derivatives, excluding trading activities	(196)	(77)
Net depreciation and amortisation	(4,212)	(3,916)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(41)	(15)
(Impairment)/reversals	(32)	(300)
Other income and expenses	1,367	(124)
Operating profit	3,882	4,512
Cost of gross financial indebtedness	(879)	(953)
Discount effect	(1,283)	(1,367)
Other financial income and expenses	1,174	1,096
Financial result	(988)	(1,224)
Income before taxes of consolidated companies	2,894	3,288
Income taxes	(712)	(960)
Share in net income of associates and joint ventures	(93)	(162)
GROUP NET INCOME	2,089	2,166
EDF net income	2,005	2,081
Net income attributable to non-controlling interests	84	85
Earnings per share (EDF share) in Euros:		
Earnings per share	0.66	0.88
Diluted earnings per share	0.66	0.88

Recent Events

Consolidated balance sheet

ASSETS	30/06/2017	31/12/2016
<i>(in millions of euros)</i>		
Goodwill	8,750	8,923
Other intangible assets	7,630	7,450
Property, plant and equipment operated under French public electricity distribution concessions	53,682	53,064
Property, plant and equipment operated under concessions for other activities	7,604	7,616
Property, plant and equipment used in generation and other tangible assets owned by the Group	71,187	70,573
Investments in associates and joint ventures	6,995	8,645
Non-current financial assets	37,040	35,129
Other non-current receivables	2,164	2,268
Deferred tax assets	1,955	1,641
Non-current assets	197,007	195,309
Inventories	13,692	14,101
Trade receivables	21,500	23,296
Current financial assets	29,381	29,986
Current tax assets	552	183
Other current receivables	10,174	10,652
Cash and cash equivalents	3,804	2,893
Current assets	79,103	81,111
Assets classified as held for sale	1,781	5,220
TOTAL ASSETS	277,891	281,640

Recent Events

EQUITY AND LIABILITIES <i>(in millions of euros)</i>	30/06/2017	31/12/2016
Capital	1,444	1,055
EDF net income and consolidated reserves	38,308	33,383
Equity (EDF share)	39,752	34,438
Equity (non-controlling interests)	7,086	6,924
Total equity	46,838	41,362
Provisions related to nuclear generation - back-end of the nuclear cycle, plant decommissioning and last cores	44,954	44,843
Provisions for decommissioning of non-nuclear facilities	1,516	1,506
Provisions for employee benefits	21,258	21,234
Other provisions	1,970	2,155
Non-current provisions	69,698	69,738
Special French public electricity distribution concession liabilities	46,013	45,692
Non-current financial liabilities	51,669	54,276
Other non-current liabilities	4,836	4,810
Deferred tax liabilities	2,927	2,272
Non-current liabilities	175,143	176,788
Current provisions	5,632	5,228
Trade payables	10,983	13,031
Current financial liabilities	14,486	18,289
Current tax liabilities	164	419
Other current liabilities	24,155	24,414
Current liabilities	55,420	61,381
Liabilities related to assets classified as held for sale	490	2,109
TOTAL EQUITY AND LIABILITIES	277,891	281,640

Recent Events

Consolidated cash flow statement

(In millions of euros)

	H1 2017	H1 2016
Operating activities:		
Income before taxes of consolidated companies	2,894	3,288
Impairment/(reversals)	32	300
Accumulated depreciation and amortisation, provisions and changes in fair value	4,420	4,308
Financial income and expenses	429	462
Dividends received from associates and joint ventures	76	210
Capital gains/losses	(2,039)	(447)
Change in working capital	482	(1,720)
Net cash flow from operations	6,294	6,401
Net financial expenses disbursed	(828)	(800)
Income taxes paid	(827)	638
Net cash flow from operating activities	4,639	6,239
Investing activities:		
Acquisitions of equity investments, net of cash acquired	(115)	(62)
Disposals of equity investments, net of cash transferred ⁽¹⁾	1,822	284
Investments in intangible assets and property, plant and equipment	(6,535)	(6,577)
Net proceeds from sale of intangible assets and property, plant and equipment	487	79
Changes in financial assets	(3,276)	(584)
Net cash flow used in investing activities	(7,617)	(6,860)
Financing activities:		
EDF capital increase	4,005	-
Transactions with non-controlling interests ⁽²⁾	224	2
Dividends paid by parent company	(75)	(81)
Dividends paid to non-controlling interests	(102)	(119)
Purchases/sales of treasury shares	-	4
Cash flows with shareholders	4,052	(194)
Issuance of borrowings	1,870	638
Repayment of borrowings	(2,132)	(1,019)
Payments to bearers of perpetual subordinated bonds	(394)	(401)
Funding contributions received for assets operated under concessions	66	69
Investment subsidies	344	405
Other cash flows from financing activities	(246)	(308)
Net cash flow from financing activities	3,806	(502)
Net increase/(decrease) in cash and cash equivalents	828	(1,123)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	2,893	4,182
Net increase/(decrease) in cash and cash equivalents	828	(1,123)
Effect of currency fluctuations	(33)	(99)
Financial income on cash and cash equivalents	11	7
Effect of reclassifications	105	17
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	3,804	2,984

Recent Events

3. 9 MAY 2017 – Q1 2017 RESULTS

Quarterly financial information

- **First quarter 2017 sales at €21.1 billion, stable in organic terms¹**
- **Nuclear output at a level consistent with 2017 target**
 - France: 108.5TWh, i.e. -7.6TWh compared to the first quarter 2016, in line with expectations taking into account the outages for additional controls started in 2016
 - United Kingdom: 16.0TWh, i.e. +0.3TWh compared to the first quarter 2016, high performance level maintained
- **The Group's strategic developments**
 - Acceleration of the strategic allocation of capital to renewable energies:
 - Start of exclusive negotiations in view of acquiring a majority stake in Futuren², the onshore wind energy specialist, by EDF Énergies Nouvelles
 - Alliance with the consortium led by Masdar to develop the third phase of an 800MW solar park in Dubai
 - Commissioning of projects: 189MW gross principally in India (wind and solar) over the first quarter, 98MW of wind in the United Kingdom announced in april
 - Start of construction of new projects: 242MW, mainly located in the USA
 - Energy services, development of Dalkia's business:
 - Maintenance and management contract renewed for the cooling and ventilation of the European body for nuclear research based in Geneva (CERN³)
 - Extension of the heat network of Limoges city (France)
 - Acquisition of Froid Climatisation Service 84 entity, cooling and air treatment specialist located in South-East of France
 - Key milestones in new nuclear in line with timetable:
 - Flamanville 3: system performance tests launched
 - Taishan: start of primary coolant system loading for hot functional testing, and start of First-Plant-Only-Test (testing on the internal structures vibrations)
- **Significant progress in the performance plan**
 - Capital increase with preferential subscription rights for a total amount of approximately €4 billion. Subscription rate of the market share of 185.9%
 - Disposal plan:
 - Sales of 49.9% of RTE to Caisse des Dépôts and CNP Assurances realised
 - Sales of EDF Trading's coal and freight assets to JERA Trading, with EDF receiving a 33.3% stake in JERA Trading
 - Sales of the whole of EDF's stake in EDF DÉMÁSZ Zrt, its Hungarian subsidiary, to ENKSZ realised
- **Financial highlights**
 - Dividend: €0.90 per share proposed for 2016
 - Final dividend to be distributed of €0.40 per share, with the option to receive it in new shares, taking into account the interim dividend of €0.50 per share paid on 31 October 2016
 - Confirmation by the French State of the option to receive the dividend in new shares
 - Ex-dividend date on 6 June 2017 and payment of dividend balance and settlement of shares on 30 June 2017
 - Issuance of Samurai Bonds for ¥137bn (€1.1bn) including two green tranches totalling ¥26bn (~€210m) dedicated to the financing of renewable investments. Green Bonds issued to date by EDF group amount to around €4.5bn
- **2017 targets confirmed**
 - **Nuclear output:** 390 - 400TWh
 - **EBITDA⁴:** €13.7 to €14.3 billion
 - **Net financial debt/EBITDA⁵:** ≤ 2.5x
 - **Payout ratio of Net income excluding non-recurring items⁶:** 55% to 65%

¹ Organic change at comparable scope and exchange rates

² Futuren is present in France, Germany, Morocco and Italy and owns 389MW of gross wind energy capacity and operates 357MW for third parties. The company is also developing wind energy projects representing over 168MW in capacity.

³ Conseil Européen pour la Recherche Nucléaire

⁴ At 2016 exchange rate

⁵ At 2016 exchange rate and at an assumed discount rate on nuclear provisions of 4.1% in 2017

⁶ Adjusted for the remuneration of hybrid bonds accounted for in equity

2018 targets and beyond maintained

2018 targets

- **OPEX¹**: -€0.7 billion compared to 2015
- **EBITDA²**: ≥ €15.2 billion
- **Net investment excluding Linky, new developments and disposals**: around €10.5 billion
- **Cash flow^{2,3}**: ≥ 0
- **Net financial debt/EBITDA^{2,3}**: ≤ 2.5x
- **Payout ratio of Net income excluding non-recurring items⁴**: 50%

Beyond 2018

- **Reduction in OPEX¹**: ≥ €1 billion in 2019 vs. 2015
- **Asset disposals over 2015-2020**: at least €10 billion
- **Payout ratio of Net income excluding non-recurring items⁴**: 45% to 50%

¹ At constant scope, exchange and hypothesis of pensions discount rates. Excluding change in operating expenses of service activities

² At 2016 exchange rate and assumption for 2018 power prices in France on volumes not hedged as of 31/12/2016 ≥ €36/MWh

³ At 2016 exchange rate. Cash flow excluding Linky, new developments and asset disposals, with an assumed discount rate on nuclear provisions of 4.1% in 2017 and 3.9% in 2018, excluding interim dividend for fiscal year 2018, which will be decided in H2 2018

⁴ Adjusted for the remuneration of hybrid bonds accounted for in equity

Significant progress in the implementation of the performance plan

Success of the capital increase with preferential subscription rights for a total of approximately €4 billion

On 28 March 2017, EDF announced the success of its share capital increase with preferential subscription rights to existing shareholders (the “Rights Issue”).

The final gross proceeds of the Rights Issue (including issue premium) amounted to €4,017,905,375.40 and resulted in the issuance of 632,741,004 new shares.

Following the subscription period, which ended on 21 March 2017, total subscription orders amounted to approximately €4.9 billion, representing a market subscription rate of 185.9%.

In accordance with its commitment, the French State subscribed for an amount of €3 billion, representing approximately 75% of the Rights Issue and holds 83.10% of EDF’s share capital following the completion of the Rights Issue. The dilution of the French State resulted in an increased free float, which (including employee shareholding) increased from 14.25% to 16.81% of the Company’s share capital.

Proceeds from the Rights Issue will primarily be used to finance the Group’s development operations during the period between 2017 and 2020, in line with the CAP 2030 strategy, and more generally, to strengthen the Group’s financial flexibility.

Disposal plan

- Finalisation of the sale of 49.9% of RTE to Caisse des Dépôts and CNP Assurances

On 31 March 2017, EDF finalised the sale to Caisse des Dépôts and CNP Assurances of a 49.9% stake in the ad-hoc company holding 100% of RTE since December 2016. This announcement came after approvals were received from the relevant merger control authorities.

The transaction values 100% of RTE at €8.2 billion (EDF will potentially benefit from a value complement of up to €100 million). The operation has strengthened EDF’s financial structure with a positive impact of approximately €4 billion (before any price complement) on the net financial debt.

- Progress in the sale of EDF Trading’s coal and freight assets to JERA Trading, with EDF receiving on 4 April 2017 a 33.3% stake in JERA Trading.
- On 31 January 2017, EDF sale finalisation of the whole of EDF’s stake in EDF Démász zrt, its Hungarian subsidiary, to ENKSZ. The transaction values EDF’s 100% stake in EDF Démász zrt at approximately €400 million.

Flamanville EPR: new milestone reached with the beginning of the system performance testing

On 15 March 2017, construction of the Flamanville EPR reached another milestone with the beginning of the system performance testing for the whole plant, in accordance with the timetable announced in September 2015. These tests, which will take place until the last quarter of 2018, will help check and test that all the EPR’s circuits are working properly. They will involve more than 1,000 experienced technicians and engineers from EDF and industrial partners.

The Flamanville EPR is the most powerful third-generation reactor in the world. The next milestone will involve fuel loading and then start-up at the end of the fourth quarter of 2018.

Recent Events

Change in EDF group sales

<i>In millions of euros</i>	Q1 2016 ¹	Q1 2017	%	% Change	% Scope	% Organic
France - Generation and supply activities	11,166	11,354	+1.7	-	-	+1.7
France - Regulated activities	4,784	4,862	+1.6	-	-	+1.6
United Kingdom	2,929	2,568	-12.3	-10.5	-	-1.8
Italy	3,119	2,797	-10.3	-	+0.1	-10.4
Other activities	1,999	2,153	+7.7	+0.3	+1.6	+5.9
Other International	1,546	1,467	-5.1	+2.5	-5.3	-2.3
<i>Inter-segment eliminations</i>	<i>(4,101)</i>	<i>(4,073)</i>	<i>-0.7</i>	<i>-</i>	<i>-</i>	<i>-0.7</i>
Total Group	21,442	21,128	-1.5	-1.2	-0.2	0.0

The Group's first quarter 2017 sales amounted to €21.1 billion, stable in organic terms compared to the first quarter 2016.

In France, sales in the Generation and supply activities segment were up by 1.7% in organic terms, due in particular to the ARENH sales volumes.

Sales in the Regulated activities segment were up by 1.6% in organic terms, thanks to the positive impact of the TURPE 4 indexation in 2016.

In the United Kingdom, the 1.8% organic drop in sales mainly reflects the decrease in market prices.

In Italy, sales were down by 10.4% in organic terms, due mainly to the decrease in realised gas prices. This decrease had no effect on the margin.

Sales in the Other activities segment were up by 5.9% in organic terms, mainly due to energy services.

Sales in the Other International segment were down by 2.3% in organic terms, driven by the tariff review of EDF Norte Fluminense's power purchase agreement, which took place end 2016.

¹ As of 2016, breakdown of sales across the segments, before inter-segment eliminations

Recent Events

Change in Group sales by segment

France – Generation and supply activities

<i>In millions of euros</i>	Q1 2016	Q1 2017	%	% organic
France - Generation and supply activities	11,166	11,354	+1.7	+1.7

Sales in the first quarter 2017 in the France - Generation and supply activities segment amounted to €11.4 billion, an organic increase of €188 million (+1.7%) compared to the first quarter 2016.

In the first quarter 2017, the effects of weather conditions (+0.8TWh) and the 2016 leap year had a negative impact of €171 million. The cold weather in January (+3.4TWh compared to normal) was penalising in a context of high prices. In addition, the reduction in tariffs on 1 August 2016 led to a decrease in sales by €37 million. In a competitive environment, the impact of lost customers amounted to -3.4TWh on the first quarter 2017 and were partially offset by the increase in delivered volumes.

The first quarter 2017 was marked by a large number of ARENH subscriptions on 16 November 2016, which amounted to 20.2TWh for the quarter, whereas no subscriptions were made in 2016. This favourable effect on sales of €849 million was more than offset by lower net sales on the markets, which were down by €895 million¹, mainly due to lower output and ARENH sourcing. Other sales increased by €425 million, in particular due to higher market prices on the resale of purchase obligations for renewable energies (+€159 million).

Nuclear output reached 108.5TWh, a level in line with forecasts, taking into account the reactor outages for additional controls started in 2016.

The decrease in output by 7.6TWh compared to the first quarter 2016 is mainly attributable to the outages at Fessenheim 2 and Gravelines 5, linked to the manufacturing records at the Creusot Forge plant, and the end of the controls on the steam generators affected by the carbon segregation issue.

The 18 controlled reactors gradually obtained the authorisation to restart from the ASN, confirming their ability to operate in a fully safe mode, the last one having restarted on 1 March 2017.

At the same time, the unplanned outage of Flamanville 1 reactor since 9 February has been offset by the good performance of the operating reactors.

Taking into account the restart of the Bugey 5 and Gravelines 5 reactors, scheduled for the end of June, and the Fessenheim 2 reactor at the end of July, the EDF group confirmed its nuclear output target of 390 - 400TWh for 2017.

Despite the strong contribution of hydropower during the peak consumption periods in the winter of 2017, hydropower output was down slightly in the first quarter (-1.5TWh) to 10.8TWh², due to hydrological conditions below historical averages over the months of January and February 2017.

¹ Excluding additional required energy purchases on markets

² Hydropower, excluding public electricity distribution, before deduction of pumped volumes. Hydro output, after deduction of pumped volumes, represented 8.9TWh in the first quarter of 2017 and 10.4TWh over the same period in 2016

Recent Events

In addition, dispatch of thermal plants rose, in particular gas-fired plants. Their output, up 2.8TWh compared to the first quarter 2016, reached 5.3TWh.

France – Regulated activities Sales supported by the change in TURPE 4

<i>In millions of Euros</i>	Q1 2016	Q1 2017	%	% organic
France - Regulated activities	4,784	4,862	+1.6	+1.6

Sales in the France - Regulated activities segment in the first quarter 2017 amounted to €4.9 billion, up 1.6% in organic terms compared to the first quarter 2016.

Sales benefited from the positive impact of the TURPE 4 indexation on 1 August 2016 for €42 million and from favourable volume and price effects for +€57 million. On the other hand, the weather effect and the leap year had a negative overall impact in the amount of €31 million.

United Kingdom: Sales penalised by lower market prices, high performance of nuclear fleet maintained

<i>In millions of Euros</i>	Q1 2016	Q1 2017	%	% organic
United Kingdom	2,929	2,568	-12.3	-1.8

In the United Kingdom, sales of €2.6 billion were down 1.8% in organic terms compared to the first quarter 2016. The appreciation of the euro against the pound in the first quarter of 2017 had a negative impact of €307 million.

Nuclear output came to 16.0TWh, which is stable compared to first quarter 2016 (+0.3TWh), confirming the good operational performance of the nuclear fleet. The increase is due to a favourable phasing effect from refuelling.

Despite this result, sales were negatively affected by lower market prices.

The customer residential base remained stable in the first quarter 2017.

Recent Events

Italy: Decrease in sales without impact on profitability

<i>In millions of Euros</i>	Q1 2016	Q1 2017	%	% organic
Italy	3,119	2,797	-10.3	-10.4

In Italy, sales amounted to €2.8 billion, down by 10.4% in organic terms compared to the first quarter 2016.

In electricity activities, sales were down despite favourable price conditions, attributable mainly to the decrease in sales volumes.

In hydrocarbons activities, sales decreased due to lower realised prices in gas, with no major impact on profitability thanks to hedging. Moreover, E&P activities benefitted from higher Brent prices and gas sales volumes were up as a result of increased consumption from industrial customers and thermal power plants.

Other activities: Solid operational performance

<i>In millions of Euros</i>	Q1 2016	Q1 2017	%	% organic
Other activities	1,999	2,153	+7.7	+5.9

Sales in the Other activities segment amounted to €2.2 billion, up by 5.9% in organic terms.

Dalkia's sales were up organically by 15.4%, driven by higher fuel prices passed on to customers, favourable services contracts indexations, and by more favourable weather conditions.

Sales of EDF Énergies Nouvelles remained stable (-0.4% in organic terms), reflecting unfavourable wind conditions in France and in the United Kingdom, offset by new commissionings, in particular in the United States at the end of 2016. Capacity under construction reached 1.8GW gross and the project pipeline amounted to around 17GW.

EDF Trading's sales were down organically by 30.6% in the first quarter 2017, due to low market volatility, mild weather in February and March, lower prices on coal, and lower prices on gas activities in Canada.

Recent Events

Other international: Ongoing development in renewable and services, but negative price effects

<i>In millions of Euros</i>	Q1 2016	Q1 2017	%	% organic
Other International	1,546	1,467	-5.1	-2.3

Sales in the Other international segment amounted to €1.5 billion, down by 2.3% in organic terms compared to the first quarter 2016.

In Belgium, sales were stable (+0.1% in organic growth). This reflects an increase in the volumes of electricity sold, the growth in the activities of service companies and the growth dynamics of wind capacity (to approximately 300MW, or +14% compared to the first quarter of 2016). In contrast, sales were penalised by the decrease in the price of electricity and by the decrease in the sales volumes and prices for gas activities due to weather conditions.

In Poland¹, sales were up by 1.5% in organic terms compared to the first quarter 2016, due to higher electricity volumes attributable to the good availability of the generation assets, partially offset by a negative price effect. Heat volumes were up thanks to commercial expansion and to favourable weather.

In Brazil, sales were adversely affected by the negative effect of the tariff review of EDF Norte Fluminense's power purchase agreement, which took place at the end of 2016, and by lower demand of system operator dispatch.

¹ EDF EN and Dalkia's activities in Poland are incorporated in the "Other activities" segment

Recent Events

Main events since the 14 February 2017 press release

Board of directors' meeting held on 6 April 2017

Fessenheim

The EDF Board of Directors meeting on 6 April 2017 completed its work on the irreversible and inevitable closure of Fessenheim if the following conditions are definitively met:

- the repeal of the authorisation to operate the Fessenheim power plant only takes effect on the date of commissioning Flamanville 3 EPR;
- the closure of the Fessenheim power plant is necessary in order to comply with the legal ceiling of 63.2GW both on the date of the request for repeal and on the date of commissioning Flamanville EPR 3.

Pursuant to the law, the Board instructed the Chairman and Chief Executive Officer to issue, within the six months prior to the commissioning of the Flamanville 3 EPR, this request for repeal under the above conditions. It also authorised the Chairman to sign the compensation protocol negotiated with the State and approved by the European Commission no later than the date on which this request is addressed.

This decision of the Board, taken in full compliance with the law of 17 August 2015 on the energy transition for green growth, guarantees EDF's social interest and allows the company to pursue its missions to serve its customers in all circumstances.

Decree 2017-508 dated 8 April 2017, published in the 9 April 2017 Official Journal, repeals the authorisation to operate subject to certain conditions specified in the decree.

Multi-year energy plan (PPE)

EDF's Board of Directors, at its meeting on 6 April 2017, considered the draft strategic plan, set out in the Energy Code, which presents the actions that the company undertakes to implement in order to comply with security of supply and diversification of electricity production targets set in the first period of the multiannual energy program (*PPE: Programmation Pluriannuelle de l'Énergie*) covering 2016-2018 period.

In accordance with the Energy Code, the draft strategic plan has been submitted for approval to the Minister for Energy.

In this plan, EDF explains the main actions it is deploying in France over the 2016-2018 period. The group's low-carbon strategy, which is based on three pillars of nuclear energy, renewable energies and energy efficiency services, is in line with the PPE expectations.

Proposed total dividend for the 2016 financial year: €0.90 per share for shares entitled to the ordinary dividend, including an option to be paid in new shares

On 3 March 2017, the Board of Directors of EDF set the terms of payment of the balance of the dividend for the 2016 financial year which will be submitted for approval during the general meeting of shareholders to be held on 18 May 2017:

- Ordinary and loyalty dividend ex-date on 6 June 2017;

Recent Events

- Exercise period of the option to have the balance of the dividend paid in new shares from 6 June until 20 June 2017 (inclusive);
- Payment date of the balance of the dividend and settlement/delivery of the shares on 30 June 2017.

The balance of the dividend to be distributed for the 2016 financial year amounts to €0.40 per share for shares entitled to the ordinary dividend and to €0.49 per share for shares entitled to the loyalty dividend, taking into account an interim dividend of €0.50 per share (excluding loyalty bonus) paid on 31 October 2016.

The development of new nuclear

On 31 March 2017, EDF Energy announced the progress made in the construction of the Hinkley Point C power station with in particular the first concrete successfully poured for power station galleries, and the key milestone follows approval from independent nuclear regulator ONR.

Customer relations at the heart of EDF's concerns

EDF group's ombudsman published his 2016 report

On 26 April 2017, Alain Brière, the ombudsman of the EDF group, published his annual report. The ombudsman also published an annual report on consumption. He noted a slight decline in 2016 in legal filings by residential customers, and a slight increase for business customers.

EDF, No. 1 in customer relations in the "Service Companies" sector

On 1 March 2017, for the second consecutive year, EDF won first place in the BearingPoint Customer Relations Competition – Kantar TNS1, in the "Service Companies" sector. This award illustrates EDF's constant commitment to serving its customers: the excellence of an ever more digital and human relationship, underpinned by a dynamic of continuous innovation. EDF's customer advisers are honoured through this award.

The development of renewable energies and services

The EDF group steps up its growth via its subsidiary, EDF Energies Nouvelles

- Commissioning of nearly 100MW of wind power in the United Kingdom

On 26 April 2017, continuing its development in the United Kingdom, EDF Énergies Nouvelles announced the commissionings of the Corriemoillie (47.5MW), Beck Burn (31MW) and Pearie Law (19.2MW) wind farms by its local subsidiary EDF Energy Renewables, through a joint venture with EDF Energy.

- Development of the third phase of the 800MW Mohammed bin Rashid Al Maktoum Solar Park

On 22 March 2017, EDF Energies Nouvelles joined the Masdar-led consortium developing the 800-megawatt (MW) third phase of the Mohammed bin Rashid Al Maktoum Solar Park in Dubai. The project was awarded last year at a price of 2.99 US cents per kilowatt-hour, a then record-low tariff for solar power generation.

- Stepping up its growth in France, EDF Énergies Nouvelles announced on 14 March 2017:

Recent Events

- the construction work on eight wind and solar plants with close to 190MW total installed capacity, which are due for commissioning over the next few months, in particular the Auvergne-Rhône-Alpes region's most powerful wind farm, with 66.5MW installed capacity;
- the success achieved by EDF ENR's self-sufficiency offerings in both the Business sector, in which it has won a total of 10.7MWp capacity under the two last calls for tenders, and in the Domestic sector, with 1,500 "Mon Soleil & Moi" installations;
- finally, the acquisition in partnership of two wind energy projects under development with a total capacity of 84MW.

These developments will help the EDF Group to achieve its major strategic goal under the CAP 2030 plan of increasing renewables' share in its energy mix.

Solutions for the charging of electric vehicles in collective habitat

On 30 March 2017, EDF announced the launch of charging solutions designed for individuals residing in collective habitat buildings who would like to charge their electric vehicle in their parking spot. EDF and its partners are thereby helping to diversify the charging solutions to develop electric mobility in collective habitat.

Commitments for solidarity

EDF has joined forces with the *Fédération Française de Natation* (French swimming federation) and UNICEF for an evening of solidarity

On 18 March 2017, the general public was invited for a swim in order to promote access to drinking water in Haiti.

EDF and the Fondation Abbé Pierre continue their « *Toits d'abord* » (« Roofs first ») programme

On 17 March 2017, EDF and the Fondation Abbé Pierre renewed their partnership to fight against energy poverty. EDF supports Fondation Abbé Pierre's "Toits d'abord" programme financially, enabling it to construct 2,700 housing units between 2012 and 2015.

Fighting against energy poverty

On 28 February 2017, EDF and Secours Catholique renewed their partnership to fight against energy poverty. After several years of fruitful cooperation in helping people in difficulty, Secours Catholique and EDF have renewed their partnership. The objective of this partnership is to help people in precarious situations pay their energy bills and make them aware of energy saving possibilities, thanks to the privileged relationship between the Secours Catholique and EDF teams.

Recent Events

4. 2017 CAPITAL INCREASE

28 March 2017 – “EDF announces the success of its share capital increase with preferential subscription rights for an amount of approximately 4 billion euros

Paris, France, 28 March 2017 - EDF (the “Company”) announces today the success of its share capital increase with preferential subscription rights to existing shareholders (the “Rights Issue”).

The final gross proceeds of the Rights Issue (including the issue premium) amount to €4,017,905,375.40 and result in the issuance of 632,741,004 new shares (the “New Shares”).

Following the subscription period, which ended on 21 March 2017, total subscription orders amounted to approximately 4.9 billion euros, representing a subscription rate of 121.8%:

- 624,253,641 New Shares were subscribed on a non-reducible basis (*à titre irréductible*), representing 98.7% of the New Shares;
- Orders submitted on a reducible basis (*à titre réductible*) represented 146,339,031 New Shares and will therefore be partly fulfilled. 8,487,363 New Shares (representing 1.3% of the New Shares) will be allocated in this respect according to a ratio equal to 0.0241404653285479 calculated on the number of rights exercised on a non-reducible basis (*à titre irréductible*), provided that there is no allocation of a fraction of a New Share and that no allocation may exceed the number of New Shares subscribed for on a reducible basis (*à titre réductible*).

In accordance with its commitment, the French State subscribed for an amount of 3 billion euros, representing approximately 75% of the Rights Issue and will hold 83.10% of the Company’s share capital following the completion of the Rights Issue. The dilution of the French State will result in an increased free float, which (including employees shareholding) will increase from 14.25% to 16.81% of the Company’s share capital.

Proceeds from the Rights Issue will primarily be used to finance the Group’s development operations during the period between 2017 and 2020, in line with the CAP 2030 strategy, and more generally, to strengthen the Group’s financial flexibility. The Rights Issue is in keeping with an overall action plan aimed at boosting performance (cost-cutting and disposal plan) and shareholders’ equity.

Settlement and delivery as well as beginning of trading on Euronext Paris (Segment A) of the New Shares will take place on 30 March 2017. The New Shares will carry dividend rights and their holders will be entitled to any dividends distributed by EDF from the date of issuance, it being specified that they will only entitle their holders to the final dividend for the fiscal year 2016. The New Shares will be, as from their issuance date, fully fungible with EDF’s existing shares and will be traded under the same ISIN code FR0010242511.

The issue of the New Shares (other than those covered by the French State subscription) was underwritten by a banking syndicate.”

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7 March 2017 – “EDF announces the launch and the terms of a share capital increase with preferential subscription rights for an amount of approximately 4 billion euros

Subscription ratio: 3 new shares for 10 existing shares

Subscription price: 6.35 euros per new share

Trading period of the preferential subscription rights: from 8 March to 17 March 2017 inclusive

Subscription period: from 10 March to 21 March 2017 inclusive

Paris, France, 7 March 2017 - EDF (the "Company") announces today the launch of a share capital increase with preferential subscription rights to existing shareholders, for a gross amount of approximately 4 billion euros (the "Rights Issue").

The proceeds from the Rights Issue will primarily be used to finance the Group's development operations during the period between 2017 and 2020; in line with the CAP 2030 strategy, and more generally, to strengthen the Group's financial flexibility. The Rights Issue is in keeping with an overall action plan aimed at boosting performance (cost-cutting and disposal plan) and shareholders' equity.

As announced in the press releases published on 22 April 2016 and 13 February 2017, the French State has undertaken to subscribe for an amount of 3 billion euros, representing approximately 75% of the Rights Issue (the "Subscription Commitment") and will sell preferential subscription rights (by any means including by way of block trades or accelerated book-building), in compliance with the legal and regulatory provisions applicable to transactions affecting the share capital of companies in which the State owns an interest, and which are specifically provided for in Order 2014-948 of 20 August 2014.

Main terms of the Rights Issue

The Rights Issue will be realized with preferential subscription rights (the "Rights") and will result in the issuance of 632,741,004 new shares (the "New Shares"). Each holder of EDF's shares will receive one (1) Right for each share held (according to trading records) as of the close of trading on 7 March 2017. Rights will be detached on 8 March 2017, and existing shares will therefore trade ex-right from 8 March 2017.

The subscription of the New Shares will be reserved, as a preference, to the holders of Rights, 10 Rights will entitle holders to subscribe for 3 New Shares on an irreducible basis (*à titre irréductible*).

Based on the closing price of the EDF share on the regulated market of Euronext Paris ("Euronext Paris") on 3 March 2017, the theoretical value of the Right is 0.77 euro (it being reminded that this value may fluctuate during the Rights trading period, in particular depending on the evolution of EDF's ex-right share price), and the theoretical value of the ex-right share is 8.92 euros.

The subscription price for the New Shares has been set at 6.35 euros per share (nominal value of 0.50 euro and issue premium of 5.85 euros). The subscription price represents a discount of 28.8% on the theoretical value of the ex-right share, and 34.5% on the closing price of EDF's share on Euronext Paris (9.69 euros) on 3 March 2017.

The Rights Issue will be open to the public in France only.

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Subscriptions subject to reduction (*à titre réductible*) will be accepted but remain subject to reduction in the event of oversubscription. Any New Shares not subscribed on an irreducible basis (*à titre irréductible*) will be distributed and allocated to the Rights holders having submitted additional subscription orders subject to reduction (*à titre réductible*).

Underwriting of the Rights Issue

The issue of the New Shares (other than those covered by the French State Subscription Commitment) will be fully underwritten by a syndicate of banks.

Indicative timetable of the Rights Issue

The Rights will be listed and traded on Euronext Paris under the ISIN code FR0013240322 from 8 March 2017 to 17 March 2017 inclusive. It will not be possible to buy or sell the Rights after the close of trading on 17 March 2017. The subscription period for the New Shares will run from 10 March 2017 to 21 March 2017 inclusive. The Rights not exercised before the end of the subscription period, *i.e.* before the close of trading on 21 March 2017, shall then become null and void.

Settlement/delivery and beginning of trading on Euronext Paris (Segment A) of the New Shares will take place on 30 March 2017. The New Shares will carry dividend rights and their holders will be entitled to any dividends distributed by EDF from the date of issuance, it being specified that they will only entitle their holders to the final dividend for the fiscal year 2016. The New Shares will be, as from their issuance date, fully fungible with EDF's existing shares and will be traded under the same ISIN code FR0010242511."

5. SALE OF A CONTROLLING INTEREST OF AREVA NP TO EDF

12 July 2017 – "EDF partially waives one of the conditions precedent contained in the Areva NP acquisition agreement

Wednesday, 12 July 2017 – EDF has decided to waive the condition precedent specified in the Areva NP acquisition agreement concerning the absence of anomalies on the primary circuit on the European Pressurised Reactor (EPR) at Flamanville 3, with respect to the carbon segregation identified in parts of the reactor vessel.

The decision follows the draft opinion issued on 28 June 2017 by the Board of the French Nuclear Safety Authority (ASN) on the justification of the EPR vessel at Flamanville 3.

The finalisation of the deal, scheduled for the second half of 2017, remains subject to the fulfilment of the entire condition precedent concerning the absence of anomalies on the primary circuit and the satisfactory completion of quality audits at the Le Creusot, Saint-Marcel and Jeumont plants."

Recent Events

10 July 2017 – “Binding agreements signed with strategic investors for the acquisition of an equity stake in NEW NP

Today EDF¹ confirmed the signature of binding agreements with the following companies for the acquisition of an equity stake in NEW NP capital:

- MITSUBISHI HEAVY INDUSTRIES² for a stake of 15% and potentially of up to 19.5%, and
- ASSYSTEM for a 5% stake.

The sale price for 100% of the equity value of NEW NP has been confirmed at 2.5 billion Euros excluding potential earn-out provisions and adjustments and with no transfer of financial debt at the closing date.

These agreements were signed further to:

- the signature on 15 November 2016 of an agreement between AREVA and EDF, setting out the terms of the sale of an interest of 51% to 75% of NEW NP capital, conferring exclusive control of this company, initially a 100% subsidiary of AREVA NP. NEW NP will combine AREVA’s Group’s activities relating to design and equipments’ manufacturing of nuclear reactors, fuel design and assemblies manufacturing, and services to the nuclear installed base;
- Discussions with strategic investors having confirmed their interest and submitted bids to acquire an equity stake in NEW NP alongside EDF.

Immunisation mechanisms³, guarantees and closing conditions set out in the share purchase agreement signed with EDF on 16 November 2016 will apply to these minority investors.

EDF and these third-party investors will simultaneously acquire their respective equity stake in NEW NP, aiming for the various transactions to be completed by the end of the second half of 2017.

EDF remains open for other strategic partners to enter into NEW NP’s share capital.

Discussions are also initiated between EDF and AREVA on the conditions for the implementation of the European Commission decision requiring AREVA to fully exit NEW NP at the latest by the end of AREVA restructuring plan, planned in 2019.

Jean-Bernard Lévy, Chairman and Chief Executive Officer of the EDF Group: *“The entry of new partners, both leaders in their activities, in the shareholding of NEW NP marks the achievement of a key milestone in the restructuring of the French nuclear industry. This demonstrates the attractiveness of our projects and expertise to the other players of the global nuclear industry. I am delighted with this renewed evidence of confidence in EDF and NEW NP.”*

¹ With AREVA subject to confirmed approval by its Board of Directors.

² Subject to approval by its Board of Directors.

³ Agreements pertaining to the Olkiluoto-3 EPR project and the means required to complete the project, as well as certain agreements pertaining to components that are forged at the Creusot plant, will remain within AREVA NP, within the scope of AREVA SA.

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Following the publication of the press release mentioned above, MITSUBISHI HEAVY INDUSTRIES announced on 31 July 2017 that it had taken a formal decision to acquire a 19.5% equity stake in NEW NP.

6. PROJECT HINKLEY POINT C

3 July 2017 – “Clarifications on Hinkley Point C project

The review of the costs and timetable of the HPC project, undertaken after EDF's final investment decision in September 2016, in conjunction with the project company (NNB) teams, concluded that:

- The milestone for the first nuclear safety concrete for the building of Unit 1, scheduled for mid-2019, is confirmed, assuming that the final design, which is on a tight schedule, is completed by the end of 2018.
- Project completion costs are now estimated at £19.6 billion in 2015 sterling¹, an increase of £ 1.5 billion in 2015 sterling, compared to previous evaluations. This estimate includes successful operational action plans, in partnership with suppliers. The estimated additional costs² result mainly from a better understanding of the design adapted to the requirements of the British regulators, the volume and sequencing of work on site and the gradual implementation of supplier contracts. EDF's projected rate of return (IRR) is now estimated at about 8.5% compared to about 9% initially.
- The risk of deferral of delivery (COD) is estimated at 15 months for Unit 1 and 9 months for Unit 2. This risk would entail an additional potential cost of around 0.7 billion in 2015 sterling. Under this assumption, the IRR for EDF would be around 8.2%.

The project company NNB, in compliance with its rules of governance, will study and implement the recommendations of the review.

The management of the project is mobilised on the initial delivery objective for Unit 1 at the end of 2025, and on the identification and implementation of action plans to reduce costs and risks.

The Group maintains its financial targets as described in the 9 May 2017 press release.”

¹ Excluding interests during construction and excluding forex effect versus the reference exchange rate for the project 1 sterling = 1.23 euro.

² Net of action plans.

Recent Events

31 March 2017 – “EDF Energy sets out progress at Hinkley Point C new nuclear power station

- First concrete successfully poured for power station galleries
- Key milestone follows approval from independent nuclear regulator ONR
- 1,600 workers on site each day
- Three million cubic metres of earth already moved, more than 50% of the total
- New images and video released to mark six months since contract signing with UK Government and full construction launched

31 March 2017 – Six months after contracts were signed for Hinkley Point C in Somerset, EDF Energy has today set out the progress made at the site. This includes confirmation that concrete has been poured for the power station galleries. The galleries are a network of connected tunnels which will carry cabling and pipes. They will be some of the first permanent structures on the site.

The concrete pour is a great achievement for the project team and followed the first consent for construction granted by the independent regulator, the Office for Nuclear Regulation (ONR). EDF Energy is committed to delivering HPC to the highest standards of safety and quality while working continuously to learn and improve as the project moves forward.

Construction of the building for the first reactor at HPC is scheduled to start in 2019 when concrete will be poured for the first time to make the reactor platform.

Today EDF Energy has also released new images and video showing the scale of construction which now involves 1,600 workers on site every day. Three million tonnes of concrete and 230,000 tonnes of steel reinforcement will be used in construction, with 64% of the contract values being spent in the UK. The steel reinforcement is being supplied by Express Reinforcements from South Wales.

Other progress includes:

- Start of construction of a 500m temporary jetty in the Bristol Channel allowing 80% of the aggregate to be brought in by sea rather than by road. Two pile-driving machines are drilling holes in the bedrock and have so far installed 18 piles. The jetty is due for completion in 2018. Every shipload of materials will take the equivalent of 250 lorry-loads off the local roads.
- Construction of a store which can contain 57,000 tonnes of aggregate. Work will soon begin on the conveyor systems to carry the aggregate around the site.
- Excavation of 3 million cubic metres of soil and rock to prepare the ground for the power station buildings. Almost 6 million cubic metres will be excavated in total.
- Construction of the first two tower cranes. The larger of the two cranes is 40 metres high with a 60m jib and has a lifting capacity of 16 tonnes. More than 50 tower cranes will be on site once building work reaches its peak.
- Work to build 15 on-site accommodation buildings for more than 500 workers has begun. Manufacturing of the first of the 510 units is underway at Caledonian Modular in Newark, Nottinghamshire. The company has doubled its workforce to complete the

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order.

- Good progress is being made on the sea wall which will provide a barrier between the power station and the coastline. Construction teams will need to excavate 165,000m³ of material in order to build it.
- A spray batching plant has been built to produce a finer quality of concrete which will be sprayed to secure slopes at the site.

Hinkley Point C Project Director, Philippe Bordarier said:

“Pouring the concrete for the first permanent structure of HPC is a significant milestone. It is the outcome of many years of preparation and hard work from all our teams and supply chain across the UK and France. It demonstrates our ability to undertake the serious responsibility of nuclear power plant construction. Whilst we reflect on this great achievement we will continue to look for opportunities to improve, learn and teach others, embracing the values of the HPC project.”

EDF Energy’s Managing Director for New Nuclear Build, Humphrey Cadoux-Hudson said:

“The regulator’s consent for construction of the first safety-related structure at Hinkley Point C shows our commitment to the highest standards of quality and safety. We’re making good progress on many fronts as a result of the successful collaboration between all our teams. Our construction partners BYLOR and Kier Bam have played a particularly important role in getting us to this point. We are very proud to be building the first new nuclear power station in a generation which will provide the UK with reliable, affordable, low carbon electricity for the future.”

Hinkley Point C will relaunch the nuclear construction industry in the UK. It will provide 25,000 job opportunities and 1,000 apprenticeships with many of the jobs going to people living in Somerset. With 64% of the project spend going to the UK, HPC is already delivering significant benefits to the economy in the South West and other parts of the country. £435m of contracts have been signed so far with businesses in the region.

The power station is a vital part of the UK’s low carbon energy future and will provide enough reliable electricity to meet 7% of the UK’s future electricity needs.”

7. LITIGATION

The following paragraphs describe certain legal, administrative and other proceedings in which the EDF Group is involved, and should be read in conjunction with the information set out in documents incorporated by reference herein, in particular section 2.4 (“Legal proceedings and arbitration”) of the 2016 *Document de Référence* and section 9 (“Significant events related to litigation in process”) of the 2017 Half-Year Management Report.

Proceedings concerning EDF

Flamanville 3

- ***Challenge to the amended decree authorising construction***

An application for reconsideration was made to the French Prime Minister on 18 April 2017 by several associations seeking cancellation of the decree of 23 March 2017 that amended

Recent Events

the decree authorising construction of Flamanville 3 (by extending the deadline for commissioning of the new reactor). This received no response, and the associations CRILAN and Notre Affaire à Tous filed an appeal on the grounds of ultra vires action before the Council of State on 23 May 2017.

- ***Urgent application to the Regional Court in Paris by the Observatoire du Nucléaire association***

On 22 August 2017, EDF, along with AREVA SA and the ASN, received an urgent application filed by the Observatoire du Nucléaire association to appear before the Regional Court in Paris on 10 October 2017. According to said application, the Observatoire du Nucléaire association asks for the appointment of an independent expert with a view to assess, in particular, the defects affecting the Flamanville EPR vessel and their foreseeable consequences.

Action against the final investment decision for the Hinkley Point C project

- ***Application to the Regional Court in Paris by EDF SA's central works council***

EDF SA's central works council (hereinafter the "CCE"), duly authorised by an order issued on 20 June 2016, filed an urgent application against EDF with the Presiding Judge of the Paris Regional Court, which was heard on 22 September 2016. In particular, the CCE asked the Presiding Judge of the Paris Regional Court in Paris, ruling as emergency proceedings, to order EDF to provide certain documents and/or information to the CCE, to extend the consultation period for EDF's CCE and to prohibit EDF from implementing the Hinkley Point C project. EDF contested these applications. In a decision issued on 27 October 2016, the Presiding Judge of the Paris Regional Court, ruling as emergency proceedings, held that the applications filed by the CCE were inadmissible and ordered it to pay €1,500 to EDF SA under Article 700 of the French Code of Civil Procedure. The CCE appealed this decision and a hearing was held before the Court of Appeal in Paris on 9 March 2017. In parallel, the CCE filed a request for a preliminary ruling on constitutionality (*question prioritaire de constitutionnalité* – QPC) challenging the constitutionality of the "employment security" Law no. 2013-504 of 14 June 2013, which now sets the conditions in which procedures for informing and consulting with employee representatives must be conducted in this type of situation. In a decision of 17 May 2017, the Court of Appeal ruled that the QPC put by the appellants was not devoid of interest, but would not be transferred to the Court of Cassation which had already been submitted a QPC on the same point. The Court of Appeal therefore decided to suspend its ruling until the Court of Cassation had given its conclusions. The Court of Cassation put the matter to the Constitutional Council on 6 June 2017, and the proceedings were suspended until the decision of the Constitutional Council, which was issued on 4 August 2017 and affirmed the constitutionality of the challenged provisions of Law no. 2013-504.

Fessenheim

- ***Appeal filed by Association Trinationale de Protection Nucléaire before the Council of State***

Association Trinationale de Protection Nucléaire (ATPN), represented by Corinne Lepage, filed an appeal before the Council of State on 14 March 2017 seeking cancellation of the ASN's decision 2016-DC-0551 of 29 March 2016 setting out the methods for water drawing and consumption, effluent discharge and environmental monitoring at the Fessenheim plant, and the ASN's decision 2016-DC-0550 setting the limits for effluent discharge into the environment by the Fessenheim plant.

Recent Events

- ***Appeal filed by local authorities and trade unions before the Council of State seeking cancellation of the Decree no. 2017-508 of 8 April 2017***

The government issued a decree on 8 April 2017 to repeal EDF's licence to operate the Fessenheim nuclear power plant on certain conditions. Several local authorities and trade unions filed an appeal before the Council of State (received by EDF on 27 July 2017) seeking cancellation of this decree.

Proceedings concerning EDF's subsidiaries and investments

Proceedings concerning Enedis

- ***Application filed by the UFC Que Choisir association before the CoRDIS***

On 25 June 2014, the association UFC Que Choisir filed a petition before the Settlement of Disputes and Sanctions Committee (*Comité de règlement de différends et des sanctions* or CoRDIS) seeking an end to alleged breaches by Enedis of its obligations to remain independent of EDF. On 23 March 2017, the CoRDIS member assigned to this matter issued a decision not to prosecute further.

Proceedings concerning Edison

- ***Legal action initiated by ACEA SpA concerning Edison's shareholding in Edipower***

In May 2006, ACEA SpA (ACEA), Rome's municipal utility, addressed a complaint to the Italian government and the Italian regulatory (AEEG) and competition (AGCM) authorities, alleging that the joint takeover of Edison by EDF and A2A SA (formerly AEM SpA) had exceeded the threshold of 30% of the share capital of Edipower held by State corporations (limit set forth by a decree of the President of the Italian Council of Ministers, dated 8 November 2000 defining the rules applicable to the privatisation of companies (called "Gencos") then held by Enel SpA).

On 7 July 2006, the AGCM rendered an opinion (*segnalazione*) supporting ACEA's position and officially requiring the Italian government and Parliament to take measures to comply with the provisions of the 8 November 2000 Decree.

In August 2006, ACEA initiated an action against EDF, IEB and WGRMH Holding 4 (along with Edison, A2A SA, Delmi, Edipower, AEM Turin, Atel and TdE) before the Civil Court in Rome.

According to ACEA, exceeding this threshold was a violation of the applicable laws and constituted an act of unfair competition which could adversely affect competition on the energy market and consumers' interests.

ACEA therefore asked the court to formally acknowledge the unfair behaviour of EDF and A2A SA, and force EDF and A2A SA to sell their stakes in order to return below the 30% limit and prohibit them from taking and using energy in excess of the 30% threshold, and, finally, to compensate ACEA for the prejudice suffered, which it was unable to precisely evaluate at that stage, and was to be valued in separate proceedings.

ACEA also indicated that it would request the court to take interim measures to protect its interests until the court ruled on the merits of the case. In January 2007, Endesa Italia joined ACEA in its legal action.

Recent Events

The judge rejected the addition to the file at that time of a memorandum from ACEA (new evidence) estimating the alleged prejudice to ACEA at €800 million.

In December 2010, Endesa Italia, now named E.ON Italia, and EDF signed a settlement agreement in which E.ON Italia undertook to drop the case and all other claims against EDF in connection with EDF's indirect investment in Edipower. The judge acknowledged this agreement in an order dated 19 May 2011.

On 19 September 2013, the Civil Court in Rome issued a judgment in favour of EDF, dismissing all of ACEA's claims. The Court excluded all liability for EDF under competition or tort law as all of EDF's acts had been authorised in advance by the relevant regulatory bodies and it had not breached any rules. ACEA appealed against this judgment on 23 September 2014.

At a preliminary hearing before the Court of Appeal in Rome on 15 June 2015, the case was listed for a procedural hearing on 21 March 2016. At this hearing, the judge ruled that the statements of case must be filed by 20 May and 9 June. In its judgment, handed down on 17 October 2016 and notified to the parties on 15 December 2016, the Court of Appeal dismissed all of the applications filed by ACEA and ordered it to pay the legal costs. The decision was served, triggering the 60-day period (expiring on 20 February 2017) during which an appeal could be lodged before the Court of Cassation. As that period has now ended, the ruling in favour of EDF is final.

Proceedings concerning EDF Énergies Nouvelles

- Silpro

Silpro (Silicium de Provence) went into court-ordered liquidation on 4 August 2009. The EDF ENR group held a 30% minority shareholding in Silpro and the main shareholder was the German company Sol Holding. On 30 May 2011, the liquidator brought an action against the shareholders and executives of Silpro, with joint and several liability, seeking payment of the shortfall in assets resulting from Silpro's liquidation, which amounted to €101 million.

In a judgment issued on 17 December 2013, the Commercial Court in Manosque, without indicating joint and several liability, ordered the EDF ENR group to contribute €120,000 and Sol Holding to contribute €200,000 to payment of the shortfall in Silpro's assets. The EDF ENR group appealed, and in a decision issued on 19 March 2015, the Court of Appeal in Aix-en-Provence quashed this judgment and dismissed all of the liquidator's claims.

The liquidator lodged an appeal with the Court of Cassation challenging this appeal decision of 19 March 2015.

In a ruling of 20 April 2017, the Court of Cassation overturned the part of the Court of Appeal's decision that quashed the order to Sol Holding to pay the liquidator the sum of €200,000 for the shortfall in assets.

8. ADDITIONAL MAIN EVENTS SINCE 6 MARCH 2017

14 September 2017 – “Creusot Forge manufacturing records

Progress report on review schedule for components installed on EDF nuclear reactor units

Recent Events

EDF is currently carrying out a comprehensive review of manufacturing records relating to components manufactured at the Creusot Forge plant (located in Saône-et-Loire) and installed on the existing nuclear fleet. This review forms part of the quality plan that AREVA started implementing in 2015 in conjunction with EDF, under the supervision of the French nuclear safety authority (ASN).

For each reactor unit, this review gives rise to a summary report which is submitted to the regulator for assessment two months prior to restart of the respective reactor unit. As before each reactor restart, ASN decides on reactor restart.

As at 14 September, twelve summary reports had been submitted to the ASN. These reports relate to the following reactor units: Chooz 2, Paluel 4, Saint-Laurent 2, Penly 1, Cruas 3, Dampierre 3, Belleville 2, Tricastin 3, Chinon B3, Nogent 1, Gravelines 2 and Bugey 3.

Further to an in-depth review of these records, a list of findings was drawn up relating to record-keeping and document transcription, as well as the performance of manufacturing operations. Each of these records is being reviewed in order to demonstrate the affected component's fitness for safe operation.

Each finding is then placed in one of the following three categories. A finding may:

- be placed in the **"no deviations" category** if the document review does not highlight any deviations from Creusot Forge's instructions, ordering documents or manufacturing documents with regard to standards for the manufacture of nuclear pressurised components and statutory regulations governing the manufacture of the related components.
- give rise to a **non-conformance report (FNC)** if a deviation is found which relates to one of the manufacturer's own standards.
- give rise to an **anomaly report (FA)** if a component does not comply with a contractually binding or statutory requirement.

The twelve summary reports that have been submitted to the regulator to date, relating to 309 components, comprise 471 anomaly reports and 130 non-conformance reports. EDF's assessment of the findings, which has been submitted to the regulator, shows that none are liable to compromise safe operation of the affected components.

This comprehensive review of Creusot Forge manufacturing records will continue up until the 31st of December 2018. Information on summary reports submitted to the regulator is regularly posted on the edf.fr website at <http://bit.ly/2f0VmTS>

29 June 2017 – “Approval of the Flamanville 3 EPR’s vessel by the French Nuclear Safety Authority (ASN)

EDF has taken note of the ASN's position indicating that the Flamanville 3 reactor vessel is fit for service. Construction at the site is progressing according to the schedule announced in September 2015: the system performance tests have started, with a view to the fuel loading and the reactor start-up, scheduled for the end of 2018.

Regarding the vessel bottom, EDF has developed an in-service monitoring system that will ensure its operation over the long term.

Recent Events

With regard to the vessel cap, EDF takes note of the ASN's request to plan for its replacement by the end of 2024. The direct cost of replacing a vessel cap amounts to approximately €100 million. At the same time, EDF's teams are mobilised to develop an in-service monitoring method that would allow it to demonstrate that the lid maintains its qualities over the long term. EDF is committed to providing a progress report to the ASN within two years on this work. If this work is conclusive, EDF will submit a new application to the ASN in order to be able to use the vessel cap beyond 2024.

EDF will comply with the requests made by the Nuclear Safety Authority in its final decision.”

28 June 2017 – “Results of the option for the payment of the balance of the dividend to be paid out on the 2016 financial year

The option for the payment of the balance of the dividend in shares was widely chosen by EDF's shareholders: 93.26% of the rights were exercised in favor of a payment in shares following the option period which took place between 6 June 2017 and 20 June 2017 included.

In accordance with article L. 232-18 of the French commercial Code and with article 25 of the Articles of Association, EDF's General Shareholders' Meeting of 18 May 2017 decided to pay a dividend in respect of the 2016 financial year for an amount of 0.90 euro per share with an option for the payment in shares of the Company of the outstanding balance of the dividend still to be paid, amounting to 0.40 euro per share.

The issue price of the new shares is 7.04 euro per share, equal to 90% of the average of the opening prices of the EDF shares listed on the Euronext Paris regulated market over the twenty trading days prior to 18 May 2017, date of the Combined Shareholders' Meeting, less the amount of the balance of the dividend, rounded up to the next highest euro cent.

This transaction will result in the issuance of 145,476,587 new shares (representing approximately 5.04% of the share capital, taking into account the issuance), to be delivered and admitted for trading on Euronext Paris starting on 30 June 2017. The balance in cash to be paid to the shareholders who opted for the payment in shares amounts to around 1.18 million euros.

The new shares will be issued with immediate dividend rights and will confer the same rights (“*jouissance courante*”) and restrictions as existing common shares, as described in the Company's Articles of Association and the 2016 reference document Report available on the Company's website.”

Recent Events

20 June 2017 – “Reporting of an event at level 2 on the international nuclear event scale (INES) for potential unavailability of power sources in the event of earthquake at 1300 MWe nuclear power plants

After a level 1 generic significant safety event¹ was reported on 28 April 2017 for under-sizing of the anchors² of certain metal structures on the emergency diesel generators for twelve reactors, EDF senior management decided to further develop the analyses to be extended to all twenty reactors at the 1300 MWe plant series of the nuclear fleet.

The purpose of these inspections was to assess general condition of the metal structures that support the **cooling surge tanks³ for the emergency diesel generators** and seismic resistance. In addition, EDF extended its inspection programme to all the **auxiliary system equipment** required for good working order of these diesel generators.

- Analyses could not demonstrate robustness of the surge tank³ support structures on Paluel units 1, 2, 3 and 4, Penly units 1 and 2, Flamanville unit 2 and Golfech unit 2, in the event of earthquake greater than all the earthquakes occurring in the vicinity for a thousand years, known as maximum historically probable earthquakes⁴.

On 20 June 2017, EDF therefore reported, to the Nuclear safety authority, a generic significant safety event as it was common to these four plants, at level two on the INES, which is made up of 7 levels.

The metal structures supporting the cooling system surge tanks³ for the emergency diesel generators have already been reinforced for the NPPs concerned.

- Additional analyses conducted by EDF also identified anchor faults for the auxiliary system equipment ensuring diesel generator operation on Paluel unit 3. Based on the hypothesis that this anchor fault could be observed on other units in the 1300 MWe plant series, EDF immediately launched a reinforcement programme for these anchors at all the 1300 MWe units.

This measure of precaution was preferred to implementation of complex testing, likely to delay realignment.

EDF thus decided to extend reporting of the generic level 2 significant safety event to all the 1300 MWe units, regardless of whether the anchor defects on the auxiliary system equipment were confirmed or not.

The auxiliary system equipment concerned is being realigned. The work will be completed for one of the two diesel generators on every 1300 MWe unit within three weeks and for the two diesel generators within six weeks.

The defects resulting in reporting of this event did not have any impact on worker safety or on the environment.

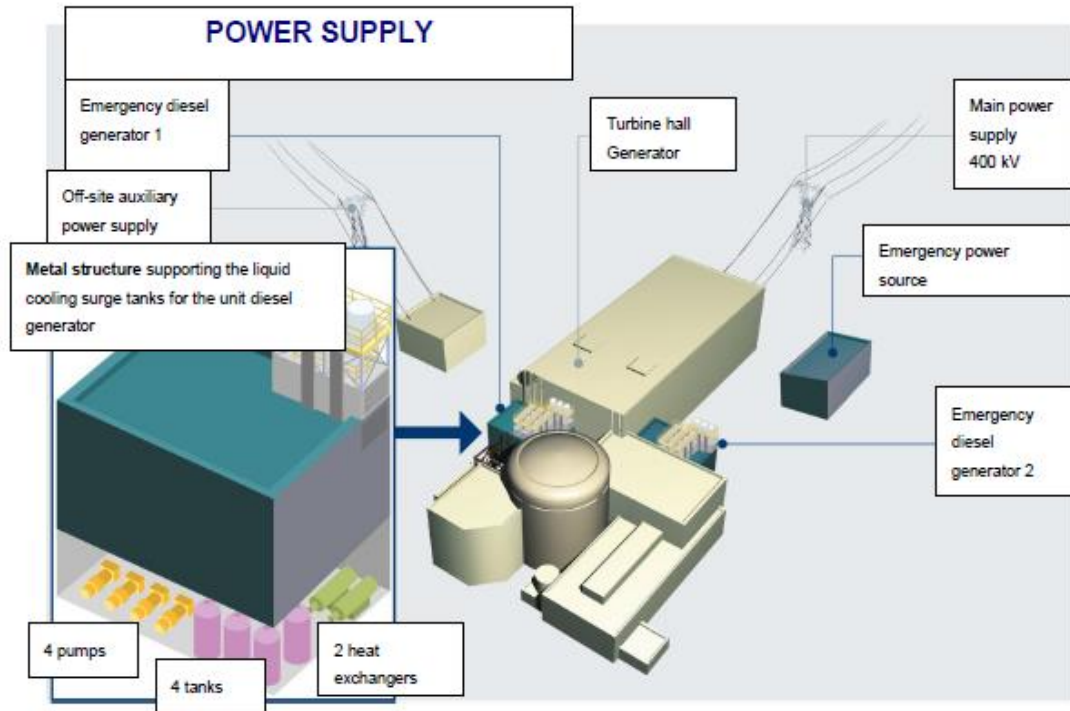
¹ See the information published on the nuclear pages of the website edf.fr on 28 April 2017.

² An **anchor** is a device for mounting equipment on the building structure and especially ensuring seismic resistance.

³ A **surge tank** is a recipient designed to compensate for increased volume incurred by overheating of a liquid.

⁴ A **maximum historically probable earthquake** is the seismic level determined by seismic-tectonic analysis of earthquakes historically known over a period of around 1000 years.

Recent Events



A nuclear power plant has six power sources. One single source is sufficient to guarantee operation of the safety equipment.

Among the power sources, there are two emergency power sources. These two powerful emergency diesel generators are ready to supply the power required for operation of the safety equipment in the event of failure of the other power sources.”

Recent Events

22 May 2017 – “EDF signed an innovative bilateral RCF with interest rate dependent on its sustainability rating

EDF today announced that it has signed a bilateral agreement with ING for a €150 million Revolving Credit Facility with an interest rate that will be dependent on the company's sustainability performance improvement, as assessed by Sustainalytics, an independent provider of environmental, social and corporate governance research and ratings.

Always at the forefront of responsible finance, this instrument, used for the first time under a bilateral credit facility, demonstrates EDF's continuous efforts towards innovative financing solutions. More broadly, it clearly highlights the case for businesses' use of funds toward investments which simultaneously lead to positive social and environmental impact.

The agreement complements the set of sustainable financing tools that EDF has been developing over the last few years. In particular, the Group has already financed 18 wind and solar projects with Green Bond proceeds. With four issuances totalling €4.5 billion dedicated to renewable power investments, EDF is a reference corporate issuer in the Green Bond market.

This agreement not only highlights the Group's strong sustainability performance today, with Sustainalytics rating EDF as the leader within its peer group for 2016. It also shows EDF's commitment to continuously improve that performance. Part of its CAP 2030 strategy, EDF's sustainability roadmap has been designed to support the world Sustainable Development Goals and the Paris agreement with six EDF Corporate Social Responsibility goals targeting climate, fuel poverty, health and safety, energy efficiency, gender equality, biodiversity and dialogue with stakeholders.

Stéphane Tortajada, EDF's Group Head of Finance & Investments, said: *“EDF's corporate responsibility commitments have been supporting our non-financial ratings. This innovative agreement with ING is another evidence that they now directly influence our financing conditions.”*

Karien Van Gennip, CEO ING Bank France, said: *“We believe that it is important to accelerate on sustainability and that companies that deliver today in this field are the winners of tomorrow. That is why sustainability is at the heart of our business strategy. Creating sustainability incentives in a financing structure is a clear innovation and demonstrates increased adoption of these beliefs in the market”.*”

Recent Events

19 May 2017 – “EDF is announcing the signing of an agreement with PGE for the sale of EDF Polska’s assets

Following the unilateral put option agreement received on May 11, 2017 and the authorization by its Board of Directors, EDF signed today the agreement relating to the disposal of all of EDF Polska assets (cogeneration and electricity generation)¹ to PGE Polska Grupa Energetyczna SA².

The transaction values 100% of the scope of EDF Polska at c. 6.1 billion zlotys (c. 1.4 billion euros³), representing 4.9 billion zlotys (c. 1.1 billion euros³) after deduction of minority interests. This agreement follows the negotiations initiated in January 2017 with a consortium of Polish utilities.

This operation comes within the framework of EDF’s *CAP 2030* strategy and represents another major milestone in the assets disposal plan of at least 10 billion euros over the 2015-2020 period. EDF Group’s carbon footprint will reduce by c.23% after this transaction.

The required regulatory approvals and authorizations, including in particular the authorization from the Polish competition authorities, the approval from the Polish government, and the waiver of the pre-emption right by the agricultural lands agency, will need to be obtained to pursue and finalize the sale process. The closing of the transaction may occur in the second semester of 2017.

The EDF group will maintain its presence in Poland through its subsidiaries EDF Energies Nouvelles and DK Energy Polska. It also intends to remain a partner of the Polish government in the context of the evolution of the country’s energy mix, including its nuclear programme.”

¹ The transaction perimeter includes the Rybnik plant, the coal cogeneration plants of Krakow, Czechnica, Gdansk, Gdynia, Torun and Wroclaw as well as the gas fired cogeneration plants of Zawidawie and Zielona Gora. This perimeter represents a total installed capacity of 4.4 GWth and 1.4 GWe. It also includes the heat distribution networks of Czechnica, Torun, Zawidawie and Zielona Gora. The Wroclaw plant, the plants and heat distribution networks of Czechnica, Zawidawie and Zielona Gora are held indirectly through a 50% + 1 share stake via the Kogeneracja company

² PGE is held at 58% by the Polish state and is the country’s largest electricity producer

³ As of December 31st, 2016.

Recent Events

17 May 2017 – “EDF Board of Directors approves the creation of EDVANCE, a significant milestone in the reconstruction of the French nuclear industry

Wednesday 17 May, 2017, the EDF Group’s Board of Directors has approved the creation of the company EDVANCE which brings together EDF and AREVA NP engineers. This is a significant milestone in the reconstruction of the nuclear industry, announced in June 2015.

EDVANCE will be in charge of the basic design and implementation (studies, procurement support, assembly and commissioning) for projects involving nuclear islands and control systems for new reactors being built, both in France and around the world.

EDF will own 80% of the company’s capital, while AREVA NP will own 20%. This new company is set up independently from EDF’s acquisition of the exclusive control over NEW AREVA NP, planned for the end of 2017.

The creation of EDVANCE consolidates EDF’s role as leader of the French nuclear industry. AREVA NP will focus on its core business which is the nuclear boiler. As such, it will provide the primary circuit, equipment, safety control systems and nuclear instrumentation, and it will keep developing its business on its installed base.

Jean-Bernard Lévy, EDF Group’s Chairman and Chief Executive Officer, said: *“With the creation of EDVANCE, we are taking a major step forward in the reconstruction of the French nuclear industry. This company brings together the expertise of EDF and Areva NP under one roof, so they can design and build nuclear islands for power plants. This combining of forces will help our industry work better and more efficiently when it comes to building new nuclear plants, thus making sure it is more competitive domestically and on international markets”.*

Recent Events

6 April 2017 – “EDF's Board of Directors of April 6th, 2017: Fessenheim

The EDF Board of Directors meeting today has completed its work on the irreversible and inevitable closure of Fessenheim if the following conditions are definitively met:

- the repeal of the authorization to operate the Fessenheim power plant only takes effect on the date of commissioning Flamanville 3 EPR;
- the closure of the Fessenheim power plant is necessary in order to comply with the legal ceiling of 63.2 GW both on the date of the request for repeal and on the date of commissioning Flamanville EPR 3.

Pursuant to the law, the Board instructed the Chairman and Chief Executive Officer to issue, within the six months prior to the commissioning of the Flamanville 3 EPR, this request for repeal under the above conditions. It also authorized the Chairman to sign the compensation protocol negotiated with the State and approved by the European Commission no later than the date on which this request is addressed.

This decision of the Board, taken in full compliance with the law of 17 August 2015 on the energy transition for green growth, guarantees EDF's social interest and allows the company to pursue its missions to serve its customers in all circumstances.

Commenting on this decision, Jean-Bernard Lévy, Chairman and CEO of EDF, said:

“The decision of the Board, taken in application of the law and respecting the company's social interest, enables EDF, fully committed to the energy transition, to have the nuclear fleet necessary to fulfill its obligations to supply its customers. I would like to pay tribute to the work of Fessenheim employees and service providers who operate our industrial equipment safely and with excellent performance. I assure them of the consideration I shall bring for their future in all circumstances.”

As a reminder, the energy transition law caps the power generation capacity of nuclear power installed in France to 63.2 GW. As a result, the commissioning of Flamanville 3 EPR is conditioned on the shutdown, at the same date, of an equivalent generation capacity.”

Recent Events

31 March 2017 – “EDF finalised the indirect sale of 49.9% of RTE assets to Caisse des Dépôts and CNP Assurances

On 31st of March 2017, following the approval by the relevant merger control authorities, EDF finalised the sale to *Caisse des Dépôts* and *CNP Assurances* of a 49.9% stake in the ad-hoc company holding 100% of RTE since December 2016. Post completion, EDF, *Caisse des Dépôts* and *CNP Assurances* hold respectively 50.1%, 29.9% and 20.0% of the aforementioned ad-hoc company.

The transaction values 100% of RTE at €8.2 billion. EDF will potentially benefit from a value complement of up to €100 million.

This operation has strengthened EDF’s financial structure with a positive impact of c. €4 billion (before any price complement) on the net financial debt. It represents a major development in the disposal plan of at least €10 billion target over the 2015-2020 period, in line with its *CAP 2030* strategy, of which c. €6.5 billion of transaction closed to date.

The new shareholder agreement strengthens RTE’s long-term investment strategy, which seeks to maximise the efficiency of transmission system infrastructure in support of the energy transition. It also consolidates RTE’s public footing as well as its long-term economic and social model, whilst at the same time maintaining its current regulatory status as an independent transmission system operator under the EU Directive.

On 14th of December 2016, EDF, CDC and CNP announced the signing of a binding agreement to conclude this operation.”

15 March 2017 – “Flamanville EPR launched its system performance tests prior to reactor start-up in 2018

On Wednesday 15 March 2017, construction of the Flamanville EPR reached another milestone with the beginning of the system performance testing for the whole plant, in accordance with the timetable announced in September 2015. These tests, which will take place until the last quarter of 2018, will help check and test that all the EPR’s circuits are working properly. They will involve more than 1000 experienced technicians and engineers from EDF and industrial partners.

The first phase of these tests begins with nuclear circuit cleaning, which involves circulating water at a very high flow rate through all the pipes connecting the safety systems in the primary coolant system and the reactor vessel. This flushing work is set to continue until summer 2017.

Cold testing will then take place. Each piece of equipment will be tested to make sure that it fulfils the role it was assigned when the plant was designed.

The Flamanville EPR is the most powerful third-generation reactor in the world. The next milestone will involve fuel loading and then start-up at the end of the 4th quarter of 2018.”

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue.

Final Terms dated [●]

[Logo, if document is printed]

Électricité de France

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €45,000,000,000 Euro Medium Term Note Programme
of **Électricité de France**

PR
2.2.9
and
2.2.10

SERIES NO: [●]

TRANCHE NO: [●]

PART A – CONTRACTUAL TERMS

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (Directive 2003/71/EC, as amended (the "**Prospectus Directive**") (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:

(i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) in the Public Offer Jurisdiction mentioned in Paragraph 9 of Part B below, provided such person is one of the persons mentioned in Paragraph 9 of Part B below and that such offer is made during the Offer Period specified for such purpose therein.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 15 September 2017 which received visa no 17-490 from the *Autorité des Marchés Financiers* (the "**AMF**") in France on 15 September 2017 [and the supplemental Base Prospectus dated [●] which received visa no [●] from the AMF in France on [●]]¹ which [together] constitute[s] a prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of

Art. 14.2
PD
Arts 26 and
33 PR

¹ Delete if no supplement is published.

Form of Final Terms

the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [However, a summary of the issue of the Notes is annexed to these Final Terms.]¹ For so long as any Notes are outstanding, copies of the Base Prospectus [and the supplemental Base Prospectus] (i) may be inspected and obtained, free of charge, during normal business hours at the specified offices of each of the Paying Agents, (ii) are available for viewing on the website of the AMF (www.amf-france.org) and on the Issuer's website (www.edf.com) and (iii) may be obtained, free of charge, during normal business hours from Électricité de France, 22-30, avenue de Wagram, 75008 Paris, France. [In addition², the Base Prospectus [and the supplement(s) to the Base Prospectus] [is/are] available for viewing [at/on] [●]].

The following alternative language applies if the first tranche of an issue which is being increased was issued under a [Base Prospectus] with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions which are the [EMTN 2011 Conditions/ EMTN 2012 Conditions/ EMTN 2013 Conditions/ EMTN 2015 Conditions/ EMTN 2016 Conditions]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC, as amended) (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 15 September 2017 which received visa no. 17-490 from the AMF in France on 15 September 2017 [and the supplement to the Base Prospectus dated [●] which received visa no [●] from the AMF in France on [●]], which [together] constitute[s] a prospectus for the purposes of the Prospectus Directive, save in respect of the [EMTN 2011 Conditions / EMTN 2012 Conditions/ EMTN 2013 Conditions/ EMTN 2015 Conditions/ EMTN 2016 Conditions]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 15 September 2017 and the Base Prospectus dated [●] [and the supplement(s) to the Base Prospectus dated [●]]. [However, a summary of the issue of the Notes is annexed to these Final Terms].³ For so long as any Notes are outstanding, copies of the Base Prospectus dated 15 September 2017 [and the supplement(s) to that Base Prospectus] and the Base Prospectus dated [●] [and the supplement(s) to that Base Prospectus] (i) may be inspected and obtained, free of charge, during normal business hours at the specified offices of each of the Paying Agents, (ii) are available for viewing on the website of the AMF (www.amf-france.org) and on the Issuer's website (www.edf.com) and (iii) may be obtained, free of charge, during normal business hours from Électricité de France, 22-30, avenue de Wagram, 75008 Paris, France. [In addition⁴, the Base Prospectus [and the supplement(s) to the Base Prospectus] [is/are] available for viewing [at/on] [●]].

¹ Insert where an issue of Notes with a denomination of less than €100,000 (or its equivalent in another currency as at the date of issue of the relevant Notes) is anticipated.

² If the Notes are admitted to trading on a regulated market other than Euronext Paris.

³ Insert where an issue of Notes with a denomination of less than €100,000 (or its equivalent in another currency as at the date of issue of the relevant Notes) is anticipated.

⁴ If the Notes are admitted to trading on a regulated market other than Euronext Paris.

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[The following alternative language applies in respect of issues of Notes where the public offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth under the section[s] entitled "Terms and Conditions of the Notes" in the Base Prospectus dated 15 September 2017 which received visa no 17-490 from the *Autorité des marchés financiers* ("**AMF**") on 15 September 2017 [and the supplement[s] to the Base Prospectus dated [●] (together, the "**2017 Base Prospectus**")] notwithstanding the approval of an updated base prospectus which will replace the 2017 Base Prospectus (the "**2018 Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC, as amended) (the "**Prospectus Directive**") and (i) prior to the approval date by the AMF of the 2018 Base Prospectus (the "**Approval Date**"), must be read in conjunction with the 2017 Base Prospectus, and (ii) on and after the Approval Date, must be read in conjunction with the 2018 Base Prospectus, save in respect of the Conditions which are extracted from the 2017 Base Prospectus. The 2017 Base Prospectus constitutes, and the 2018 Base Prospectus will constitute, a base prospectus for the purposes of the Prospectus Directive. Full information on the "Issuer" and the offer of the Notes is only available on the basis of the combination of these Final Terms and either (i) prior to the Approval Date, the 2017 Base Prospectus, or (ii) on or after the Approval Date, the 2017 Base Prospectus and the 2018 Base Prospectus [and any supplement[s] thereto]. [The Issuer has in the 2017 Base Prospectus given consent to the use of the 2017 Base Prospectus in connection with the offer of the Notes. Such consent will be valid until the date that is twelve (12) months following the date of the 2017 Base Prospectus. The Issuer will in the 2018 Base Prospectus give consent to the use of the 2018 Base Prospectus in connection with the offer of the Notes.] [For so long as any Notes are outstanding, copies of the 2017 Base Prospectus and the 2018 Base Prospectus [and any supplement[s] thereto] (i) [is] [are] [will be] available (a) for viewing, free of charge, during normal business hours at the specified offices of each of the Paying Agents, (b) on the website of the AMF (www.amf-france.org) and on the Issuer's website (www.edf.com), and (ii) may be obtained, free of charge, during normal business hours from Électricité de France, 22-30, avenue de Wagram, 75008 Paris, France. [In addition¹, the 2017 Base Prospectus and the 2018 Base Prospectus [and any supplement[s] thereto] [is] [are] [will be] available for viewing [at/on] [●]].

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

1. [(i)] Issuer: Électricité de France
2. [(i)] Series Number: [●]
(ii) Tranche Number: [●]
[(iii)] Date on which the Notes [Not Applicable/ The Notes will be assimilated

¹ If the Notes are admitted to trading on a regulated market other than Euronext Paris.

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become fungible: (assimilées) and form a single series with the existing [insert description of the Series] issued by the Issuer on [insert date] (the "**Existing Notes**") [as from the date of assimilation which is expected to be on or about 40 days after the Issue Date (the "**Assimilation Date**") of this Tranche]/[as from the Issue Date of this Tranche.] (*This item applies to fungible issues only*)

3. Specified Currency or Currencies: [•] Annex V, 4.4
4. Aggregate Nominal Amount: [insert amount or, in case of public offer, manner [the Issuer's website and free availability at the Issuer's head office] in and date on which such amount to be made public] Annex V, 5.1.2
- [(i) Series: [•]]
- [(ii) Tranche: [•]]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus an amount corresponding to accrued interest from and including [insert date] to, but excluding, [the Issue Date/ insert other date] (in the case of fungible issues only if applicable)] Annex V, 5.3.1
6. Specified Denominations: [•]¹ (*one (1) denomination only for Dematerialised Notes*) (*For Materialised Notes, attention should be paid to the rules and procedures of the relevant Regulated Market(s) and/or clearing system(s)*).
(Condition 1 (b)) [•]
7. [(i) Issue Date: [•]] Annex V, 4.12
- [(ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]] Annex V, 4.7
8. Maturity Date: [•] [*specify date or (for Floating Rate Notes)*] Annex V, 4.8

¹ Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of S 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

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	<i>Interest Payment Date falling in or nearest to the relevant month and year)</i>	
9. Interest Basis:	[[●] % Fixed Rate] [[LIBOR/EURIBOR/CMS Rate/[specify reference rate]] +/- [●] % Floating Rate] [Zero Coupon] [Fixed/Floating Rate]	Annex V, 4.7
10. Redemption/Payment Basis:	[Redemption at par]	Annex V. 4.8
11. Change of Interest Basis:	<i>[Applicable / Not Applicable] (Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis)</i>	
12. Put/Call Options:	[Investor Put] [Issuer Call] [Make-Whole Redemption by the Issuer] [Residual Maturity Call Option] [(further particulars specified below)]	
13. [Date of corporate authorisations for issuance of Notes obtained:	Resolution of the Board of Directors of the Issuer dated [●], and decision of [Jean-Bernard Lévy, <i>Président-Directeur Général</i>], to issue the Notes dated [●] and delegating to [●] the authority to sign the documentation relating to the Notes.	Annex V, 4.11

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Rate[(s)] of Interest:	[●] per cent. per annum (payable [annually/quarterly/monthly] in arrear on each Interest Payment Date]
(ii) Interest Payment Date(s):	[●] in each year [adjusted in accordance with <i>[specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"/not adjusted]</i>
(iii) Fixed Coupon Amount[(s)]:	[●] per [●] in Nominal Amount
(iv) Broken Amount(s):	[[●] per [●] in Nominal Amount payable on

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- the Interest Payment Date falling [in/on] [●]
(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)])
- (v) Day Count Fraction: [●] [Actual/365 – FBF / Actual/Actual – FBF / 30/360 / 360/360 / Bond Basis / Actual/Actual / Actual/Actual – ICMA / Actual/Actual – ISDA / Actual/365 (Fixed) / Actual/360 / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
- (vi) Determination Dates: [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA]))*
- 15. Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Period(s): [●] Annex V, 4.7
- (ii) Specified Interest Payment Dates/Interest Period Date: [●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iv) Business Centre(s): [●]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/FBF Determination/ISDA Determination]

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- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]): [●]
- (vii) FBF Determination: [●]
- Floating Rate: [●]
- [If the Rate of Interest is determined by linear interpolation in respect of an interest period (as per Condition 5(c)(iii)(A), insert the relevant interest period(s) and the relevant two rates used for such determination]*
- Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [●]
- FBF Definitions (if different from those set out in the Conditions): [●]
- (viii) ISDA Determination:
- Floating Rate Option: [●]
- [If the Rate of Interest is determined by linear interpolation in respect of an interest period (as per Condition 5(c)(iii)(B), insert the relevant interest period(s) and the relevant two rates used for such determination]*
- Designated Maturity: [●]
- Reset Date: [●]
- ISDA Definitions (if different from those set out in the Conditions): [●]
- (ix) Screen Rate Determination:
- Relevant Time: [●]
- Interest Determination Date: [[●] *[TARGET2] Business Days in [specify city] for [specify currency] prior to [the first*

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- day in each Interest Accrual Period/each Interest Payment Date]*
- Primary Source for Floating Rate/Relevant Screen Page: *[Specify relevant screen page or "Reference Banks"]*
- Reference Banks (if Primary Source is "Reference Banks"): *[Specify four]*
- Relevant Financial Centre: *[The financial centre most closely connected to the benchmark—specify if not London]*
- Benchmark: *[LIBOR, EURIBOR, CMS Rate or other benchmark]*
- [If the Rate of Interest is determined by linear interpolation in respect of an interest period (as per Condition 5(c)(iii)(C), insert the relevant interest period(s) and the relevant two rates used for such determination]*
- Representative Amount: *[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notational amount]*
- Effective Date: *[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]*
- Specified Duration: *[Specify period for quotation if not duration of Interest Accrual Period]*
- Reference Currency: *[●]*
- Designated Maturity: *[●]*
- Specified Time: *[●]*
- (x) Margin(s): *[+/-][●] per cent. per annum*
- (xi) Minimum Rate of Interest: *[zero/[●] per cent. per annum]¹*
- (xii) Maximum Rate of Interest: *[●] per cent. per annum*
- (xiii) Day Count Fraction: *[●]*
- 16. Zero Coupon Note Provisions** *[Applicable/Not Applicable]*

¹ The Minimum Rate of Interest (including any applicable margin) shall not be less than zero.

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(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Day Count Fraction: [●]

PROVISIONS RELATING TO REDEMPTION

17. **Call Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note: [●] per Note of [●] Specified Denomination
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●]
 - (b) Maximum Redemption Amount: [●]
- (iv) Notice period (if other than as set out in the Conditions): [●]

18. **Put Option** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note: [●] per Note of [●] Specified Denomination
- (iii) Notice period (if other than as set out in the Conditions): [●]

19. **Final Redemption Amount of each Note** [●] per Note of [●] Specified Denomination

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- 20. Make-Whole Redemption by the Issuer** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Notice Period¹: [•]
- (ii) Parties to be notified (if other than set out in Condition 6(c)): [[•] / Not Applicable]
- (iii) Make-whole Redemption Margin: [•]
- (iv) Reference Security: [•]
- (v) Reference Screen Rate: [•]
- (vi) Make-whole Redemption Rate: [•]
- (vii) Reference Dealers: [•]

21. Residual Maturity Call Option: [Applicable/ Not Applicable]

Residual Maturity Call Option Date: As from [•]

22. Early Redemption Amount

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption: [•]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: [Dematerialised Notes/Materialised Notes] Annex V, 4.3

¹ If setting notice periods which are different to those provided in the conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and its Fiscal Agent.

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- (Materialised Notes are only in bearer form)*
[Delete as appropriate]
- (i) Form of Dematerialised Notes: [Not Applicable/*if Applicable specify whether*]
[Bearer dematerialised form (*au porteur*)/
[fully/administered]
Registered dematerialised form (*au nominative*
[*pur/administré*]]]
- (ii) Registration Agent: [Not Applicable/*if applicable give names and*
details]
(Note that a Registration Agent must be
appointed in relation to Registered
Dematerialised Notes only)
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate
exchangeable for Definitive Materialised Bearer
Notes on [●] (the "**Exchange Date**"), being 40
days after the Issue Date subject to
postponement as provided in the Temporary
Global Certificate]
- (iv) Identification of Noteholders
(Condition 1 (c) (v)): [Not Applicable]/[Applicable]
- (v) Applicable TEFRA exemption
(or successor exemption): [C Rules/D Rules/Not Applicable]
(Only applicable to Materialised Notes)
24. Financial Centre(s): [Not Applicable/*give details*] *(Note that this item*
related to the date and place of payment, and not
interest payment dates and interest period end
dates, to which item 15(iv) relates.)
25. Talons for future Coupons to
be attached to Definitive Notes
(and dates on which such
Talons mature): [Yes/No. *If yes, give details*]
26. Redenomination,
renominalisation and
reconventioning provisions: [Not Applicable/The provisions in Condition 1
apply]
27. Consolidation provisions: [Not Applicable/The provisions in Condition 14
apply/The provisions annexed to these Final
Terms apply]
28. *Masse* (Condition 11): [Full Masse]/[Contractual Masse] shall apply

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(Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 11 (b) (Contractual Masse) may be elected by the Issuer, and (ii) in respect of any Tranche of Notes issued inside France, Condition 11(a) (Full Masse) shall apply.)

Name and address of the Representative: [●]

[Name and address of the alternate Representative: [●]]

[The Representative will receive no remuneration / The Representative will receive a remuneration of [●]]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*).The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Annex V, 1
Annex V, 7.4

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: [Euronext Paris/other (specify)/None] Annex V, 6.1
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [●] with effect from [●].] [Not Applicable.] Annex V, 6.2
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: [insert amount or, if relevant, manner in and date on which such amount to be made public]

2. RATINGS

- Ratings: The Notes to be issued have been rated: Annex V, 7.5
- [Standard and Poor's: [●]]
- [Moody's: [●]]
- [[Other]: [●]]
- [The Notes to be issued have not been rated.]
- [[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009, as amended although the result of such applications has not been determined.]
- [[Insert credit rating agency] is established in the European Union, is registered under Regulation (EC) No 1060/2009, as amended (the “**CRA Regulation**”) and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website (www.esma.europa.eu/page/List-registered-and-certified-CRAs).]
- [[Each of [●],[●] and] [●] is [not] established in the European Union [nor has/and has not] applied for registration under Regulation (EC) No 1060/2009, as amended (the “**CRA Regulation**”), but is endorsed by [insert credit rating agency's name]

which is established in the European Union, registered under the CRA Regulation and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/page/List-registered-and-certified-CRAs).].

[[None of [●] and] [●] is [not] established in the European Union [nor has/and has not] applied for registration under Regulation (EC) No 1060/2009, as amended.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. [NOTIFICATION]

The AMF in France [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Annex V, 3.1

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement.)

["Save as disclosed in ["Subscription and Sale"] so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."][Amend as appropriate if there are other interests]

5. [OTHER ADVISORS]

Annex V, 7.1

If advisors are mentioned in these Final Terms, include a declaration which specifies the capacity in which the advisors have acted.]]

6. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

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[(i) Reasons for the offer: [●]
(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds: *[insert amount or, if relevant, manner in and date on which such amount to be made public]*
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: *[insert amount or, if relevant, manner in and date on which such amount to be made public]*
[Include breakdown of expenses]

7. [FIXED RATE NOTES ONLY – YIELD]

Annex V, 4.9

Indication of yield: [●]
[yield gap of [●]% in relation to tax free government bonds of an equivalent duration]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

8. [FLOATING RATE NOTES ONLY – HISTORIC INTEREST RATES]

Annex V, 4.7

Details of historic [LIBOR/EURIBOR/CMS Rate/other] rates can be obtained from [Reuters].]

9. [PLACING AND UNDERWRITING]

Annex V, 5.4

[Not Applicable]¹

Consent of the Issuer to use [Not Applicable /
the Prospectus during the Offer Period: Applicable with respect to
any
Authorised Offeror
specified below]

Authorised Offeror(s) in [Not Applicable / Name(s)]

¹ Not required for Notes with a denomination of at least €100,000.

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various countries where the offer takes place: and address(es) of the financial intermediary(ies) appointed by the Issuer to act as Authorised Offeror(s)/ Any financial intermediary which satisfies the conditions set out below in item "Conditions attached to the consent of the Issuer to use the Prospectus"]

Conditions attached to the consent of the Issuer to use the Prospectus: [Not Applicable / Where the Issuer has given a general consent to any financial intermediary to use the Prospectus, specify any additional conditions to or any condition replacing those set out in the Base Prospectus. Where Authorised Offeror(s) have been designated herein, specify any condition

Indication of the material features of the agreements, including the quotas: [•]

When the underwriting agreement has been or will be reached: [•]

Annex V, 5.4.4

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10. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated] Annex V,
5.4.1,
5.4.3
- (ii) If syndicated: [Not Applicable/give names]
- (A) Names and addresses of Managers: *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)*
- (B) Stabilising Manager(s) if any: [Not Applicable/give name]
- (iii) If non-syndicated, name and address of Dealer: [Not Applicable/give name]
- (iv) Total commission and concession: [●] per cent. of the Aggregate Nominal Amount
- (v) US Selling Restrictions (Categories of potential investors to which the Notes are offered): Reg. S Compliance Category 2 applies to the Notes; [TEFRA C] / [TEFRA D]/[TEFRA not applicable] Annex V,
5.2.1
- (vi) Non-exempt offer: [Not Applicable] / [An offer of the Notes may be made by the Managers [and [specify names of other financial intermediaries / placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the

Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the "**Financial Intermediaries**") other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] ("**Public Offer Jurisdictions**") during the period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [•] Business Days thereafter"] ("**Offer Period**").

11. OPERATIONAL INFORMATION

ISIN Code:	[•]	Annex V, 4.1
Common code:	[•]	
Any clearing system(s) other than Euroclear France, Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]	
Delivery:	Delivery [against/free of] payment	
Names and addresses of additional Paying Agent(s) (if any):	[•]	Annex V, 5.4.2

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Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: [Not Applicable/give name(s), address(es) and description] Annex V, 6.3

[Common Depositary: [•]]

Registrar: [Principal Registrar/Alternative Registrar - Specify]

The aggregate principal amount of Notes issued has been translated into Euro at the rate of [•] producing a sum of: [Not Applicable/give details]

12. TERMS AND CONDITIONS OF THE OFFER

[Applicable¹ / Not applicable] [If not applicable, delete the remaining sub-paragraphs of this paragraph]

Offer Period: The period from [•] until [•]

Offer Price: [Issue Price][specify] Annex V,5.3.1

Conditions to which the offer is subject: [Not applicable/give details] Annex V,5.1.1

Time Period / Description of the application process: [Not applicable/give details] Annex V,5.1.3

¹ Applicable only for Public Offer issues.

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Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not applicable/ <i>give details</i>]	Annex V,5.1.4
Details of the minimum and/or maximum amount of application:	[Not applicable/ <i>give details</i>]	Annex V,5.1.5
Details of the method and time limits for paying up and delivering the Notes:	[Not applicable/ <i>give details</i>]	Annex V,5.1.6
Manner in and date on which results of the offer are to be made public:	[Not applicable/ <i>give details</i>]	Annex V,5.1.7
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not applicable/ <i>give details</i>]	Annex V,5.1.8
If the offer is being made simultaneously in the markets of two or more countries, and if tranche(s) have been reserved for certain countries:	[Not applicable/ <i>give details</i>]	
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not applicable/ <i>give details</i>]	Annex V,5.2.2
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not applicable/ <i>give details</i>]	

[ANNEX – ISSUE SPECIFIC SUMMARY]

[Issue specific summary to be inserted completed, as the case may be, in the specific summary to be annexed to the Final Terms of the Notes having a denomination of less than €100,000]

TAXATION

TAXATION IN FRANCE

The following summary is of a general nature and is included herein solely for information purposes. It is a description of the essential material French withholding tax consequences with respect to the Notes. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any prospective investor and may not include tax considerations that arise from rules of general application or that are generally assumed to be known by holders of the Notes. The following describes certain French tax consequences with respect to the Notes for holders of the Notes who do not hold shares of the Issuer. This summary is based on the laws and regulations currently in force in France as of the date of this Prospectus, all of which are subject to change, possibly with retrospective effect, or to different interpretations. It is not intended to be, nor should it be construed to be, legal or tax advice.

Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including French tax law, to which they may be subject.

Notes issued by the Issuer other than those which are consolidated (assimilables for the purposes of French law) and form a single series with Notes issued before 1 March 2010

Following the introduction of the French *Loi de finances rectificative pour 2009 n° 3* (no. 2009-1674 of 30 December 2009) (the "**Law**"), as interpreted by the French tax authorities in their official guidelines (BOI-INT-DG-20-50-20140211), payments of interest and other income made by the Issuer with respect to the Notes on or after 1 March 2010 (other than Notes (as described below) which are consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010 having the benefit of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax provided by Article 125 A III of the French *Code Général des Impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (regardless of the tax residence of the Noteholder) subject to exceptions, certain of which are set forth below and to the more favourable provisions of any applicable double tax treaty, by virtue of Article 125 A III of the French *Code général des impôts*. The list of Non-Cooperative States is published by a ministerial executive order and is updated annually.

Furthermore, pursuant to Article 238 A of the French *Code général des impôts*, interest and other income on such Notes are not deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other income may be re-characterized as constructive dividends pursuant to Article 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other income may be subject to the withholding tax provided by Article 119 bis 2 of the

Taxation

French *Code général des impôts*, at a rate of 30% or 75%, subject to the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, the Law provides that neither the 75% withholding tax nor the Deductibility Exclusion nor the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* will apply in respect of the issue of the Notes solely by reason of the relevant payments being made to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other income to be made in a Non-Cooperative State (the "**Exception**") and that the relevant interest or income relate to genuine transactions and are not in an abnormal or exaggerated amount. Pursuant to official guidelines issued by the French tax authorities under the references BOI-INT-DG-20-50-20140211, no. 550 et 990, BOI-RPPM-RCM-30-10-20-40-20140211, no. 70, and BOI-IR-DOMIC-10-20-20-60-20150320, no. 10, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of the Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a state which is not a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Notes issued by the Issuer which are consolidated (assimilables for the purposes of French law) and form a single series with Notes issued before 1 March 2010

Payments of interest and other income with respect to Notes which are consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued (or deemed issued) outside France within the meaning of Article 131 *quater* of the French *Code général des impôts* before 1 March 2010, will continue to be exempt from the withholding tax provided by Article 125 A III of the French *Code général des impôts*. Pursuant to the official guidelines of the French tax authorities (BOI-RPPM-RCM-30-10-30-30-20140211, no. 100), the exemption will also apply if the payments are made outside of France in a Non-Cooperative State. Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the official guidelines of the French tax authorities (BOI-

Taxation

RPPM-RCM-30-10-30-30-20140211, no. 50), or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the abovementioned guidelines.

In addition, interest and other income paid by the Issuer on Notes which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010 will be subject neither to the withholding tax provided by Article 119 *bis* of the French *Code général des impôts* nor to the Deductibility Exclusion solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Withholding tax applicable to French resident individuals

Pursuant to Article 125 A of the French *Code général des impôts* and subject to certain exceptions, interest and other similar income received by French tax resident individuals is subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest paid to French tax resident individuals.

PRC Taxation

The holders of RMB Notes who are not resident in the PRC for PRC tax purposes will not be subject to withholding tax, income tax or any other taxes or duties imposed by any governmental authority in the PRC in respect of their RMB Notes or any repayment of principal and payment of interest made thereon.

See "*Terms and Conditions of the Notes – Condition 8 – Taxation*".

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 15 September 2017 (as amended or supplemented from time to time, the "**Amended and Restated Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, as determined by the relevant Dealer, at the time of such resale. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Amended and Restated Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for their expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Amended and Restated Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Materialised Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Amended and Restated Dealer Agreement, it will not offer, sell or, in the case of Materialised Bearer Notes, deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of any identifiable Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding

Subscription and Sale

sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the later of commencement of the offering and the date of closing of the offering of any identifiable Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Public Offer Selling Restriction under the Prospectus Directive

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in a Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) **Approved Prospectus:** if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that (a) the Issuer has given its written consent and (b) any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) **Qualified investors:** at any time to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (c) **Fewer than 150 offerees:** at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) **Other exempt offers:** in any other circumstances falling within Article 3(2) of the Prospectus Directive,

Subscription and Sale

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Member State.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Republic of France

Each Dealer has represented and agreed that:

- (a) **Offer to the public in France:**
it has only made and will only make an offer of Notes to the public (*offre au public de titres financiers*) in France and it has distributed or caused to be distributed and will distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering

Subscription and Sale

material relating to the Notes in the period beginning on the date of publication of the Base Prospectus in relation to those Notes which has been approved by the *Autorité des Marchés Financiers* ("**AMF**") in France or, where appropriate, when approved in another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC (as amended) on the date of notification to the AMF in France, and ending at the latest on the date which is 12 months after the date of approval of the Base Prospectus all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

(b) **Private placement**

It has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*) and to a restricted circle of investors (*cercle restreint d'investisseurs*), provided that such investors are acting for their own account, and to persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined and in accordance with Articles L. 411-1, L.411-2, D.411-1 and D. 411-4 of the French *Code monétaire et financier*.

As specified in the relevant Final Terms, an offer of Notes to the public in France referred to in (a) above may or may not exclude specific categories of investors.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Law**"). Accordingly, each of the Dealers has represented, warranted and agreed that the Notes which it subscribes will be subscribed by it as principal and that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and all applicable other laws and regulations in Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Hong Kong

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

Subscription and Sale

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32); and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

People's Republic of China

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Cap. 289 of Singapore (the "**SFA**"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of such Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

Subscription and Sale

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:
 - (i) to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
 - (ii) where no consideration is or will be given for the transfer;
 - (iii) where the transfer is by operation of law;
 - (iv) as specified in Section 276(7) of the SFA; or
 - (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

General

These selling restrictions may be modified or supplemented by the agreement of the Issuer and the Dealers, in particular following a change in a relevant law, regulation or directive. Any such modification or supplement will be set out in a Supplement to the Base Prospectus.

Save as stated herein, no action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed (and each further Dealer appointed under the Programme will be required to agree) that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither any of the Issuer nor any other Dealer shall have responsibility therefor.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.

Subscription and Sale

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

GENERAL INFORMATION

1. Application has been made to the *Autorité des marchés financiers* (the "**AMF**") to approve this document as a base prospectus. Application will be made in certain circumstances to Euronext Paris for Notes issued under the Programme to be admitted to trading on Euronext Paris.

This Base Prospectus received the visa no. 17-490 on 15 September 2017 from the AMF. Euronext Paris is a regulated market for the purposes of Directive 2004/39/EC as amended. The Final Terms applicable to each Series of Notes admitted to trading on Euronext Paris will be filed with the AMF. If the Final Terms in relation to a Series of Notes do not specify the aggregate nominal amount of Notes admitted to trading on Euronext Paris, the relevant Final Terms will indicate the manner in and date on which such amount will be made public in accordance with Article 212-27 of the General Regulations of the AMF.

2. No authorisation procedures are required of *Électricité de France* by French law for the establishment or update of the Programme. However, to the extent that Notes issued under the Programme may constitute obligations under French law, the issue of such Notes will be authorised in accordance with French law. A resolution of the *conseil d'administration* dated 3 November 2016 authorises the issue of Notes up to a maximum aggregate amount of Euro 15 billion.
3. Save as disclosed in this Base Prospectus, neither the Issuer nor any of its fully consolidated subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or any of its fully consolidated subsidiaries.
4. There has been no material adverse change in the prospects of the Issuer since 31 December 2016. There has been no significant change in the financial or trading position of the Issuer and its fully consolidated subsidiaries since 30 June 2017.
5. The consolidated financial statements for the years ended 31 December 2015 and 31 December 2016 of the Issuer have been audited by Deloitte & Associés and KPMG SA and the condensed consolidated half-year financial statements for the six-month period ended 30 June 2017 have been reviewed by Deloitte & Associés and KPMG SA. The audit report relating to the 2016 consolidated financial statements includes one comment relating to the impact of the change of accounting estimate at 1 January 2016 relating to the extension to 50 years of the accounting depreciation period of the 900MW PWR power plants in France, and the audit reports relating to the 2015 and 2016 consolidated financial statements, and the limited review report on the 2017 interim condensed consolidated financial statements for the six-month period ended 30 June 2017 all include, *inter alia*, one comment in relation to the valuation of long-term provisions relating to nuclear electricity production. KPMG SA and Deloitte & Associés are members of the *Compagnie Nationale des Commissaires aux Comptes*.

General Information

6. There are no potential conflicts of interest between any duties to Électricité de France of the directors of Électricité de France and their private interests and/or other duties.
7. Notes will be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems which are entities in charge of keeping the records. The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

8. Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) will be also inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

9. In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with applicable laws and rules.
10. In addition, liquidity provider(s) may be appointed in connection with the issue of any Tranche, in which case the applicable Final Terms will include all relevant details regarding the entity (ies) which have a firm commitment to act as intermediary (ies) in secondary trading.
11. All references in this Base Prospectus to "€", "EUR", "Euro" and "euro" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, those to "\$", "USD", "U.S.\$", "dollars", "U.S. dollars" and "United States dollars" are to the currency of the United States of America, those to "£", "GBP", "Sterling", "Pound Sterling" and "pounds" are to the currency of the United Kingdom, those to "¥", "Japanese yen" and "yen" are to the currency of Japan, and references to "Renminbi" or "RMB" are to the currency of the People's Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan (the "PRC").

General Information

12. Unless otherwise provided, all references in this Base Prospectus to a "day" shall be to a calendar day.
13. For so long as any Notes may be issued under the Programme or are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent, the Paying Agents and the Issuer:
 - (i) the *statuts* of the Issuer;
 - (ii) the Amended and Restated Agency Agreement;
 - (iii) the audited non-consolidated and consolidated financial statements of the Issuer for the periods ended 31 December 2015 and 2016 and the condensed consolidated half-year financial statements as at, and for the period ending on 30 June 2017;
 - (iv) Final Terms for Notes that are admitted to trading on Euronext Paris and/or any other Regulated Market;
 - (v) a copy of this Base Prospectus together with any Supplement to this Base Prospectus and any document incorporated by reference or further Base Prospectus; and
 - (vi) any reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

In addition, for as long as the Programme remains in effect or any Notes remain outstanding, copies of this Base Prospectus, any Supplement to this Base Prospectus and the Final Terms related to the Notes and any document incorporated by reference therein will be available for viewing on the Issuer's website (www.edf.com) and may be obtained, free of charge, during normal business hours from Électricité de France, 22-30, avenue de Wagram, 75008 Paris, France.

For so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available on the website of the AMF (www.amf-france.org):

- (a) the Final Terms for Notes that are listed on Euronext Paris or any other regulated market (for the purposes of the Markets in Financial Instruments Directive 2004/39/EC, as amended) in the European Economic Area; and
- (b) this Base Prospectus, any Supplement to this Base Prospectus and any document incorporated by reference therein, except for the 2017 Half-Year Management Report and the 2017 Half-Year Financial Statements.

General Information

In addition, if the Notes are listed and admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

**PERSONS RESPONSIBLE FOR THE INFORMATION
GIVEN IN THE BASE PROSPECTUS**

The Issuer hereby certifies, after having taken all reasonable care to ensure that such is the case, that the information contained in this Base Prospectus is, to its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Électricité de France

22-30 avenue de Wagram
75008 Paris
France

Duly represented by M. Jean-Bernard Lévy
Chief Executive Officer

Signed in Paris, on 14 September 2017

M. Jean-Bernard Lévy
Chief Executive Officer
Électricité de France

VISA OF THE AUTORITÉ DES MARCHÉS FINANCIERS



In accordance with Articles L.412-1 and L.621-8 of the French Code monétaire et financier and with the General Regulations (Règlement général) of the Autorité des marchés financiers (the "AMF"), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa no. 17-490 on 15 September 2017. This Base Prospectus was prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L.621-8-1-I of the French Code monétaire et financier, the visa was granted following an examination by the AMF of whether the document is complete and understandable and whether the information it contains is consistent. It does not imply that the AMF has approved the opportunity of the transaction contemplated hereby, nor verified the accounting and financial data set out herein.

In accordance with Article 212-32 of the Règlement général of the AMF, every issue or admission of Notes under this Base Prospectus will result in the publication of the applicable Final Terms.

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