



## €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. 18-432 on 14 September 2018 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 Directive 2014/65/EU on markets in financial instruments of 15 May 2014, 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 S&P Global Ratings ("**S&P**"). 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, (ii) "A-" and "A-2" with negative outlook by S&P and (iii) "A-" and F2 with stable outlook by Fitch Ratings Limited ("**Fitch Ratings**"). Each of Moody's, S&P and Fitch Ratings 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/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)). 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/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)). 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 SA/NV ("**Euroclear**") and the depository bank for Clearstream Banking S.A. ("**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 in connection with any investment in any of the Notes issued under the Programme.**

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 be published on the websites of (a) the Issuer ([www.edf.com](http://www.edf.com)) and (b), provided they constitute documents on which the AMF has granted a filing or visa number, the AMF ([www.amf-france.org](http://www.amf-france.org)).

Arranger for the Programme  
**BNP PARIBAS**

Dealers

**BNP PARIBAS**

**Société Générale Corporate & Investment Banking**

**Crédit Agricole CIB**

The date of this Base Prospectus is 14 September 2018.

**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 relevant 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.**

**Neither this Base Prospectus nor any Final Terms constitutes an offer of, or an invitation by or on behalf of the Issuer, any of the Dealers or the Arranger to subscribe for, or purchase, any Notes.**

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".

**PRIIPs / IMPORTANT - EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive" or "IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MiFID II Product Governance / Target Market** – The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority (ESMA) on 5 February 2018 and which channels for distribution of the Notes are appropriate. Any person subsequently selling or recommending the Notes (a "distributor" as defined in MiFID II) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID II Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer as defined in MiFID II in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules. For the avoidance of doubt, the Issuer is not a MiFID II regulated entity and does not qualify as a distributor or a manufacturer under MiFID II Product Governance Rules.

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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 (or its equivalent in other currencies) which are offered to the public and/or admitted to trading on a regulated market situated in a Member State of the European Economic Area (the "**EEA**") for the purposes of Directive 2014/65/EU on markets in financial instruments of 15 May 2014, as amended (a "**Regulated Market**"). 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	<b>General disclaimer regarding the summary</b>	<p>This summary should be read as an introduction to this base prospectus (this "<b>Base Prospectus</b>").</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 and any supplement from time to time.</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 EEA where the claim is brought, 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 <i>Autorité des marchés financiers</i> (the "<b>AMF</b>"), but 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 investors when considering whether to invest in the Notes.</p>
A.2	<b>Information regarding consent by the Issuer to</b>	<p>In the context of any offer of Notes in France and/or in any other Member State of the European Union to which the Base Prospectus has been passported from time to time (the "<b>Public Offer Jurisdictions</b>") that is not within an exemption from the</p>

## Summary

Element	Title	
	<p><b>the use of the Prospectus</b></p>	<p>requirement to publish a prospectus under Directive 2003/71/EC of 4 November 2003, as amended (the "<b>Prospectus Directive</b>"), (a "<b>Public Offer</b>"), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together, the "<b>Prospectus</b>") in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the "<b>Offer Period</b>") and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by:</p> <ol style="list-style-type: none"> <li>1. subject to conditions set out in the relevant Final Terms, any financial intermediary designated in such Final Terms; or</li> <li>2. if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions:               <ol style="list-style-type: none"> <li>(a) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "<b>Rules</b>"), 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 Euro Medium Term Note Programme described in this Base Prospectus (the "<b>Programme</b>") or for a specific issue (a "<b>Dealer</b>"); (c) complies with the determination of the target market assessment in respect of the Notes and distribution channels identified under the "MiFID II Product Governance" legend set out in the relevant Final Terms; (d) 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; (e) 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; (f) 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); (g) 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 (h) satisfies any further conditions specified in the relevant Final Terms, (in each case an "<b>Authorised Offeror</b>").</li> </ol> </li> </ol>

## Summary

Element	Title	
		<p>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 AMF.</p> <p><b>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.</b></p> <p><b><i>Issue Specific Summary:</i></b><sup>1</sup></p> <p>[In the context of the offer of the Notes in [●] ("<b>Public Offer Jurisdiction[s]</b>") which is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended (the "<b>Public Offer</b>"), the Issuer consents to the use of the Prospectus in connection with such Public Offer of any Notes during the period from [●] until [●] (the "<b>Offer Period</b>") and in the Public Offer Jurisdiction[s] by [●] / [any financial intermediary] (the "<b>Authorised Offeror[s]</b>"). [The Authorised Offeror[s] must satisfy the following conditions: [●].]</p> <p>None the Issuer or any of the Dealers 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 Issuer accepts responsibility, in the Public Offer Jurisdiction[s], for the content of the Prospectus in relation to any person (an "<b>Investor</b>") 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 of the Dealers shall have any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised</p>

<sup>1</sup> 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>Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.</p> <p><b>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.]</b></p>

### Section B – Issuer

Element	Title	
<b>B.1</b>	<b>Legal and commercial name of the Issuer</b>	The legal and commercial name of the Issuer is "Électricité de France". The Issuer is also legally and commercially known as "EDF".
<b>B.2</b>	<b>Domicile Legal form/ legislation Country of incorporation</b>	<p>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 with the Trade and Companies Registry of Paris (<i>Registre du Commerce et des Sociétés de Paris</i>) under number 552 081 317.</p> <p>The Issuer's registered office is 22-30 avenue de Wagram, 75008 Paris.</p>
<b>B.4b</b>	<b>Known trends</b>	<p>The fight against climate change has entered a crucial phase with the objective of limiting global warming to +2 °C.</p> <p>Currently, energy accounts for most CO<sub>2</sub> emissions worldwide: lowering energy consumption by developing energy efficiency solutions is crucial for decarbonisation.</p> <p>EDF must continue to step up the reduction of the carbon intensity of electricity generation and heating – which account for over 40% of CO<sub>2</sub> emissions worldwide, by driving the development of low carbon solutions: renewable, thermal, electric and nuclear energies.</p>

Element	Title	
		<p>In this respect, France – which already has low carbon intensity facilities – is a step ahead of its major European neighbours. This low carbon and competitive mix must be preserved in the long term, drawing on the complementary relationship between renewable and nuclear energy.</p> <p>Electricity is a key factor for the direct reduction of CO<sub>2</sub>, as well as a substitute for fossil fuel in the mobility, building and industry sectors. In the forward-looking scenarios limiting global warming to +2°C, low carbon electricity should thus become the leading source of energy by 2040-2050: the use of electricity should therefore be stepped up and boost energy efficiency efforts, in order to bring down emissions to a quarter of current levels by 2050, and to aim at carbon neutrality.</p> <p>However, the current business models of electricity producers are under pressure due to the market and European regulatory context, although significant investments are still required to maintain existing assets, and in the longer term, to renew generation facilities:</p> <ul style="list-style-type: none"> <li>• in 2017, fuel prices (oil, gas, coal) confirmed the recovery that began at the end of 2016, but remained at levels much lower than those of the beginning of the decade, as a result of the abundance of resources, in particular shale gas;</li> <li>• the price of CO<sub>2</sub>, despite a relative increase during the second half of 2017, remains very low, which is at odds with the decarbonisation and energy transition targets in Europe;</li> <li>• such a low CO<sub>2</sub> price <i>de facto</i> supports the economic viability of coal and lignite generation means at a time when European electricity demand remains subdued (0.6% annual average increase between 2000 and 2016<sup>2</sup>) and when, nonetheless, significant subsidised energy capacity has been connected to the grid. Therefore, the over-capacity in the European generation sector, which could lead to additional massive decommissioning in Europe, explains the historically low electricity market prices: for instance, in France, whereas prices had settled at around €40/MWh in 2015, and below this level in 2016, France N+1 electricity market prices fluctuated between €33 and €44/MWh in 2017. These levels are lower than the development costs of new generation facilities, regardless of the sector.</li> </ul> <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<sup>2</sup> of around +173TWh p.y. in China between 2016 and 2040 (+2.2% p.y. on average) and +52TWh p.y. in Africa (+4.0%</p>

<sup>2</sup> Source: AIE, World Energy Outlook, November 2017

## Summary

Element	Title	
		<p>p.y.), versus +11TWh p.y. in the European Union (+0.3% 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, 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 towards low 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. Capacity markets are also being developed, in particular in France, the United Kingdom and Belgium.</p> <p>The agreement reached in Paris at the 21<sup>st</sup> 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. This agreement, which was ratified by 168 countries as well as the European Union, came into force on 4 November 2016. COP 22 and COP 23, held in Morocco and Germany, reconfirmed the roadmap approved in Paris, despite the withdrawal of the United States from the agreement. The <i>One Planet</i> summit organised in Paris in December 2017 helped to mobilise funds and resulted in commitments in favour of the fight against global climate change.</p> <p>In France, the energy transition law for green growth adopted in August 2015 sets out several medium and long term objectives relating to greenhouse gas emissions, energy consumption and the energy mix in France. This law led to the drawing up of a national low carbon strategy and a multi-year energy programme (PPE) to manage these targets. The PPE defines the orientations and action priorities of public authorities for managing all the different energy forms for five-year periods. The current PPE covers the periods 2016-2018 and 2019-2023. In 2018, a new PPE will be drawn up for the periods 2019-2023 and 2024-2028 and will be subject to public debate.</p> <p>Customers are looking to increasingly take ownership of their 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,</p>

## Summary

Element	Title	
		<p>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"> <li>• 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;</li> <li>• to ensure the economic performance and safety of nuclear assets;</li> <li>• 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 customers, in particular digital services, and thereby play a role in energy efficiency and supply security;</li> <li>• to ensure that the EDF Group is a consistently outstanding public service operator, in particular in terms of solidarity and the fight against energy poverty, respect for others, and responsibility and ethics in the way it runs its business;</li> <li>• to put itself on a sustainable value creation path for all stakeholders;</li> <li>• to create an environment that facilitates the involvement of all stakeholders in the EDF Group's transformation.</li> </ul> <p>Therefore, in a particularly difficult market context, the EDF Group is working hard to pursue its CAP 2030 strategy in order to be able to finance its priority developments</p>
<b>B.5</b>	<b>Description of the EDF Group</b>	<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>B.9</b>	<b>Profit forecast or estimate</b>	<p>On 31 July 2018, EDF published upgraded 2018 financial targets as part of its 2018 Half-Year Management Report:</p>

## Summary

Element	Title	
		<ul style="list-style-type: none"> <li>• Operating expenses<sup>3</sup>: €800 million reduction compared to 2015;</li> <li>• EBITDA<sup>4</sup>: between €14.8 and €15.3 billion;</li> <li>• Cash flow<sup>4 5</sup> excluding Linky, new developments and the 2015-2020 asset disposal plan: slightly positive or close to break-even;</li> <li>• Net investments excluding Linky, new developments and the 2015-2020 asset disposal plan: around €11 billion;</li> <li>• Total net investments excluding acquisitions and the 2015-2020 asset disposal plan: less than or equal to €15 billion;</li> <li>• Assets disposal plan: around €10 billion over 2015-2018<sup>6</sup>;</li> <li>• Net financial debt/EBITDA<sup>4</sup>: less than or equal to 2.5x;</li> <li>• Payout ratio, based on net income excluding non-recurring items<sup>7</sup> post-hybrid: 50%.</li> </ul> <p>In its 2017 <i>Document de Référence</i>, EDF provided targets beyond 2018:</p> <ul style="list-style-type: none"> <li>• in 2019, in a context marked by an expected decline in nuclear generation in France compared to 2018, the measures to reduce operating expenses<sup>3</sup> will be increased, with the target being revised upwards to €1.1 billion compared to 2015;</li> <li>• the 2019 target payout ratio of net income excluding non-recurring items<sup>7</sup> is confirmed at 45-50%.</li> </ul>
<b>B.10</b>	<b>Audit report observations</b>	<p>The EDF Group's consolidated financial statements for the financial year ended 31 December 2017, prepared in accordance with IAS-IFRS standards, as adopted by the European Union, and included in the 2017 <i>Document de Référence</i> filed with the AMF on 15 March 2018 under number D. 18-0133, were subject to an audit report by the statutory auditors which does not contain any qualifications.</p> <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</p>

<sup>3</sup> Sum of personnel expenses and other external expenses. Based on comparable scope and exchange rates and constant discount rates for pensions. Excluding changes in operating expenses of the service activities.

<sup>4</sup> At comparable exchange rates and "normal" weather conditions, assuming nuclear power generation in France >395TWh and constant discount rates for pensions.

<sup>5</sup> Excluding any interim dividend for the 2018 tax year.

<sup>6</sup> Disposals signed or realised.

<sup>7</sup> Adjusted for the return on hybrid bonds recorded in equity.

## Summary

Element	Title																																		
		<p>number D. 17-0125, were subject to a report by the statutory auditors which includes two emphasis of matters 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 interim consolidated condensed financial statements for the period ending on 30 June 2018, 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 emphasis of matter drawing the attention to the notes 1.2.6, 1.6 and 2 of the annex to the interim condensed consolidated financial statements, which disclose the effects of the application of IFRS 15 “Revenue from contracts with customers” (“<b>IFRS 15</b>”) and IFRS 9 “Financial Instruments” (“<b>IFRS 9</b>”), new standards adopted by the European Union and applied by the EDF Group’s as of 1 January 2018.</p>																																	
<p><b>B.12</b></p>	<p><b>Selected historical key financial information</b></p>	<p>The following selected financial information is taken from the EDF Group's consolidated financial statements at 31 December 2017, which have been audited by EDF's statutory auditors.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: bottom;">Year Ended 31 December</td> <td style="width: 20%; text-align: center; vertical-align: bottom;"><b>2017</b></td> <td style="width: 30%; text-align: center; vertical-align: bottom;"><b>2016<sup>(1)</sup></b></td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;"><i>(in millions of Euro)</i></td> </tr> <tr> <td colspan="3"><b>Extracts from the consolidated income statements:</b></td> </tr> <tr> <td>EDF net income</td> <td style="text-align: right;">3,173</td> <td style="text-align: right;">2,851</td> </tr> <tr> <td colspan="3"><b>Extracts from the consolidated balance sheets:</b></td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">280,752</td> <td style="text-align: right;">281,640</td> </tr> <tr> <td>Total equity and liabilities</td> <td style="text-align: right;">280,752</td> <td style="text-align: right;">281,640</td> </tr> <tr> <td colspan="3"><b>Extracts from the consolidated cash flow statements:</b></td> </tr> <tr> <td>Net increase (decrease) in cash and cash equivalents</td> <td style="text-align: right;">662</td> <td style="text-align: right;">(1,294)</td> </tr> <tr> <td colspan="3"><b>Information concerning net indebtedness:</b></td> </tr> <tr> <td>Net indebtedness</td> <td style="text-align: right;">33,015</td> <td style="text-align: right;">37,425</td> </tr> </table>	Year Ended 31 December	<b>2017</b>	<b>2016<sup>(1)</sup></b>		<i>(in millions of Euro)</i>		<b>Extracts from the consolidated income statements:</b>			EDF net income	3,173	2,851	<b>Extracts from the consolidated balance sheets:</b>			Total assets	280,752	281,640	Total equity and liabilities	280,752	281,640	<b>Extracts from the consolidated cash flow statements:</b>			Net increase (decrease) in cash and cash equivalents	662	(1,294)	<b>Information concerning net indebtedness:</b>			Net indebtedness	33,015	37,425
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## Summary

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		<p><sup>(1)</sup> Figures published in 2017 for the 2016 financial year.</p> <p>The following selected financial information is taken from the EDF Group's condensed consolidated half-year financial statements at 30 June 2018, which have been reviewed by EDF's statutory auditors.</p> <table> <thead> <tr> <th>Half-Year Financial Statements at 30 June</th> <th>2018</th> <th>2017 restated <sup>(1)</sup></th> <th>2017 published</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;"><i>(in millions of Euro)</i></td> </tr> <tr> <td colspan="4"><b>Extracts from the consolidated income statements:</b></td> </tr> <tr> <td>EDF net income</td> <td>1,726</td> <td>2,005</td> <td>2,005</td> </tr> <tr> <td colspan="4"><b>Extracts from the consolidated cash flow statements:</b></td> </tr> <tr> <td>Net increase (decrease) in cash and cash equivalents</td> <td>328</td> <td>828</td> <td>828</td> </tr> </tbody> </table> <p><sup>(1)</sup> The comparative figures at 30 June 2017 have been restated to reflect the application of IFRS 15. For IFRS 9, applicable from 1 January 2018, the transition provisions do not require restatement and the comparative figures are therefore as previously published.</p> <table> <thead> <tr> <th>Financial Statements</th> <th>30/06/2018</th> <th>31/12/2017 restated <sup>(1)</sup></th> <th>31/12/2017 published</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;"><i>(in millions of Euro)</i></td> </tr> <tr> <td colspan="4"><b>Extracts from the consolidated balance sheets:</b></td> </tr> <tr> <td>Total assets</td> <td>279,250</td> <td>271,842</td> <td>280,752</td> </tr> <tr> <td>Total equity and liabilities</td> <td>279,250</td> <td>271,842</td> <td>280,752</td> </tr> </tbody> </table> <p><sup>(1)</sup> The comparative figures at 31 December 2017 have been restated to reflect the application of IFRS 15.</p> <table> <thead> <tr> <th>Financial Statements</th> <th>30/06/2018</th> <th>31/12/2017</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;"><i>(in millions of euros)</i></td> </tr> <tr> <td colspan="3"><b>Information concerning net indebtedness:</b></td> </tr> <tr> <td>Net indebtedness</td> <td>31,275</td> <td>33,015</td> </tr> </tbody> </table>	Half-Year Financial Statements at 30 June	2018	2017 restated <sup>(1)</sup>	2017 published	<i>(in millions of Euro)</i>				<b>Extracts from the consolidated income statements:</b>				EDF net income	1,726	2,005	2,005	<b>Extracts from the consolidated cash flow statements:</b>				Net increase (decrease) in cash and cash equivalents	328	828	828	Financial Statements	30/06/2018	31/12/2017 restated <sup>(1)</sup>	31/12/2017 published	<i>(in millions of Euro)</i>				<b>Extracts from the consolidated balance sheets:</b>				Total assets	279,250	271,842	280,752	Total equity and liabilities	279,250	271,842	280,752	Financial Statements	30/06/2018	31/12/2017	<i>(in millions of euros)</i>			<b>Information concerning net indebtedness:</b>			Net indebtedness	31,275	33,015
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	<b>Prospects of the Issuer Significant</b>	<p>Save as disclosed in Element B.4b of this summary, there has been no material adverse change in the prospects of the Issuer or the EDF Group since 31 December 2017.</p>																																																								

## Summary

Element	Title	
	<b>change in the Issuer's financial or trading position</b>	Save as disclosed in Element B.13 of this summary, there has been no significant change in the financial or trading position of the Issuer or the EDF Group since 30 June 2018.
<b>B.13</b>	<b>Recent material events relating to the Issuer's solvency</b>	<ul style="list-style-type: none"> <li>- 2018 half-year results confirming the 2018 rebound</li> <li>- Continuation of the deployment of CAP 2030</li> <li>- Disposal of EDF's stake in Dunkerque LNG               <ul style="list-style-type: none"> <li>o Signing of binding agreements for the sale of EDF's stake in Dunkerque LNG</li> <li>o Key milestone reached in the sale process of EDF's stake in Dunkerque LNG terminal to Fluxys and a financial consortium composed of Samsung Securities Co. Ltd., IBK Securities Co. Ltd. And Hanwha Investment &amp; Securities Co. Ltd.</li> </ul> </li> <li>- Partnerships               <ul style="list-style-type: none"> <li>o JERA and EDF Trading to form an LNG optimization and trading joint-venture</li> <li>o Signing of a partnership agreement between EDF and McPhy for the development of carbon-free hydrogen in France and around the world</li> </ul> </li> <li>- Nuclear industry               <ul style="list-style-type: none"> <li>o Nuclear industry in France:                   <ul style="list-style-type: none"> <li>▪ Corrective actions set up in connection with welds in the main secondary system of the Flamanville EPR; schedule and target construction costs adjusted as a consequence</li> <li>▪ Clarification on safety and security at EDF nuclear power plants in France</li> </ul> </li> <li>o Nuclear activities out of France                   <ul style="list-style-type: none"> <li>▪ Taishan 1 as world's first EPR connected to the grid</li> <li>▪ Signing of a strategic cooperation agreement between EDF and GE for planned construction of 6 EPRs in India</li> <li>▪ Update on the return of service of reactor 3 at Hunterston B</li> </ul> </li> </ul> </li> </ul>

## Summary

Element	Title	
		<ul style="list-style-type: none"> <li>- Sustainable development and group renewables               <ul style="list-style-type: none"> <li>o Inauguration of two ground breaking energy transition projects in the United Kingdom (the off-shore wind farm in Blyth and the battery storage facility in West Burton)</li> <li>o Confirmation of the three offshore wind farms in Fécamp, Courseulles-sur-Mer and Saint-Nazaire</li> <li>o Acquisition by EDF of 750 MW of active generation capacity (gas and peak demand) to support the development of its renewable energy business in Chile</li> <li>o Acquisition by EDF of a 450 MW offshore wind project in Scotland from Mainstream Renewable Power</li> <li>o Commission by EDF of its first renewable energy facility in the United Arab Emirates</li> </ul> </li> <li>- Dismissal of the action brought against the European Commission's decision to authorize the Hinkley Point C contract for difference</li> <li>- Results of the option for the payment of the balance of the dividend to be paid out on the 2017 financial year</li> <li>- Commitments of EDF in the fight against global warming: reduction of its direct CO<sub>2</sub> emissions by 40% by 2030 and pursuit of the goal of achieving carbon neutrality by 2050</li> </ul>
<b>B.14</b>	<b>Dependence upon other group entities</b>	Not applicable: The Issuer is not dependent upon other entities within the EDF Group.
<b>B.15</b>	<b>Principal activities</b>	<p>See B.5.</p> <p>With a global installed net generation capacity of 129.3GWe<sup>8</sup> as at 31 December 2017, generating 580.8TWh, the EDF Group has one of the largest generation fleets in the world. Among the ten largest global power suppliers, it produces the smallest amount of CO<sub>2</sub> per kilowatt-hour generated<sup>9</sup> thanks to the share of nuclear, hydro and other renewable energies in its generation mix.</p> <p>The EDF Group supplies electricity, gas and related services to 35.1 million customer<sup>10</sup> accounts worldwide (of which 26.5 million in France).</p>

<sup>8</sup> Source: EDF. Figures calculated according to consolidation accounting rules.

<sup>9</sup> Source: Comparison based on data published by these ten groups.

<sup>10</sup> One customer can have two customer accounts: one for electricity and another for gas.

## Summary

Element	Title	
B.16	Major shareholders	Pursuant to Article L.111-67 of the French Energy Code, the French State is EDF's principal shareholder and must retain ownership of at least 70% of its share capital.
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 ("<b>Moody's</b>"), "A-" (negative outlook) by S&amp;P Global Ratings ("<b>S&amp;P</b>") and "A-" (stable outlook) by Fitch Ratings Limited ("<b>Fitch Ratings</b>").</p> <p>The Programme is currently rated "A3" (senior unsecured debt) by Moody's and "A-" (long-term debt) by S&amp;P.</p> <p>Each of Moody's, S&amp;P and Fitch Ratings 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 "<b>CRA Regulation</b>") and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (<a href="http://www.esma.europa.eu/supervision/credit-rating-agencies/risk">www.esma.europa.eu/supervision/credit-rating-agencies/risk</a>) 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. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned to the Issuer.</p> <p><b>Issue Specific Summary:</b><sup>11</sup></p> <p>[The Notes to be issued [are not]/[have not]/[are expected to be] rated]:</p> <p>[Name of rating agency/ies]: [S&amp;P] [Moody's] [●] [●]</p>

### Section C – Securities

Element	Title	
C.1	Type, class and security identification of the Notes	<p>Up to €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 Programme.</p> <p><b>Arranger of the Programme:</b></p> <p>BNP Paribas.</p> <p><b>Dealers:</b></p>

<sup>11</sup> 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

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Element	Title	
		<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 "<b>Permanent Dealers</b>" 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 "<b>Dealers</b>" 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 "<b>Series</b>") 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 "<b>Tranche</b>") 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 "<b>Final Terms</b>") for such Notes.</p> <p>Notes may be issued in either dematerialised form ("<b>Dematerialised Notes</b>") or in materialised form ("<b>Materialised Notes</b>").</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 ("<b>Materialised Bearer Notes</b>") 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 in relation to Materialised Notes.</p>

## Summary

Element	Title	
		<p>An identification number of the Notes (ISIN Code) will be specified in the relevant Final Terms.</p> <p><b>Issue Specific Summary:</b><sup>12</sup></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 Notes, due [●].</p> <p>Series: [●]</p> <p>Tranche: [●]</p> <p>Aggregate Nominal Amount: [●]</p> <p>Form of Notes: [Dematerialised Notes / Materialised Notes]</p> <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 SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable]/[give name(s) and number(s) [and address(es)]]</p>

<sup>12</sup> 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	
C.2	<b>Currencies</b>	<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><b>Issue Specific Summary:</b><sup>13</sup></p> <p>The currency of the Notes is: [●].</p>
C.5	<b>A description of any restrictions on the free transferability of the Notes</b>	<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 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.</p>
C.8	<b>Description of the rights attached to the Notes</b>	<p><b>Issue price</b></p> <p>The Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.</p> <p><b>Specified denomination</b></p> <p>The 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 EEA or offered to the public in a Member State of the EEA 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><b>Status of the Notes</b></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 rateably with all other present or future, unsecured and unsubordinated obligations of the Issuer.</p> <p><b>Negative Pledge</b></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</p>

<sup>13</sup> 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	
		<p>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.</p> <p><b>"Indebtedness"</b> 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><b>Events of Default</b></p> <p>The terms and conditions of the Notes specify that the following events are each an <b>"Event of Default"</b>:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(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</li> <li>(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 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</li> </ul>

## Summary

Element	Title	
		<p>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 or liquidation amiable</i>).</p> <p><b>Taxation</b></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><b>Governing law</b></p> <p>French law.</p> <p><b>Issue Specific Summary:</b><sup>14</sup></p> <p>Issue Price:[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> ( if applicable)</p> <p>Specified Denomination[s]: [●]</p> <p>Status of the Notes: Unsubordinated Notes</p>

<sup>14</sup> 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	
C.9	Interest / Redemption Interest	<p><b><i>Interest Payments and interest periods</i></b></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><b><i>Fixed Rate Notes</i></b></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><b><i>Floating Rate Notes</i></b></p> <p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(ii) by reference to LIBOR, EURIBOR, CMS Rate or any other interest rate specified in the Final Terms;</li> </ul> <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><b><i>Zero Coupon Notes</i></b></p> <p>Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.</p> <p><b><i>Fixed/Floating Rate Notes</i></b></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><b><i>Maturities</i></b></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>

Element	Title	
		<p><b><i>Redemption</i></b></p> <p>The relevant Final Terms will specify the redemption amounts payable in accordance with the Terms and Conditions of the Notes.</p> <p><b><i>Optional redemption</i></b></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><b><i>Make-Whole Redemption by the Issuer</i></b></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><b><i>Residual Maturity Call Option</i></b></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 relevant Notes.</p> <p><b><i>Yield</i></b></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><b><i>Representation of the holders of the Notes</i></b></p> <p>In respect of the representation of the Noteholders, the following shall apply:</p> <p>(a) If the relevant Final Terms specify "<b>Full Masse</b>", 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 "<b>Contractual Masse</b>", 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>



## Summary

Element	Title	
		<p>Residual Maturity Call Option [Applicable (<i>give details</i>)] / [Not Applicable]</p> <p>Final Redemption Amount: [[●] per Note [of [●] Specified Denomination]</p> <p>Early Redemption Amount: [Applicable (<i>give details</i>)]/[Not Applicable]</p> <p>Yield: [●]/[Not Applicable]</p> <p>Representation of the Noteholders: [(a) "<b>Full Masse</b>": 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 "<b>Masse</b>") and the provisions of the French <i>Code de Commerce</i> relating to the Masse shall apply.] [or]</p> <p>[(b) "<b>Contractual Masse</b>": Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (the "<b>Masse</b>"). 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	Not applicable, the Notes issued under the Programme do not contain any derivative components.

## Summary

Element	Title	
	<b>payment of the Notes</b>	
<b>C.11</b>	<b>Admission to trading and listing</b>	<p>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 or any other stock exchange.</p> <p><b>Issue Specific Summary:</b><sup>16</sup></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>
<b>C.21</b>	<b>Market where the securities will be traded and for which prospectus has been published</b>	See Section C.11 of this summary

## Section D – Risks

Element	Title	
<b>D.2</b>	<b>Key risks regarding the Issuer</b>	<p>The EDF Group operates in an environment that is experiencing profound change, generating numerous risks, some of which are external. They are in addition to the risks inherent in its business lines. Below, the EDF Group describes the main risks to which it considers that it is 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 deems not material, may also have the same adverse effect.</p> <p>The issues associated with the risks to which the EDF Group is exposed are multi-criteria. They may be strategic or operational and may depend on regulations and on the economic or general context.</p> <p>The key risks identified relate to:</p> <ul style="list-style-type: none"> <li>• the regulation of energy markets;</li> <li>• the competitive and general context;</li> <li>• the transformation of the EDF Group;</li> </ul>

<sup>16</sup> 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	
		<ul style="list-style-type: none"> <li>• the operational performance of the EDF Group; and</li> <li>• the EDF Group's nuclear activities.</li> </ul>
D.3	<p><b>Key risks regarding the Notes</b></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><b>(1) General risks relating to the Notes</b></p> <ul style="list-style-type: none"> <li>• <b>independent review and advice</b> 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.</li> <li>• <b>risk relating to potential conflicts of interest between the Issuer, the Dealers, their respective affiliates and the holders of the Notes (each, a "Noteholder")</b></li> <li>• <b>risks related to legality of purchase</b>  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.</li> <li>• <b>risk of modification, waivers or substitutions</b> 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</li> <li>• <b>risks relating to regulatory restrictions</b></li> <li>• <b>risks relating to credit ratings</b>  The long-term debt of the Issuer is rated "A3" (stable outlook) by Moody's, "A-" (negative outlook) by S&amp;P and "A-" (stable outlook) by Fitch Ratings.  Moody's, S&amp;P and Fitch Ratings have indicated that such ratings could be further downgraded.  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.</li> </ul>

Element	Title	
		<ul style="list-style-type: none"> <li>• <b>risks related to taxation</b>  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.</li> <li>• <b>risks related to the potential implementation of a common financial transaction tax ("FTT")</b></li> <li>• <b>risks relating to French insolvency law</b></li> <li>• <b>risk relating to the liquidity/trading market for the Notes</b>  The Notes may not be widely distributed and there may be no active trading market in respect of such Notes.</li> <li>• <b>risks relating to exchange rates risks and exchange controls</b>  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.</li> <li>• <b>risks related to the market value of the Notes</b>  The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors.</li> <li>• <b>risk of a change of law</b>  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.</li> </ul> <p><b>(2) Specific risks relating to the structure of a particular issue of Notes:</b></p> <ul style="list-style-type: none"> <li>• <i>[(Insert if the Notes include an optional redemption feature) - Any optional redemption feature where the 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.]</i></li> </ul>

## Summary

Element	Title	
		<ul style="list-style-type: none"> <li>• <i>[(Insert for Fixed Rate Notes)</i> 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.]</li> <li>• <i>[(Insert for Floating Rate Notes)</i> 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.]</li> <li>• <i>[(Insert for Notes linked to a benchmark index)</i> The regulations and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".]</li> <li>• <i>[(Insert for Notes linked to LIBOR)</i> Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes which reference LIBOR.]</li> <li>• [Inverse Floating Rate Notes / Fixed to Floating Rate Notes and Notes issued at a substantial discount or premium]</li> <li>• <i>[(Insert for variable rate Notes)</i> 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.]</li> <li>• <i>[(Insert for Zero-Coupon Notes)</i> 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.]</li> <li>• <i>[(Insert for RMB Notes)</i> Notes denominated in Renminbi ("<b>RMB Notes</b>") 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 rate and interest rate risks related to RMB and RMB Notes may only be held in Euroclear France, Euroclear and Clearstream Luxembourg.])</li> </ul>



## Summary

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Element	Title	
		Manner in and date on which [Not Applicable]/[●] results of the Offer are to be made public:
E.4	<b>Interest of natural and legal persons involved in the issue/offer</b>	<p>The relevant Final Terms will specify any interest of natural and legal persons involved in the issue of the Notes.</p> <p><b>Issue Specific Summary:</b><sup>19</sup></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	<b>Expenses charged to the investor by the Issuer or an offeror</b>	<p>The relevant Final terms will specify as the case may be the estimated expenses applicable to any Tranche of the Notes</p> <p><b>Issue Specific Summary:</b><sup>20</sup></p> <p>[The estimated expenses charged to the investor amount to [●]./ Not applicable. There are no expenses charged to investors.]</p>

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<sup>19</sup> 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.

<sup>20</sup> 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 (l'"**Émetteur**") de Titres ayant une valeur nominale unitaire inférieure à 100 000 euros (ou son équivalent dans une autre monnaie) qui sont offerts au public et / ou admis à la négociation sur un marché réglementé de l'Espace Economique Européen (l'"**EEE**") selon la Directive 2014/65/UE concernant les marchés d'instruments financiers, telle qu'amendée (un « **Marché Réglementé** »). 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	<b>Avertissement général relatif au résumé</b>	<p>Ce résumé doit être lu comme une introduction au présent prospectus de base (le "<b>Prospectus de Base</b>").</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 et tout supplément qui pourrait être publié à l'avenir.</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'EEE, 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'Autorité des marchés financiers (l'« <b>AMF</b> »), n'engagent leur responsabilité civile que si le contenu du résumé est 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,</p>

Élément	Titre	
		les informations essentielles permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans ces Titres.
A.2	<b>Information relative au consentement de l'Émetteur concernant l'utilisation du Prospectus</b>	<p>Dans le cadre de l'offre des Titres réalisée en France et/ou dans tout autre Etat membre de l'Union Européenne dans lequel le Prospectus de Base peut être passeporté (le[s] "<b>Pays de l'Offre au Public</b>"), 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 "<b>Directive Prospectus</b>") (l'"<b>Offre au Public</b>"), l'Émetteur consent à l'utilisation du Prospectus de Base et des Conditions Définitives concernées (ensemble «le "<b>Prospectus</b>») dans le cadre de l'Offre au Public des Titres durant la période d'offre indiquée dans les Conditions Définitives (la "<b>Période d'Offre</b>") dans le[s] Pays de l'Offre au Public :</p> <ol style="list-style-type: none"> <li data-bbox="616 831 1343 927">1. sous réserve des conditions prévues dans les Conditions Définitives, tout intermédiaire financier désigné dans ces Conditions Définitives ; ou</li> <li data-bbox="616 958 1343 2033">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 "<b>Règles</b>"), 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 <i>Euro Medium Term Note</i> décrit dans le Prospectus de Base (le "<b>Programme</b>") ou pour une émission spécifique ("<b>Agent Placeur</b>") ; (c) qui respecte la détermination du marché cible des Titres et les circuits de distribution identifiés au paragraphe « Gouvernance des Produits MiFID II » indiquée dans les Conditions Définitives ; (d) 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 ; (e) 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 ; (f) 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 ou</li> </ol>

Élément	Titre	
		<p>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) ; (g) 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 (h) 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'AMF.</p> <p><b>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 information.</b></p>

Élément	Titre	
		<p><b>Résumé spécifique à l'émission:<sup>21</sup></b></p> <p>[Dans le cadre de l'offre des Titres réalisée en [●] (le[s] "<b>Pays de l'Offre au Public</b>"), 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, ("<b>Offre au Public</b>"), 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 "<b>Période d'Offre</b>") dans le[s] Pays de l'Offre au Public par [●] / [tout intermédiaire financier] (l'[/les] "<b>Établissement[s] Autorisé[s]</b>"). [L'[/Les] Établissement[s] Autorisé[s] doit[/doivent] remplir les conditions suivantes : [●].]</p> <p>Ni l'Émetteur ni aucun des Agents Placeurs 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 "<b>Investisseur</b>") 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 des Agents Placeurs 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><b>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</b></p>

<sup>21</sup> 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	
		<b>Établissements Autorisés ne sont responsables de cette information.] / [Non Applicable]</b>

### Section B – Émetteur

Élément	Titre	
<b>B.1</b>	<b>Raison sociale et nom commercial de l'Émetteur</b>	La dénomination sociale et le nom commercial de l'Émetteur est "Électricité de France". L'Émetteur est aussi légalement et commercialement dénommé "EDF".
<b>B.2</b>	<b>Siège social et forme juridique de l'Émetteur, droit applicable à l'Émetteur et pays d'immatriculation</b>	<p>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.</p> <p>Le siège social de l'Émetteur est situé au 22-30 avenue de Wagram, 75008 Paris.</p>
<b>B.4b</b>	<b>Tendances connues</b>	<p>La lutte contre le changement climatique entre dans une phase décisive dans la perspective d'une limitation du réchauffement climatique à + 2 °C.</p> <p>L'énergie est aujourd'hui responsable de l'essentiel des émissions de CO<sub>2</sub> dans le monde : baisser la consommation d'énergie en développant des solutions d'efficacité énergétique est un levier essentiel pour la décarbonation.</p> <p>La décarbonation de la production d'électricité et de chaleur – qui représente plus de 40 % des émissions de CO<sub>2</sub> dans le monde – doit continuer à s'accélérer, tirée par le développement des solutions décarbonées : énergies renouvelables, thermiques, électriques et nucléaire.</p> <p>À ce titre, la France – avec son parc déjà décarboné – dispose d'un temps d'avance sur ses grands voisins européens ; ce mix décarboné et compétitif doit être conservé à long terme en s'appuyant sur la complémentarité entre renouvelable et nucléaire.</p> <p>Vecteur majeur pour la réduction directe du CO<sub>2</sub>, l'électricité l'est aussi <i>via</i> la substitution aux usages fossiles dans la mobilité, les bâtiments et l'industrie. Dans les scénarios prospectifs limitant le réchauffement à + 2 °C, l'électricité décarbonée devient ainsi le premier vecteur énergétique à l'horizon 2040-2050 : le développement des usages de l'électricité doit ainsi être accéléré et accompagner les efforts d'efficacité énergétique, afin d'atteindre une division par 4 des émissions à l'horizon 2050, et se diriger vers une neutralité carbone.</p>

Élément	Titre	
		<p>Cependant, le marché et le contexte réglementaire européen mettent aujourd'hui le modèle économique des électriciens sous 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 :</p> <ul style="list-style-type: none"> <li>• les prix des combustibles (pétrole, gaz, charbon) ont confirmé en 2017 leur redressement amorcé dès la fin de l'année 2016 mais restent à des niveaux très inférieurs à ceux du début de la décennie du fait de l'abondance des ressources, notamment des gaz de schiste ;</li> <li>• le prix du CO<sub>2</sub>, malgré une appréciation relative au cours du deuxième semestre 2017, demeure très bas, en décalage avec les ambitions de décarbonation et des transitions énergétiques en Europe ;</li> <li>• ce prix bas du CO<sub>2</sub> maintient, de fait, une viabilité économique des moyens de production charbon et lignite dans un contexte où la demande européenne d'électricité reste atone (+ 0,6 % en moyenne annuelle entre 2000 et 2016<sup>22</sup>) et où néanmoins d'importantes capacités d'énergies 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 et en dessous en 2016, les prix de marché de l'électricité France N+1 ont oscillé entre 33 et 44 €/MWh au cours de l'année 2017. Ces niveaux sont inférieurs aux coûts de développement de nouveaux moyens de production, quelle que soit la filière.</li> </ul> <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<sup>17</sup> de l'ordre de + 173 TWh par an en Chine entre 2016 et 2040 (+ 2,2 % par an en moyenne) et + 52 TWh par an en Afrique (+ 4,0 % par an), contre + 11 TWh par an dans l'Union européenne (+ 0,3 % 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 renouvelable et nucléaire. Ainsi, le Royaume-Uni, qui doit engager un renouvellement</p>

<sup>22</sup>

Source: AIE, World Energy Outlook, novembre 2017.

Élément	Titre	
		<p>important de ses moyens de production d'électricité, a mis en place un modèle de marché cohérent avec cette politique (Carbon Price Floor, Contracts for Difference, 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. Des marchés de capacité sont également en train de se développer, notamment en France, au Royaume-Uni ou en Belgique.</p> <p>L'accord trouvé à Paris lors de la 21e 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, ratifié par 168 pays ainsi que par l'Union européenne, est entré en vigueur le 4 novembre 2016. Les COP 22 et 23, tenues au Maroc et en Allemagne, ont confirmé la feuille de route décidée à Paris, malgré l'annonce des États-Unis d'un retrait de l'accord. Le sommet <i>One Planet</i> organisé à Paris en décembre 2017 a permis de mobiliser des fonds et de prendre des engagements en faveur de la lutte contre le changement climatique à l'échelle mondiale.</p> <p>En France, la loi de transition énergétique pour la croissance verte adoptée en août 2015 a fixé plusieurs objectifs de moyen et long terme relatifs aux émissions de gaz à effet de serre, à la consommation d'énergie et au mix énergétique français. Cette loi a conduit à l'élaboration d'une stratégie nationale bas carbone et d'une programmation pluriannuelle de l'énergie (PPE) pour piloter ces objectifs. La PPE définit les orientations et priorités d'action des pouvoirs publics pour la gestion de l'ensemble des formes d'énergie pour des périodes de 5 ans. La PPE actuelle porte sur les périodes 2016-2018 et 2019-2023. En 2018, une nouvelle PPE sera élaborée pour les périodes 2019-2023 et 2024-2028 et fera l'objet d'un débat public.</p> <p>De leur côté, les clients aspirent à être de plus en plus acteurs de leur consommation, 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.</p>

Élément	Titre	
		<p>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"> <li>• être un acteur responsable de la lutte contre le changement climatique : contribuer à la réalisation des objectifs de la loi de transition énergétique pour 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 ;</li> <li>• garantir la performance économique et la sûreté des actifs nucléaires ;</li> <li>• 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 ;</li> <li>• s'inscrire dans la durée comme un acteur emblématique de service public, notamment en matière de solidarité et de lutte contre la précarité énergétique, de respect de la personne, de responsabilité et d'éthique dans la conduite des affaires ;</li> <li>• se mettre sur une trajectoire de création de valeur pérenne pour l'ensemble des parties prenantes ;</li> <li>• créer les conditions qui permettent la participation de chacun à la transformation du Groupe EDF.</li> </ul> <p>Ainsi, face à un contexte de marché particulièrement difficile, le Groupe EDF se mobilise et poursuit la stratégie CAP 2030 pour être en mesure de financer ses développements prioritaires.</p>
B.5	<b>Description du Groupe EDF</b>	<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</p>

Élément	Titre	
		des électriciens leader dans le monde et un acteur gazier reconnu.
<b>B.9</b>	<b>Prévision ou estimation de bénéfice</b>	<p>Le 31 juillet 2018, EDF a publié des objectifs financiers réhaussés dans son rapport financier semestriel 2018 :</p> <ul style="list-style-type: none"> <li>• Charges opérationnelles<sup>23</sup> : réduction de 800 millions d'euros par rapport à 2015 ;</li> <li>• EBE<sup>24</sup> : compris entre 14,8 et 15,3 milliards d'euros ;</li> <li>• Cash flow<sup>19 25</sup> hors Linky, nouveaux développements et plan de cession d'actifs 2015-2020 : légèrement positif ou proche de l'équilibre ;</li> <li>• Investissements nets hors Linky, nouveaux développements et plan de cession d'actifs 2015-2020 : environ 11 milliards d'euros ;</li> <li>• Investissement nets totaux hors acquisitions et plan de cession d'actifs 2015-2020 : inférieur ou égal à 15 milliards d'euros ;</li> <li>• Plan de cession d'actifs : environ 10 milliards d'euros sur 2015-2018<sup>26</sup> ;</li> <li>• Endettement financier net/EBE<sup>19</sup> : inférieur ou égal à 2,5x ;</li> <li>• Taux de distribution cible du résultat net courant<sup>27</sup> : 50 %.</li> </ul> <p>Dans son Document de Référence 2017, EDF a fourni des objectifs au-delà de 2018 :</p> <ul style="list-style-type: none"> <li>• en 2019, dans un contexte marqué par un recul attendu de la production nucléaire en France par rapport à 2018, les mesures de réduction des charges opérationnelles<sup>23</sup> seront amplifiées, l'objectif étant revu à la hausse à 1,1 milliard d'euros par rapport à 2015 ;</li> <li>• le taux de distribution cible 2019 du résultat net courant<sup>27</sup> est confirmé à 45 %-50 %.</li> </ul>
<b>B.10</b>	<b>Observations formulées dans</b>	Les comptes consolidés du Groupe EDF de l'exercice clos le 31 décembre 2017, préparés conformément au référentiel

<sup>23</sup> Somme des charges de personnel et des autres consommations externes. À périmètre et taux de change comparables. À taux d'actualisation retraites constants. Hors variation des charges opérationnelles des activités de services.

<sup>24</sup> À taux de change comparable et climat « normal », sur la base d'une hypothèse de production nucléaire France > 395 TWh. À taux d'actualisation retraites constants.

<sup>25</sup> Hors éventuel acompte sur dividende au titre de l'année fiscale 2018.

<sup>26</sup> Cessions signées ou réalisées.

<sup>27</sup> Ajusté de la rémunération des emprunts hybrides comptabilisée en fonds propres.

Élément	Titre																																		
	<p><b>le rapport d'audit</b></p>	<p>IAS-IFRS, tel qu'adopté par l'Union européenne, et inclus dans le Document de Référence 2017 déposé auprès de l'AMF en date du 15 mars 2018 sous le numéro D.18-0133, ont fait l'objet d'un rapport des contrôleurs légaux, qui ne contient pas de réserves.</p> <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<sup>er</sup> 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 semestriels consolidés résumés au 30 juin 2018, 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 attirant l'attention sur les notes 1.2.6, 1.6 et 2 de l'annexe aux comptes semestriels consolidés résumés qui exposent les effets de l'application des normes IFRS 15 « Produits des activités ordinaires tirés de contrats avec des clients » (« <b>IFRS 15</b> ») et IFRS 9 « Instruments financiers » (« <b>IFRS 9</b> »), normes adoptées par l'Union Européenne et appliquées par le Groupe EDF à compter du 1<sup>er</sup> janvier 2018.</p>																																	
<p><b>B.12</b></p>	<p><b>Informations financières historiques clés sélectionnées</b></p>	<p>Les informations financières sélectionnées ci-après sont extraites des comptes consolidés du Groupe EDF pour l'exercice clos le 31 décembre 2017 qui ont été audités par les commissaires aux comptes d'EDF.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Exercices clos au 31 décembre</td> <td style="width: 20%; text-align: right;"><b>2017</b></td> <td style="width: 20%; text-align: right;"><b>2016<sup>(1)</sup></b></td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;"><i>(en millions d'euros)</i></td> </tr> <tr> <td colspan="3"><b>Extraits des comptes de résultat consolidés :</b></td> </tr> <tr> <td>Résultat net part du Groupe EDF</td> <td style="text-align: right;">3 173</td> <td style="text-align: right;">2 851</td> </tr> <tr> <td colspan="3"><b>Extraits des bilans consolidés :</b></td> </tr> <tr> <td>Total de l'actif</td> <td style="text-align: right;">280 752</td> <td style="text-align: right;">281 640</td> </tr> <tr> <td>Total des capitaux propres et du passif</td> <td style="text-align: right;">280 752</td> <td style="text-align: right;">281 640</td> </tr> <tr> <td colspan="3"><b>Extraits des tableaux de flux de trésorerie consolidés :</b></td> </tr> <tr> <td>Variation nette de la trésorerie et des équivalents de trésorerie</td> <td style="text-align: right;">662</td> <td style="text-align: right;">(1 294)</td> </tr> <tr> <td colspan="3"><b>Informations relatives à l'endettement financier net</b></td> </tr> <tr> <td>Endettement financier net</td> <td style="text-align: right;">33 015</td> <td style="text-align: right;">37 425</td> </tr> </table> <p><sup>(1)</sup> Données publiées en 2017 au titre de l'exercice 2016.</p>	Exercices clos au 31 décembre	<b>2017</b>	<b>2016<sup>(1)</sup></b>		<i>(en millions d'euros)</i>		<b>Extraits des comptes de résultat consolidés :</b>			Résultat net part du Groupe EDF	3 173	2 851	<b>Extraits des bilans consolidés :</b>			Total de l'actif	280 752	281 640	Total des capitaux propres et du passif	280 752	281 640	<b>Extraits des tableaux de flux de trésorerie consolidés :</b>			Variation nette de la trésorerie et des équivalents de trésorerie	662	(1 294)	<b>Informations relatives à l'endettement financier net</b>			Endettement financier net	33 015	37 425
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<b>B.13</b>	<b>Événements récents relatifs</b>	- Résultats semestriels 2018 confirmant le rebond 2018																																									

Élément	Titre	
	<p><b>à l'Émetteur présentant un intérêt significatif pour l'évaluation de sa solvabilité</b></p>	<ul style="list-style-type: none"> <li>- Poursuite du déploiement de CAP 2030</li> <li>- Cession de la participation d'EDF au capital du terminal méthanier de Dunkerque               <ul style="list-style-type: none"> <li>o Conclusion de contrats pour la cession de la participation d'EDF au capital du terminal méthanier de Dunkerque</li> <li>o Etape décisive dans le processus de cession de la participation d'EDF au capital du terminal méthanier de Dunkerque à Fluxys et à un consortium financier composé de Samsung Securities Co. Ltd., IBK Securities Co. Ltd. Et Hanwha Investment &amp; Securities Co. Ltd.</li> </ul> </li> <li>- Partenariats               <ul style="list-style-type: none"> <li>o Accord entre JERA et EDF Trading pour la formation d'une <i>joint-venture</i> d'optimisation et de trading du gaz naturel liquéfié</li> <li>o Signature d'un partenariat entre EDF et McPhy pour le développement de l'hydrogène décarboné en France et à l'international</li> </ul> </li> <li>- Industrie nucléaire               <ul style="list-style-type: none"> <li>o Activités nucléaires en France                   <ul style="list-style-type: none"> <li>▪ Actions correctives mises en place concernant les soudures du circuit secondaire principal de l'EPR de Flamanville ; ajustement du planning et de l'objectif de coût de construction en conséquence</li> <li>▪ Précisions sur la sûreté et la sécurité des centrales nucléaires d'EDF</li> </ul> </li> <li>o Activités nucléaires en dehors de France                   <ul style="list-style-type: none"> <li>▪ Taishan 1, premier EPR au monde connecté au réseau</li> <li>▪ Signature d'un accord de coopération stratégique dans le cadre du projet de construction de 6 EPR en Inde</li> </ul> </li> </ul> </li> </ul>

Élément	Titre	
		<ul style="list-style-type: none"> <li>▪ Mise à jour relative à la remise en service du réacteur 3 d'Hunterston B</li> <li>- Développement durable et énergies renouvelables               <ul style="list-style-type: none"> <li>○ Inauguration de deux projets innovants pour la transition énergétique au Royaume-Uni (parc éolien en mer de Blyth et installation de stockage par batterie de West Burton)</li> <li>○ Confirmation des trois projets éoliens en mer de Fécamp, Courseulles-sur-Mer et Saint-Nazaire</li> <li>○ Acquisition par EDF de 750 MW d'actifs de production (gaz et pointe) pour soutenir le développement de ses activités renouvelables au Chili</li> <li>○ Acquisition par EDF d'un projet de parc éolien en mer de 450 MW en Ecosse auprès de Mainstream Renewable Power</li> <li>○ Mise en service par EDF de sa première installation d'énergies renouvelables aux Emirats Arabes Unis</li> </ul> </li> <li>- Annulation du recours contre la décision de la Commission européenne d'autorisation du contrat pour différence Hinkley Point C</li> <li>- Résultat de l'option pour le paiement du solde du dividende en actions au titre de l'exercice 2017</li> <li>- Engagements d'EDF pour la lutte contre le réchauffement climatique : réduction de ses émissions directes de CO<sub>2</sub> de 40% à échéance 2030 et objectif de neutralité carbone à l'horizon 2050</li> </ul>
<b>B.14</b>	<b>Dépendance vis-à-vis d'autres entités du groupe</b>	Sans objet : L'Émetteur n'est pas dépendant d'autres entités du Groupe EDF.
<b>B.15</b>	<b>Principales activités</b>	<p>Se référer à l'Élément B.5.</p> <p>Avec une puissance installée nette de 129,3 GWe<sup>28</sup> dans le monde au 31 décembre 2017 pour une production mondiale de 580,8 TWh, le Groupe EDF dispose de l'un des plus importants parcs de production au monde et, parmi les dix</p>

<sup>28</sup>

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

Élément	Titre	
		<p>plus grands énergéticiens de la planète, du parc le moins émetteur de CO<sub>2</sub> par kilowattheure produit<sup>29</sup> 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 35,1 millions de comptes client<sup>30</sup> dans le monde (dont 26,5 millions en France).</p>
<b>B.16</b>	<b>Principaux actionnaires</b>	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.
<b>B.17</b>	<b>Notation assignée à l'Émetteur ou à ses titres d'emprunt</b>	<p>La dette à long terme de l'Émetteur est notée "A3" (perspective stable) par Moody's Investors Service Ltd ("<b>Moody's</b>"), "A-" (perspective négative) par S&amp;P Global Ratings ("<b>S&amp;P</b>") et "A-" (perspective stable) par Fitch Ratings Limited ("<b>Fitch Ratings</b>").</p> <p>Le Programme est noté "A3" (dette senior non garantie) par Moody's et "A-" (long-term debt) par S&amp;P.</p> <p>Chacun de Moody's, S&amp;P et Fitch Ratings 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 "<b>Règlement ANC</b>") et est inclus sur la liste des agences de notation de crédit publiées sur le site de l'Autorité Européenne des Marchés Financiers (<a href="http://www.esma.europa.eu/supervision/credit-rating-agencies/risk">www.esma.europa.eu/supervision/credit-rating-agencies/risk</a>) 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. Lorsqu'une émission de Titres est notée, sa notation ne sera pas nécessairement identique à celle de l'Émetteur.</p> <p><b>Résumé spécifique à chaque Émission :<sup>31</sup></b></p> <p>[Les titres à émettre [ne sont pas]/[ont été]/[seront] notés].</p> <p>[Nom[s] de[s/l']agence[s] de notation] : [S&amp;P][Moody's] [●][●]</p>

<sup>29</sup> Source : comparaison basée sur les données publiées par ces dix groupes.

<sup>30</sup> Un client peut avoir deux comptes client : un pour l'électricité et un autre pour le gaz.

<sup>31</sup> 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€.

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.</p> <p><b>Arrangeur du Programme :</b></p> <p>BNP Paribas.</p> <p><b>Agents Placeurs :</b></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 "<b>Établissements Placeurs Permanents</b>" 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 "<b>Établissements Placeurs</b>" 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 "<b>Série</b>", à une même date d'émission ou à des dates d'émission différentes, et seront soumises pour leurs autres caractéristiques (à 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 "<b>Tranche</b>") 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 "<b>Conditions Définitives</b>").</p> <p>Les Titres pourront être émis soit sous forme de titres dématérialisés ("<b>Titres Dématérialisés</b>"), soit sous forme de titres matérialisés ("<b>Titres Matérialisés</b>").</p>

Élément	Titre	
		<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 ("<b>Titres au Porteur Matérialisés</b>"). Un Certificat Global Temporaire relatif à chaque Tranche de Titres au Porteur Matérialisés 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><b>Résumé spécifique à l'émission :<sup>32</sup></b></p> <p>Émission de Titres libellés en [●] [portant intérêt au taux de [●]%/[portant intérêt à Taux Variable]/[à zéro coupon], venant à échéance en [●].</p> <p>Série: [●]</p> <p>Tranche: [●]</p> <p>Montant Nominal Total : [●]</p> <p>Forme des Titres: [Titres Dématérialisés/Titres Matérialisés]</p> <p>(i) Forme des Titres Dématérialisées: [Non applicable / Titres Dématérialisés au Porteurs / Titres Nominatifs [purs / administrés]</p> <p>(ii) Certificat Global Temporaire : [Non applicable / Certificat Global Temporaire échangeable pour des Titres au Porteur Matérialisés en date du [●] (la "<b>Date d'Echange</b>")].</p> <p>(iii) Exceptions applicables : TEFRA [Règles C / Règles D / Non applicable]</p>

<sup>32</sup> 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>Dépositaire Central: [Euroclear France]</p> <p>Code ISIN: [•]</p> <p>Code commun: [•]</p> <p>Tout système de compensation autre que Euroclear France, Euroclear Bank SA/NV et Clearstream, Luxembourg, S.A. et le(s) numéro(s) d'identification correspondant(s) : [Non Applicable/donner le(s) nom(s) et numéro(s)]</p>
C.2	Devise	<p>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.</p> <p><b>Résumé spécifique à l'émission</b> :<sup>33</sup> Les Titres seront émis en [•].</p>
C.5	Description de toute restriction imposée à la libre négociabilité des Titres	<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	Modalités des Titres	<p><b>Prix d'émission</b></p> <p>Les Titres peuvent être émis au pair ou avec une décote ou une prime par rapport à leur valeur nominale.</p> <p><b>Valeur(s) nominale(s) unitaire(s)</b></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'EEE 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>

<sup>33</sup> 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>Les Titres Dématérialisés seront émis avec une seule valeur nominale.</p> <p><b>Rang des titres</b></p> <p>Les Titres et, le cas échéant, tout Coupon relatif aux Titres constitueront des engagements directs, inconditionnels, non-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><b>Maintien de rang de l'Emprunt</b></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>"<b>Endettement</b>" 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><b>Cas de défaut</b></p> <p>Les Modalités des Titres indiquent que chacun des événements suivants sont des "<b>Cas de Défaut</b>" :</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</p>

Élément	Titre	
		<p>jours à compter de la date prévue pour ce paiement ; ou</p> <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><b>Fiscalité</b></p> <p>Tous les paiements de principal, des intérêts et autres revenus effectués par ou pour le compte de l'Émetteur se rapportant aux Titres seront effectués sans retenue à la</p>

Élément	Titre	
		<p>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><b>Droit applicable</b></p> <p>Droit français.</p> <p><b>Résumé spécifique à l'émission</b> :<sup>34</sup></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><b>Paiement des intérêts et périodes d'intérêts</b></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> <p><b>Titres à Taux Fixe</b></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><b>Titres à Taux Variable</b></p> <p>Les Titres à Taux Variable porteront intérêt déterminé de façon différente pour chaque Série, comme suit :</p>

<sup>34</sup> 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>(i) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt notional dans la Devise Prévue 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, CMS Rate ou tout autre taux d'intérêt spécifié dans les Conditions Définitives,</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><b>Titres à Coupon Zéro</b></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><b>Titres à Taux Fixe/Variable</b></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><b>Échéances</b></p> <p>Sous réserve du respect de toutes lois, réglementations et 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><b>Remboursement</b></p> <p>Les Conditions Définitives concernées définiront les montants de remboursement dus conformément aux Modalités des Titres.</p> <p><b>Option de remboursement</b></p> <p>Les Conditions Définitives concernées pourront prévoir le remboursement anticipé des Titres au gré de l'Émetteur (en</p>

Élément	Titre	
		<p>totalité ou en partie) et/ou au gré des porteurs et, dans ce cas, les termes applicables à un tel remboursement.</p> <p><b>Remboursement "Make-Whole" par l'Émetteur</b></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><b>Option de Remboursement à Maturité Résiduelle</b></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><b>Rendement</b></p> <p>Les Conditions Définitives de chaque émission de Titres à Taux Fixe préciseront le rendement des Titres.</p> <p><b>Représentation des Porteurs de Titres</b></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 "<b>Masse Complète</b>", 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 "<b>Masse Contractuelle</b>", 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 "<b>Représentant</b>") 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</p>

Élément	Titre	
		<p>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><b>Résumé spécifique à l'émission :<sup>35</sup></b></p> <p>Base d'Intérêt : [Taux Fixe [●]%/][Taux Variable [●] +/- [●]%/][Coupon Zéro]</p> <p>Date de Commencement des Intérêts : [Préciser/Date d'émission/Sans objet]</p> <p>Titres à Taux Fixe : [Applicable (voir les spécificités à la rubrique 14 de la Partie A des présentes Conditions Définitives)] / [Non Applicable]</p> <p>Titres à Taux Variable : [Applicable (voir les spécificités à la rubrique 15 de la Partie A des présentes Conditions Définitives)] / [Non Applicable]</p> <p>Titres à Coupon Zéro : [Applicable (voir les spécificités à la rubrique 16 de la Partie A des présentes Conditions Définitives)] / [Non Applicable]</p> <p>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]</p> <p>Option de remboursement : [Applicable (préciser les détails)] / [Sans objet]</p> <p>Option de vente : [Applicable (préciser les détails)] / [Sans objet]</p> <p>Remboursement "Make-Whole": [Applicable (préciser les détails)] / [Sans objet]</p> <p>Option de Remboursement à Maturité Résiduelle : [Applicable (préciser les détails)] / [Sans objet]</p>

<sup>35</sup> 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>Montant de Remboursement Final de chaque Titre : [●] par Titres [d'une Valeur Nominale Unitaire de [●]]</p> <p>Montant de Remboursement Anticipé : [Applicable (préciser les détails)] / [Sans objet]</p> <p>Rendement : [●]/ [Sans objet]</p> <p>Représentation des porteurs de Titres : [(a) "<b>Masse Complète</b>" : 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 "<b>Masse</b>") et les dispositions du Code de commerce relatives à la Masse s'appliqueront.] /[ou]</p> <p>[(b) "<b>Masse Contractuelle</b>", 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 "<b>Masse</b>"). 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>
<b>C.10</b>	<b>Dérivé auquel est lié le paiement des intérêts sur les Titres</b>	Sans objet, les Titres émis dans le cadre du Programme ne sont liés à aucun instrument dérivé.

Élément	Titre	
C.11	<b>Admission à la négociation</b>	<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 ou toute autre bourse de valeurs.</p> <p><b>Résumé spécifique à l'émission</b> :<sup>36</sup></p> <p>[[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]</p>
C.21	<b>Marché sur lequel les valeurs mobilières seront négociées et à l'intention duquel le prospectus est publié</b>	Voir Section C.11 de ce résumé.

### Section D – Risques

Élément	Titre	
D.2	<b>Risques clés propres à l'Émetteur</b>	<p>Le Groupe EDF exerce son activité dans un environnement en forte évolution induisant de nombreux risques, dont certains sont exogènes. Ils s'ajoutent aux risques inhérents à l'exercice de ses métiers. Le Groupe EDF décrit ci-dessous les principaux risques 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 enjeux associés aux risques auxquels le Groupe EDF est exposé sont multi-critères. Ils peuvent être stratégiques ou opérationnels et peuvent dépendre des régulations comme du contexte économique ou général.</p> <p><b>Les principaux facteurs de risques identifiés concernent :</b></p> <ul style="list-style-type: none"> <li>• la régulation des marchés de l'énergie ;</li> <li>• le contexte concurrentiel et général ;</li> </ul>

<sup>36</sup> 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	
		<ul style="list-style-type: none"> <li>• la transformation du Groupe EDF ;</li> <li>• la performance opérationnelle du Groupe EDF ; et</li> <li>• les activités nucléaires du Groupe EDF.</li> </ul>
D.3	<b>Risques clés propres aux Titres</b>	<p>Certains facteurs sont significatifs pour évaluer les risques liés aux Titres, notamment :</p> <p><b>(1) Risques généraux relatifs aux Titres</b></p> <ul style="list-style-type: none"> <li>• <b>revue indépendante et conseil</b> <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> <li>• <b>risques relatifs à des conflits d'intérêts potentiels entre l'Émetteur, les Agents Placeurs, leurs sociétés affiliées respectives et les porteurs des Titres</b></li> <li>• <b>risques liés à l'acquisition légale des Titres</b> <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> <li>• <b>risques de modification, de renonciation ou substitution</b> 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</li> <li>• <b>risque de contraintes réglementaires</b></li> <li>• <b>risques liés aux agences de notation</b> <p>La dette à long terme de l'Émetteur est notée "A3" (perspective stable) par Moody's, "A-" (perspective négative) par S&amp;P et "A-" (perspective stable) par Fitch Ratings.</p> <p>Moody's, S&amp;P et Fitch Ratings ont par ailleurs indiqué que ces notes pourraient faire l'objet de futures dégradations.</p> </li> </ul>

Élément	Titre	
		<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> <ul style="list-style-type: none"> <li>• <b>risques liés à la fiscalité</b></li> <p>Les acquéreurs et vendeurs de Titres doivent savoir qu'il est possible qu'ils aient à payer des droits de 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> <li>• <b>risques liés à la transposition éventuelle de la taxe sur les transactions financière ("TTF")</b></li> <li>• <b>risques liés au droit français des procédures collectives</b></li> <li>• <b>risques liés au marché secondaire des Titres</b></li> <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> <li>• <b>risques relatifs aux taux de change</b></li> <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> <li>• <b>risques liés à la valeur des Titres sur le marché</b></li> <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> <li>• <b>les risques relatifs à un changement législatif</b></li> <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><b>(2) Risques spécifiques liés à la structure d'une émission de Titres particulières :</b></p> <li>• <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</li> </ul>

Élément	Titre	
		<p>de rembourser les Titres, la valeur de marché de ces 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"> <li>• <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.]</li> <li>• <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.]</li> <li>• <i>[(Insérer si les Titres sont liés à un indice de référence)</i> Les règlements et réforme des "indices de références" pourraient impacter négativement la valeur des Titres liés à ou référençant ces "indices de références".]</li> <li>• <i>[(Insérer si les Titres sont liés au LIBOR).</i> La disparition future du LIBOR pourrait impacter négativement la valeur du Taux Variable des Titres ayant pour taux de référence le LIBOR.]</li> <li>• [Titres à Taux Variables Inversés / Titres de Taux Fixe à Variable et Titres émis avec une réduction substantielle ou une prime]</li> <li>• <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.]</li> <li>• <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.]</li> <li>• <i>[(Insérer pour les Titres RMB)</i> Les titres libellés en Renminbi ("<b>Titres RMB</b>") ne sont pas convertibles librement ; il existe des restrictions significatives</li> </ul>

Élément	Titre	
		<p>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 qu'en Euroclear France, Euroclear et Clearstream Luxembourg.]</p>

### Section E – Offre

Élément	Titre	
<b>E.2b</b>	<b>Utilisation des produits</b>	<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><b>Résumé spécifique à l'émission</b> :<sup>37</sup></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>
<b>E.3</b>	<b>Modalités et conditions de l'offre</b>	<p>Les Titres pourront être offerts au public en France 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> <p><b>Résumé spécifique à l'émission</b> :<sup>38</sup></p>

<sup>37</sup> 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€.

<sup>38</sup> 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>[Sans objet, les Titres ne font pas l'objet d'une offre au public.]/[Les Titres sont offerts au public en [●].</p> <p>Période d'Offre : La période de [●] à [●].</p> <p>Prix d'Offre : [Prix d'Émission] / Sans objet]</p> <p>Conditions auxquelles l'Offre est soumise : [Sans objet]/[●]</p> <p>Description de la procédure de souscription : [Sans objet]/[●]</p> <p>Informations sur le montant minimum et/ou maximum de souscription : [Sans objet]/[●]</p> <p>Modalités et date de publication des résultats de l'Offre : [Sans objet]/[●]</p>
E.4	<b>Intérêt de personnes physiques et morales pouvant influencer sur l'émission/l'offre</b>	<p>Les Conditions Définitives concernées préciseront les intérêts des personnes morales ou physiques impliquées dans l'émission des Titres.</p> <p><b>Résumé spécifique à l'émission :<sup>39</sup></b></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>
E.7	<b>Dépenses facturées à l'investisseur par l'Émetteur ou l'offreur</b>	<p>Les Conditions Définitives concernées préciseront le cas échéant les estimations des dépenses pour chaque Tranche de Titres.</p> <p><b>Résumé spécifique à l'émission :<sup>40</sup></b></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>

<sup>39</sup> 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€.

<sup>40</sup> 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 EDF Group is exposed”) of the 2017 Document de Référence and section 8 (“Principal risks and uncertainties for the second half-year of 2018”) of the 2018 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.

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

## **Risk Factors**

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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 or were not represented at the relevant meeting, holders of the Notes who voted in a manner contrary to the majority and Noteholders who did not respond to, or rejected, the relevant Written Resolution.

### ***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 fulfil 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 or perceived 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 10 May 2018, S&P on 14 May 2018 and Fitch on 25 July 2018, EDF's long-term and short-term ratings have been respectively set at "A3" (stable outlook) and "P-2" by Moody's, "A-" (negative outlook) and "A-2" by S&P and "A-" (stable outlook) and "F2" by Fitch.

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; or (ii) a change in the EDF Group's relationship with the French government were to cause Moody's to remove the uplift for government support, or if there were to be a significant downgrade of France's government rating. S&P indicated that rating downside over the next two years is possible if (i) S&P sees additional deterioration of EDF's operating performance, and an unexpected renewed downturn in power prices, although these have recently been improving, or (ii) if S&P foresees a deterioration in the EDF's Group financial credit metrics and debt trajectory over 2019-2020. S&P also mentions other risk factors that could lead to a downgrade, which stem from potential delays or cost overruns from EDF's new nuclear projects and a material and sharp deterioration of the domestic and U.K. unregulated power market. Finally, S&P indicates that a downgrade of France by more

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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) adjusted net leverage above 4.2x on a sustained basis, (ii) FFO fixed charge cover below 3.5x on a sustained basis, and (iii) a substantial decline in electricity price in France, the United Kingdom and Italy or a 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).

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](http://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**"). However, in March 2016, Estonia officially indicated that it would no longer be a Participating Member State.

The Commission's Proposal has a very broad scope and could, if introduced in its current form, impose a tax at a minimum rate of 0.1%, generally determined by reference to the amount of

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consideration paid, on certain dealings in the debt securities (including secondary market transactions) in certain circumstances, save primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 which are expected to 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.

The mechanism by which the FTT would be applied and collected is not yet known, but if the FTT or any similar tax is adopted, transactions in debt securities would be subject to higher costs, and the liquidity of the market for debt securities may be diminished.

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.

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For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Base Prospectus will not be applicable to the extent that they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

The procedures, as described above or as they will or may be amended, could have an adverse impact on holders of the Notes seeking repayment in the event that the Issuer or the Issuer's subsidiaries were to become insolvent.

### ***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 EEA, the Final Terms of the Notes will be filed with the AMF and/or with the competent authority of the Regulated Market of the EEA 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.

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

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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.

### **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

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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 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.

### ***Risks related to Notes which are linked to or referencing to "benchmarks"***

Interest rates and indices, including the London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes (including the value and/or liquidity thereof and/or the return thereon) linked to such a "benchmark".

Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmarks Regulation**") was published in the European official journal on 29 June 2016 and has applied since 1 January 2018.

The Benchmarks Regulation applies to "contributors", "administrators" and "users" of "benchmarks" (including EURIBOR and LIBOR) in the EU, and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non EU based, to be subject to equivalent requirements) and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non EU based, deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to a rate or index deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks" (including EURIBOR and LIBOR): (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes linked to a "benchmark".

### ***Future discontinuance of LIBOR or any other benchmark may adversely affect the value of Floating Rate Notes which reference LIBOR or any other benchmark***

On 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, may require an adjustment to the Terms and Conditions of outstanding Notes of any Series, or result in other consequences, in respect of any Notes linked to such benchmark

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(including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR) depending on the specific provisions of the relevant terms and conditions applicable to the Notes. It is not possible to predict whether, and to what extent, panel banks will continue to provide the reference benchmark to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if the relevant benchmark was discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference to such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the benchmark is to be determined under the Terms and Conditions, this may result in the effective application of a fixed rate based on the rate which applied in the previous period when such benchmark was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference to benchmark.

### ***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:

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***Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and out of 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 despite significant reduction in control by the PRC Government in recent years over trade transactions involving import and export of goods and services 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 and out of 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. But it is worth noting that regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being developed, and foreign investors have been provided with more channels to invest in the onshore securities market, such as the newly launched China Interbank Bond Market ("**CIBM**") direct access, the Shanghai/Shenzhen – Hong Kong Stock Connect (the "**Stock Connect**") and the Bond Connect.

Although from 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, and the People's Bank of China ("**PBoC**") has released favourable cross-border Renminbi policies including making Renminbi settlement available for all cross-border transactions that can be settled in foreign currencies by enterprises in early 2018, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any 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. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. 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 the RMB Notes.

***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 PBoC has established Renminbi clearing and settlement mechanism for participating banks in various jurisdictions, through settlement agreements on the clearing of Renminbi business (the "**Settlement Arrangements**") with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**") and these Renminbi Clearing Banks have been permitted to engage in the settlement of Renminbi trade transactions, 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 limited access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross border trade settlement. The Renminbi Clearing Banks are not obliged to square for participating banks any open positions as a result

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of 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 is required to source Renminbi outside the PRC to service the 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 with respect to RMB Notes will be made in Renminbi 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 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

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Notes propose to sell their RMB Notes before their maturity, they may receive an offer lower than the amount they have invested.

***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 in bank notes, by cheque or draft 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 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.

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### ***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, and 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 “foreign pass 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.*

The risks presented below concern risks associated with the regulation of energy markets, risks related to the competitive and general context, risks related to the transformation of the EDF Group, risk related to the operational performance of the EDF Group and specific risks related to the EDF Group’s nuclear activities.

The risks associated with the regulation of energy markets are described in section “Risks associated with the regulation of energy markets”, particularly the regulation of the electricity market, and to take into account consideration, in particular (i) competition rules, especially in Europe and France, where most of the EDF Group’s activities are conducted and (ii) public policies in the field of energy.

In the section “Risks related to the competitive and general context”, a description is given of the risks caused by exposure to the energy markets in which the EDF Group operates, as well as the risks caused by changes to competition and new societal expectations, economic circumstances and elements of public policy or general regulation in the various countries and territories where the EDF Group exercises its activities.

The risks caused by factors internal to the EDF Group are described in the sections “Risks related to the transformation of the EDF Group”, “Risks related to the operational performance of the EDF Group” and “Specific risks related to the EDF Group’s nuclear activities”.

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In the section “Risks related to the transformation of the EDF Group” a description is given of the risks associated with changes to the portfolio and model of activity of the EDF Group, and to its transformation, in its industrial, services and sales activities.

In the section “Risks related to the operational performance of the EDF Group”, a description is given of the risks associated with the control of its operational activities in its various industrial, services and sales activities.

The last section is devoted to the specific risks related to the EDF Group's nuclear activities, which involves additional risk factors and specific measures, notably with regard to the overriding requirements of nuclear safety and the long-term capital-intensive nature of the activity.

The exposure to risk may vary according to geographical scope and duration. The potential impact of these risks 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).

The geographical scope of exposure of the EDF Group to its main risks is described in the table below.

<b>Main risk factors</b>	<b>Scope of exposure</b>
<b>Regulation of the energy markets</b>	<ul style="list-style-type: none"> <li>▪ Modes of valuation by the regulation of low-carbon solutions France-Europe-International</li> <li>▪ Changes to the regulatory framework of tariffs France-Europe-International</li> <li>▪ Changes to the regulatory framework for the renewal of concessions France-Italy-International</li> <li>▪ Energy transition causing a profound transformation of the EDF Group's business portfolio France-Europe-International</li> <li>▪ Changes to energy policies slowing the development of the EDF Group France-Europe-International</li> <li>▪ Insufficient compensation for services in the public interest France</li> </ul>
<b>Competitive and general context</b>	<ul style="list-style-type: none"> <li>▪ Increased competition in the energy markets France-Europe-International</li> <li>▪ Exposure to the wholesale energy market France-Europe-International</li> <li>▪ Unfavourable economic circumstances France-Europe-International</li> <li>▪ Seasonal activities France-Europe-International</li> <li>▪ Exposure to climatic risk France-Europe-International</li> <li>▪ Changes to the environmental and health regulatory framework France-Europe-International</li> <li>▪ Vulnerability caused by the political, macroeconomic or financial context or circumstances of a region or a country France-Europe-International</li> <li>▪ Changes to international accounting standards France-Europe-International</li> </ul>
<b>Transformation of the EDF Group</b>	<ul style="list-style-type: none"> <li>▪ Difficulty in making changes to the portfolio of activities according to the objectives targeted France-Europe-International</li> <li>▪ Maintenance of ability to promote synergies and integrated solutions upstream/downstream and with the subsidiaries of the EDF Group France-Europe-International</li> <li>▪ Ability to perform the EDF Group's acquisition and disposal operations and reach the targeted objectives France-Europe-International</li> </ul>

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	<ul style="list-style-type: none"> <li>▪ Maintain the ability to adapt and develop skills according to the requirements of the EDF Group</li> <li>▪ Maintain the ability to ensure the long-term social and financial commitments of the EDF Group</li> </ul>	<p>France-Europe- International</p> <p>France-Europe- International</p>	
<b>Operational performance of the EDF Group</b>	<ul style="list-style-type: none"> <li>▪ Ability to improve the operational and financial performance</li> <li>▪ Granting and renewal of administrative authorisations</li> <li>▪ Control of large projects</li> <li>▪ Ability to implement the digital transition</li> <li>▪ Malicious attacks against information systems</li> <li>▪ Control of industrial risks</li> <li>▪ Health at work</li> <li>▪ Quality of employment/management dialogue and of industrial relations</li> <li>▪ Default of Group's counterparties</li> <li>▪ Financial risks</li> <li>▪ Reputational risks</li> </ul>	<p>France-Europe- International</p> <p>France-Europe- International</p> <p>France-Europe- International</p> <p>France-Europe- International</p> <p>France-Europe- International</p> <p>France-Europe- International</p> <p>France-Europe- International</p> <p>France – United Kingdom – Italy</p> <p>France-Europe- International</p> <p>France-Europe- International</p> <p>France-Europe- International</p>	
	<b>Nuclear activities of the EDF Group</b>	<ul style="list-style-type: none"> <li>▪ Operational nuclear safety</li> <li>▪ Ability to continue the period of operation</li> <li>▪ Ability to carry out the "Grand Carénage" programme</li> <li>▪ Ability to build and operate the EPR reactors</li> <li>▪ Industrial dependency for specific skills</li> <li>▪ Ability to integrate Framatome and develop synergies</li> <li>▪ Ability to control the nuclear fuel cycle</li> <li>▪ Ability to control the decommissioning of reactors and the final processing of radioactive waste</li> <li>▪ Exercise of nuclear civil liability</li> </ul>	<p>France – United Kingdom</p> <p>France – United Kingdom</p> <p>France</p> <p>France – United Kingdom – China</p> <p>France-Europe- International</p> <p>France-Europe- International</p> <p>France – United Kingdom</p> <p>France – United Kingdom</p> <p>France – United Kingdom</p>

### Risks associated with the regulation of energy markets

***The regulation of the market for CO<sub>2</sub> emissions quotas, such as changes in the prices of these quotas, is likely to affect the profitability of the EDF Group and its objectives in matters of low-carbon energy solutions.***

There is a risk, potentially caused by inappropriate regulation, that the prices of CO<sub>2</sub> remain low and do not enable sufficient development of low-carbon energy solutions, to the detriment both of the fight against climate change and the EDF Group. This may constitute a risk of loss of opportunity to promote the EDF Group's low-carbon energy solutions.

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***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 the public authorities or the regulatory authorities (regulated sale tariff and Tariffs for Using the Public Electricity Transmission and Distribution Networks (TURPE), see section 1.5.3 "Regulatory framework" and section 1.5.2 "Public service in France" of the 2017 *Document de Référence* and note 3.5.1 of the 2018 Half-Year Financial Statements). 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 NOME Act no. 2010-1488 of 7 December 2010 and are now provided for in Articles L. 337-7 to L. 337-9 of the French Energy Code (see section 1.4.2.1.3 "Energy sales contracts at regulated tariff" of the 2017 *Document de Référence*). The French Energy Regulatory Commission (CRE) may ask the Minister of the Economy and the Minister of Energy to limit or block tariff increases, for the same service quality and unless one of the relevant Ministers expresses its opposition to this proposition within three months, such tariff increase limitation or tariff freeze is deemed to have been accepted. Stakeholders may challenge the decisions setting tariffs in the courts. On 24 August 2017, Engie brought a claim before the Council of State for abuse of power against the decision of 27 July 2017 relative to regulated sale tariffs, claiming that the tariffs are contrary to European Union law. By a decision dated 18 May 2018, the *Conseil d'Etat* validated the principle of regulated electricity sales tariffs, notably acknowledging that they serve the public economic interest objective of price stability. However, the *Conseil d'Etat* considered that the regulated tariffs are a disproportionate measure in two respects and made their continuation conditional on changes to the legislative framework to introduce regular reviews of the measure and restrict the regulated electricity sales tariffs in mainland France to residential customers and non-residential sites other than sites "belonging to large firms". It therefore partly cancelled the tariff decision of 27 July 2017. The law must now define the scope of beneficiaries of regulated tariffs and set the frequency of reviews (see section 9.1.7 of the 2018 Half-Year Management Report).

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 2017 *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 arbitrage opportunities on the markets to the detriment of EDF. This therefore exposes EDF symmetrically to major uncertainties that negatively affect the efficiency of its energy markets risk management (see section 2.2.2.1.1 "Control of energy markets risks" of the 2017 *Document de Référence* and section 6.2 of the 2018 Half-Year Management Report). 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, regularisation 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.

***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.

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In France, for example, Enedis does not own all distribution network assets: it operates them under concession agreements negotiated with local authorities (see section 1.4.4.2.2 “Distribution activities” of the 2017 *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 distribution concessions” of the 2017 *Document de Référence*). Furthermore, the EDF Group may not obtain the renewal of these contracts under the same financial terms and conditions.

The deployment by the Enedis public distribution network of smart meters (Linky) began in December 2015 and will continue until 2021 (see section 1.4.4.2.4 “Future challenges” of the 2017 *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 2017 *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 2017 *Document de Référence*). The challenges associated with the renewal of hydraulic concessions in France are specified in section 1.4.1.5.1.4 “Hydropower generation issues” of the 2017 *Document de Référence* and related proceedings issued by the European Commission against the French State are described under “Competitive bidding for hydroelectric concessions in France” in Section 2.4.1 “Legal proceedings concerning EDF” of the 2017 *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.

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 favour 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.

***The legal framework organising the liberalisation of the energy sector in Europe remains recent. This framework may still 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 2017 *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 organising the liberalisation of the energy sector is relatively recent. The legal framework is therefore subject to change in the future (“Energy Package”), and such

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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.

***The next multi-year energy plan (PPE) in France or other energy policies in the countries where the EDF Group operates are likely to lead to profound transformations or hinder the EDF Group in its development compared to its competitors.***

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 implementation would be incompatible with the objectives of the strategic plan or the PPE). At the meeting of the Council of Ministers on 7 November 2017<sup>(41)</sup>, the French government noted the studies carried out by RTE which show that the deadline of 2025 raises significant implementation difficulties in the light of France's climate change commitments of France, whereas France currently has electricity that is amongst the least carbon-dioxide emitting in Europe.

At the same time, 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" of the 2017 *Document de Référence* and section 9.1 of the 2018 Half-Year Financial Statements).

Although EDF complies, and will continue to comply, with the laws and regulations applicable in terms of competition and non-discrimination, competitors have initiated or may initiate litigation for non-compliance with these rules, which could be decided in a direction unfavourable to the interests of the EDF Group.

***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 Articles 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 the third period of the scheme by adding to the original obligation a supplementary scheme for energy savings for households in situations of fuel poverty. Decree no. 2017-690 of 2 May 2017 fixes, over the period 2018-2020, the overall level of obligations, with a doubling of objectives compared to the third period (see section 1.5.6.1 "General regulations that are applicable to the environment, health, hygiene and safety" of the 2017 *Document de Référence*). Regulated tariffs for the sale of electricity are increasing by an average of 0.8% on the first of February 2018, for residential customers and small professionals. This increase, decided by the French government, is compliant with the proposal from the Energy Regulation Commission (CRE) dated 11 January 2018, notably to take into account the increased obligation incumbent upon suppliers in matters of energy savings certificates. In addition, regulated tariffs for the sale of electricity increased by an average of 1.1% on the first of August 2018, for non-residential customers and small professionals. This increase, decided by the French government, is compliant with the proposal from the Energy Regulation Commission (CRE) dated 12 July 2018, notably to take into account the increased risks born by the suppliers, notably those related to portfolio projection due in particular to the increased volatility of wholesale market prices. An increase in competition between energy suppliers, the economic crisis or a reduction in the main sources of energy savings could cause an additional difficulty in reaching this three-year objective. The EDF Group cannot guarantee that the commercial costs incurred in meeting the three-year target will be fully passed on in energy

(41) <http://www.gouvernement.fr/conseil-des-ministres/2017-11-07/trajectoire-d-evolution-de-l-energie-electrique>.

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prices, which would be detrimental to the EDF Group's financial position.

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

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 finalised the disposal of 49.9% of the share capital of the Company that had held all shares in RTE since December 2016. Following the transaction, EDF, the Caisse des Dépôts and CNP Assurances are co-shareholders of the Coentreprise de Transport d'Electricité holding all of the capital of RTE. As RTE is a regulated subsidiary, managed independently according to the provisions of the French Energy Code, EDF is likely to be affected by limits or loss of control over certain strategic and operational decisions, which may have an impact on the outlook for and profitability of its transmission activity in France (see section 1.5 "Legislative and regulatory environment" of the 2017 *Document de Référence*). At the same time, in accordance with the provisions of the French Energy Code, EDF continues, in its capacity as shareholder, to bear certain risks related to the activity of RTE and retains possible liabilities in relation to third parties and to elements that could affect the profitability of RTE's regulated asset base (see Section 1.4.4.1.2.3 "Developments and completion of new capital investments" of the 2017 *Document de Référence*).

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. Enedis has been operational since 1 January 2008. As Enedis is a regulated subsidiary, managed independently according to the provisions of the French Energy Code, EDF is likely to be affected by limits or 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 2017 *Document de Référence*). At the same time, in accordance with the provisions of the French Energy Code, EDF will continue, in its capacity as shareholder, to bear certain risks related to the activity of Enedis and will retain possible liabilities in relation to third parties and to elements that could affect the profitability of assets.

The EDF Group may face similar risks in countries or regions 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

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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 2017 *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 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 provisional amount of expenses that can be attributed to public service energy missions and are to be compensated to EDF reaches €7,206.1 million in 2019, which represents a decrease compared to 2018 (decision of the French Energy Regulatory Commission (CRE) dated 12 July 2018 relating to the assessment of expenses that can be attributed to public service energy missions for 2019).

### Risks related to the competitive and general context

#### ***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 2017 *Document de Référence*). EDF is prepared to face competition in a context of increased competitive intensity (new customer expectations, new regulations, emergence of new players, mergers between existing operators, changes in market prices, etc.). These changes, at constant consumption and price levels, have 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 negatively impact its profitability. 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.). 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 low-carbon 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.

#### ***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 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

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particularly significant in the current context of wholesale energy prices in Europe (see section 5.1.2 “Economic environment” of the 2017 *Document de Référence*).

In France, since the end of regulated tariffs for companies, the EDF Group has been exposed to market prices. The degree of exposure depends on the level of subscription to the ARENH mechanism, which is itself dependent on the level of market prices: market exposure in France is thus at a maximum when no ARENH volume is subscribed and it is then estimated at about 80% of the EDF production in France.

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 2.2.2.2.1 “Control of energy market risks” of the 2017 *Document de Référence* and section 6.2 of the 2018 Half-Year Management Report). 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 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 year ended 31 December 2016).

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 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 energy and the 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 assets or weaken certain of the EDF Group’s counterparties (see section 5.1.2 “Economic environment” of the 2017 *Document de Référence*). The current situation of overall excess capacity of European energy power plants is further weakened by the arrival of new heavily subsidised 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

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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 weather conditions and seasonal variations in the business.***

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, which may result in reactor outages. Hydropower generation is also sensitive to rainfall (quantity and annual distribution) and snowfall with respect to mountain ranges (see section 1.4.1.5.1 "EDF New Energies" of the 2017 *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 1.4.1.5.3 "New renewable energies" of the 2017 *Document de Référence*). The service activities may themselves depend on peak periods, in winter and in summer.

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 favourable 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.

***The EDF Group is exposed to the physical and transition effects of climate change.***

The assets and activities of the EDF Group are likely to be significantly affected by any physical and societal effects of climate change. These effects may be difficult to predict and could have unfavourable consequences for the financial condition of the EDF Group, its 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 climate change adaptation strategy is described in section 3.3.1. "EDF group's decarbonisation strategy" and 3.3.2 "Adapting the EDF Group's business to climate change" of the 2017 *Document de Référence*.

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

The activities of the EDF Group are subject to rules in matters of protection of the environment and public health that are increasingly numerous and demanding, both at the French and European levels.

These rules concern the EDF Group's industrial generation activities, as well as 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 EDF 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 "Regulations applicable to EDF installations and group activities" of the 2017 *Document de Référence*).

The French regulatory framework has been strengthened with the entry into force of the law on the duty of care of parent companies and subcontracting companies requiring them to implement measures relating to the activity of the parent 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.

Non-compliance with these present or future regulations could expose the EDF Group to

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significant litigation (see section 2.4. “Legal proceedings and arbitration” of the 2017 *Document de Référence* and section 9 of the 2018 Half-Year Management Report). 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.

These regulations may be significantly reinforced by the national or European authorities (see section 1.5 “Legislative and regulatory environment” of the 2017 *Document de Référence*), which would have a negative impact on the activities of the EDF Group and its financial situation. The EDF Group continuously performs a monitoring in order to assess the impact of regulatory changes on its activity. The provisions implemented are described in section 3.2 “Environmental and societal requirements” of the 2017 *Document de Référence*.

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.

***As the EDF Group’s majority shareholder, the French State may influence the activities or decisions made by the EDF Group.***

Pursuant to Article L. 111-67 of the French Energy Code, the French State 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 or restructuring 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 results of the referendum in the United Kingdom on the withdrawal from the European Union are likely to have a negative effect on EDF’s overall economic conditions, financial markets and activities.***

In June 2016, a majority of UK citizens voted in favour of withdrawing from the European Union in a national referendum. The consequences of this referendum, and the procedures for the withdrawal of the United Kingdom, are the subject of negotiations within the withdrawal procedure specified by Article 50 of the Treaty on the European Union. The meeting of the European Council of 15 December 2017 enabled the second phase of negotiations to begin. Numerous policies are likely to evolve (monetary, tax, economy, energy...). 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 stabilised. 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. 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 draft law empowering the British Prime Minister to implement the right of withdrawal in accordance with Article 50 of the Treaty on European Union, which was approved by the House of Commons on 1 February 2017, provides for the joint exit from the European Atomic Energy Community established by the “Euratom” treaty, of which the United Kingdom became

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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, with the United Kingdom remaining a member of the International Atomic Energy Agency. However, delays in setting up or deploying the new provisions could disrupt the implementation of ongoing or future projects.

The impact of all these developments on the activity of the EDF Group in the United Kingdom remains limited in the short term (see section 1.4.5.1 “United Kingdom” of the 2017 *Document de Référence*). 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 changes in the profitability conditions for projects and raise questions or even repel investors associated with future projects of the EDF Group in the United Kingdom or in Europe.

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 “The EDF Group is exposed to risks in the financial markets” 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 does business in numerous countries and may face periods of political, economic or social instability.***

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. The forthcoming elections in the countries in which the EDF Group operates are likely to contribute to an environment of political uncertainty, and therefore legislative and regulatory uncertainty, and to a potential deterioration of economic conditions, notably if a country exits 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 EDF Group’s activities are described in section 1.4.5 “International activities” of the 2017 *Document de Référence*. Certain 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 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.

***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

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2017 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 2017 (see note 1.1 to the consolidated financial statements for the financial year ended 31 December 2017).

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.

### Risks related to the transformation of 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 development as an efficient and responsible electricity producer, a champion of low-carbon growth in France, in its core countries in Europe (United Kingdom, Italy, Belgium) and internationally in line with the CAP 2030 strategy, combining the search for drivers of growth with the exploitation of existing assets. The strategy and drivers of the EDF Group's transformation are described in section 1.3 "Strategy of the EDF group" of the 2017 *Document de Référence*. The EDF Group's upstream/downstream integrated model enables better management of the risks related to physical and market uncertainties, with the aim of maximising gross margin (see section 1.4 "Description of the activities of the Group" of the 2017 *Document de Référence*). 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. These programmes may be supplemented by a strategic analysis of assets which may itself lead to a requirement for additional financial agility, giving rise to these disposals.

The EDF Group intends to develop and consolidate its integrated range of services solutions, notably eco-energy efficiency services, within a process of sustainable development that is local to customers and regions. 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 2017 *Document de Référence*). The integration of Dalkia into the EDF Group since 25 July 2014 reinforces this expertise and development sector (see section 1.4.6.1.1 "Dalkia" of the 2017 *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.

In the new energies field, EDF relies primarily on its EDF Énergies Nouvelles subsidiary (see section 1.4.1.5.3 "EDF Énergies Nouvelles" of the 2017 *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.

With regards to nuclear activities, the EDF Group may not achieve the expansion that it anticipates or it may be unable to carry out projects that it has initiated in France and abroad, or it may be unable to carry out such projects over their duration under satisfactory economic, financial and legal conditions. In particular, through partnerships or equity investments, the EDF Group is committed to international projects for the construction and operation of nuclear power plants (notably in China, the United Kingdom and most recently India). These projects require obtaining administrative authorisations, licences, permits and, in certain cases, setting up additional partnerships. These are projects of large-scale and long duration, involving numerous industrial partners and significant investments, for which the financing conditions may still be subject to confirmation. Given the economic climate, obtaining such funding may be delayed. Also, changes to the regulatory framework in certain countries could have an impact on the commitments and liability of EDF. Even when it has negotiated protective contractual arrangements, the EDF Group cannot guarantee that any or all of these projects

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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 an adverse impact on the financial situation of the EDF Group and on its image. For additional information, in particular regarding the integration of Framatome, see below “Specific risks related to the EDF Group’s nuclear activities”.

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 2017 *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 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 “International activities” of the 2017 *Document de Référence*).

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 5.1.3.2 “Investments and partnerships” of the 2017 *Document de Référence*).

External growth operations imply risks including the following: (i) the assumptions adopted by the EDF Group in valuing an acquisition may not prove accurate, particularly concerning anticipated market prices, cost savings, gains, synergies and the profitability; (ii) difficulties relative to the quality and performance of the assets acquired or the liabilities of acquired companies may be undervalued; (iii) difficulties relating to the quality of the counterparty may occur in invoking guarantees of liabilities granted by the seller in the case of acquisition contracts, (iv) difficulties integrating the businesses or companies acquired may occur; (v) the EDF Group may not be able to retain certain key employees, customers or suppliers of the acquired companies; (vi) the EDF Group may be required or wish to terminate pre-existing contractual relationships on costly or unfavourable financial conditions; (vii) 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 (viii) 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.

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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.

***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 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.

***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.***

In a changing environment, the human dimension is more than ever at the heart of EDF’s strategic project, a key factor in the EDF Group’s performance. Anticipating requirements, taking into account changes to occupations and the necessary functional and geographic adaptation lead to the constant development and adaptation of skills. (see section 3.6 “Human resources” of the 2017 *Document de Référence*).

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 3.6.1 “Professional excellence: employment and skill development” of the 2017 *Document de Référence*). Although this situation is an opportunity to adapt the skills of EDF’s personnel to the new challenges of the EDF Group, replacing these employees requires anticipating requirements and transferring knowledge and coping with the competition to recruit the most qualified individuals, while EDF’s attractiveness as an employer.

The EDF Group considers matching skills to requirements as a major challenge and therefore uses the appropriate measures to be able to acquire, retain, redeploy, develop or renew the skills that it will need in a timely manner 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.

***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 network managers). Therefore, certain decisions made within these joint organisations can have an impact on EDF, in particular on its costs and on the manner 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 labour relations, financial results and financial position (see section 1.4.4.2.3 "Service shared by Enedis and GRDF" of the 2017 *Document de Référence*).

***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 2017). 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. Depending on the case, at the end of 2017, these 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 2017, the average duration of employee benefits commitments was 19.7 years in France and 21.0 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 below, "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.

### **Risks related to the operational performance of the EDF Group**

***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 meeting of the Board of Directors on 22 April 2016 adopted a performance plan which includes a reduction in operating expenses, actions to optimise the working capital requirement, control of net investments (excluding Linky, excluding HPC and excluding new developments), and an asset disposal plan. By press release dated 13 November 2017, EDF announced that it was accelerating the deployment of this performance plan. The aim of reducing operating expenses in 2018 compared to 2015 was therefore increased to €800 million instead of €700 million and is set at €1.1 billion in 2019 compared to 2015. The disposal plan of €10 billion, which was to be completed by the end of 2020, should be almost finished by the end of 2018. Total net investments, excluding

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acquisitions and asset disposal plans 2015-2020, will be less than or equal to €15 billion in 2018. These target figures were confirmed in the 2018 Half-Year Management Report. However, the EDF Group cannot guarantee that the performance improvement programmes that it implements will have the anticipated results or that these results will be obtained according to the planned timetable, nor that they will be sufficient to cope with regulatory and economic developments.

***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 development of the industrial activities of the EDF Group requires numerous administrative permits, both at the 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 arbitrations" of the 2017 *Document de Référence* and section 9 of the 2018 Half-Year Management Report). 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 its business, expansion or financial position.

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

As part of its activity, the EDF Group has to plan or carry out, as project manager or prime contractor, projects that are inherently complex and require significant investments. The completion of such projects may be subject to numerous technical, operational, economic, regulatory or environmental contingencies which might delay or prevent completion and thereby negatively impact the EDF Group's activities, its income, the value of its assets, its financial position and outlook. The risks associated with EPR projects are covered below in section "Specific risks related to the EDF Group's nuclear activities".

***Technological choices made by the EDF Group may be outperformed by more efficient technologies, notably in matters of the digital transition.***

In order to anticipate technological and societal developments, the EDF Group constantly monitors the identification and use of technological innovations and breakthroughs. 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 standardisation 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, notably concerning the digital transition, 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 the 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, its attractiveness as an employer, its reputation and its prospects.

***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. Furthermore, the EDF Group is fully committed to the digital transition. 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 (see section 2.2.2.2.4 "Security of information systems" of the 2017 *Document de Référence*). 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.

***The EDF Group operates facilities that may cause significant harm to the natural or human environment or for which accidents, or external damage of natural or malicious origin, could have serious consequences.***

The risks specific to nuclear facilities are the subject of an additional explanation in section below entitled "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, in accordance with the provisions of the French Energy Code, the necessary 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 electrical networks 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 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 construction, development, upgrading or operation of the transmission and distribution network (see section 1.5.6.1 "General regulations that are applicable to the environment, health, hygiene and safety" of the 2017 *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. The EDF Group's facilities may be located in industrial areas where other activities subject to similar risks are conducted, which means that

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the EDF Group's own facilities may be impacted by accidents occurring at neighbouring facilities owned by other operators and not under the EDF Group's control.

In accordance with ISO 14001 (see section 3.1.8.2 "Management and prevention of environmental risks" of the 2017 *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 neighbouring 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 2017 *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. 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 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 activities, results, reputation and financial position.

***Repeated or widespread blackouts in an area served, 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 the section below entitled "Specific risks related to the EDF Group's nuclear activities" – "The nuclear power plants that the EDF Group operates may require significant or costly repairs or modifications").

The causes of blackouts may vary: local or regional imbalances between electricity generation and consumption, accidental interruptions to the power supply or transmission, cascading power failures, interconnection problems at borders and difficulty in coordinating operators, particularly in a market that may be 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 regularly evaluated and tested (see section 2.2.2.1.2 “Crisis management and business continuity” of the 2017 *Document de Référence*).

As was the case with storms Klaus (2009) and Xynthia (2010) in France, and Irma (2017) in the Antilles, natural disasters (e.g., floods, landslides, earthquakes), other significant weather changes (e.g., droughts, heat, waves), or any other event on a scale that is difficult to predict (large-scale epidemics, etc.) may affect the EDF Group’s activities. The EDF Group, based on its national and international experience of events of this type, implements measures to strengthen the robustness of its facilities, particularly industrial ones, and to limit the impact and consequences in the event of large-scale events. Experience feedback for major nuclear accidents at the international level is discussed in section entitled “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 2017 *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, 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 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.

The measures taken by the EDF Group for radiation protection are described in the 2017 *Document de Référence* in sections 1.4.1.1.3 “Environment, nuclear safety and radiation protection” for France and 1.4.5.1.2.1 (“Nuclear Generation”, paragraph “Safety and radiological protection”) for the United Kingdom.

Regarding asbestos, the EDF 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 2017 *Document de Référence*. For a description of on-going legal proceedings, see sections 2.4.1 “Legal proceedings concerning EDF”, paragraph “Asbestos” and 2.4.2 “Legal proceedings concerning EDF’s subsidiaries and holdings”, paragraph “Measures taken by employees concerning exposure to asbestos or other harmful chemical substances”, of the 2017 *Document de Référence*.

### ***Labour disputes could have an adverse impact on the EDF Group’s business.***

The EDF Group implements measures to maintain the quality of employee/management dialogue. However, it cannot rule out labour disputes or unrest, such as strikes and walkouts, actions in support of claims or other labour disturbances, which could disrupt its activity. The

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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's results are sensitive to fluctuations in the price and availability of materials and services 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 combined cycle gas turbine power stations, wind turbines, photovoltaic panels and services and equipment in the nuclear sector.

***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 activities or pay contractual penalties or meet additional ASN requirements, if any). 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 EDF Group in connection with its exposure to the counterparty risk inherent in its contractual relationships are described in section 2.2.2.2.2 "Control of financial risks and investments" of the 2017 *Document de Référence*.

***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 rating of the EDF Group's entities by rating agencies. The EDF Group's debt is periodically rated by independent rating agencies (see section 5.1.6.1.2 "Financial rating" of the 2017 *Document de Référence* and section entitled "Recent Events" of this Base Prospectus). Any downgrading of EDF's debt rating could increase the cost of refinancing existing loans and have a negative impact on the EDF Group's ability to obtain financing;
- counterparty risk, in the financial area, may be covered by the use of margin calls. In the event of high volatility in the markets, the EDF Group may have to mobilise cash (see section 5.1.6.1.1.2 "Management of liquidity risk" of the 2017 *Document de Référence* and section 6.1.1.2 of the 2018 Half-Year Management Report);
- exchange rate risk: due to the diversity of its activities and their geographical distribution, 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 recognised in that other currency will decline (or increase). Moreover,

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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 2017 *Document de Référence* and section 6.1.3 of the 2018 Half-Year Management Report).

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 (see section 5.1.6.1.3 "Management of foreign exchange risk" of the 2017 *Document de Référence* and section 6.1.3 of the 2018 Half-Year Management Report).

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" and 5.1.6.1.6 "Management of financial risk on EDF's dedicated asset portfolio" of the 2017 *Document de Référence* and section 6.1.5 of the 2018 Half-Year Management Report);
- interest rate risk: the EDF Group is exposed to risks related to changes in interest rates in the various countries in which it operates. These rates depend partly on the decisions of the central banks. Increases in interest rates could affect the EDF Group's ability to obtain financing under optimum conditions or even its ability to refinance itself if the markets are very tight. 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 the EDF Group's discounted liabilities and (ii) the risk of changes in cash flows associated with variable-rate financial assets and liabilities. Downward variations in interest rates could notably affect the value of the EDF Group's long-term commitments in the nuclear field and its commitments in matters of retirement and other specific provisions in favour of the employees, which are discounted with discount rates which depend on interest rates with different time frames. 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 below entitled "Specific risks related to the EDF Group's nuclear activities", in the paragraph "Provisions booked by the EDF Group for spent fuel processing operations, recovery and packaging of waste and long-term waste management may increase significantly in the event that the assumptions for the costs and work time sequencing are revised") (and see section 5.1.6.1.4 "Management of interest rate risk" of the 2017 *Document de Référence* and section 6.1.4 of the 2018 Half-Year Management Report).

The impact on income before tax of a 0.5% fluctuation in interest rates would be around +€240million<sup>(42)</sup> (impact on the financial result in relation to the cost of the debt and the accretion expense of the provisions, and on the gross operating surplus in relation to the benefits to the personnel).

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 be around €12 million (see section 5.1.6.1.4 "Management of interest rate risk" of the 2017 *Document de Référence*).

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 fiscal year ended 31 December 2017) and its commitments for pensions and other specific employee benefits (see note 31 to the consolidated financial statements for the fiscal year ended 31 December 2017), which are discounted to their present value

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(42) This estimate is only indicative and does not purport to present the comprehensive economic effects of a rate increase for the EDF Group.

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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.

With regards to the regulations on the ceiling discount rate, the order dated 29 December 2017 changes the statutory discount rate ceiling. The new formula leads, progressively over 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 over the four previous years of the thirty-year constant maturity rate (TEC 30), increased by 100 basis points.

Given past and expected changes in rates, this new formula, which takes into account progressively the transition from the 4.3% regulatory rate to an average rate calculated over four 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 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 dedicated assets once the coverage rate reaches 110%, as is shown by the situation at the end of 2017, where the increase in the provision of €0.7 billion (€0.6 billion for provisions to be covered by the dedicated assets), caused by the 0.1% drop in the discount rate, was not compensated fully by an allocation to dedicated assets because an allocation of €0.4 billion will suffice to achieve the coverage rate of 110%;
- the period within which the allocation is made, as applicable rules provide for the option to set a maximum three-year time period to proceed with the allocation, subject to approval by the supervisory authority.

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 presented in chapter 6 of the 2017 *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 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 policy and principles concerning the management of the EDF Group's financial risks are described in section 5.1.6.1 "Management and control of financial risks" of the 2017 *Document de Référence* and in section 6.1 of the 2018 Half-Year Management Report. The control of financial risks is described in section 2.2.2.2.2 "Control of financial risks" of the 2017 *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.

***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.***

Notwithstanding the fact that the EDF Group has taken all necessary measures to ensure the compliance of its practices with the regulations in force, a risk of non-compliance cannot be totally ruled out.

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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 2017 *Document de Référence* as well as in section 9 of the 2018 Half-Year Financial Statements. 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 globalisation of the EDF Group’s activities and the strengthening of regulatory frameworks repressing unethical practices especially 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 modernisation 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 2017 *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.

### Specific risks related to the EDF Group’s nuclear activities

The EDF Group is the world’s leading nuclear operator in terms of the number of reactors in operation (73 reactors for which the EDF Group is the nuclear operator, among 453 operating reactors in the world)<sup>(43)</sup>. With 58 reactors in operation in France<sup>(44)</sup>, nuclear-generated electricity represents 48.3% of the installed power generation capacity at the end of 2017 and 71.6% of total electricity generation in France in 2017<sup>(45)</sup>. EDF also operates 15 reactors in the United Kingdom with 19.3% of total electricity generation in 2017<sup>(46)</sup>.

The EDF Group has basic nuclear fuel cycle facilities and has had new activities in research, equipment manufacture and the supply of services to other nuclear operators, since the integration of the subsidiary New NP, which became Framatome, within the scope of the EDF Group.

In addition, the EDF Group holds minority stakes in nuclear power plants in operation in the United States (through CENG), Belgium and Switzerland, which it does not operate. The EDF Group is investing in new reactor projects in France, the United Kingdom, China and India and carries out its nuclear industrial activity in other countries. The share of nuclear energy, as a low-carbon form of energy and a part of the EDF Group’s electricity mix, thus represents a significant industrial asset for the competitiveness of the EDF Group.

The nuclear activities of EDF are associated with the following issues:

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<sup>(43)</sup> Source: International Atomic Energy Agency, Power Reactor Information System, <https://www.iaea.org/pris> indicating that there are 453 nuclear reactors in operation in the world on August 5, 2018

<sup>(44)</sup> Source: International Atomic Energy Agency, Power Reactor Information System, <https://www.iaea.org/pris>

<sup>(45)</sup> Source: RTE, <http://www.rte-france.com/fr/article/bilans-electriques-nationaux>

<sup>(46)</sup> Source: International Atomic Energy Agency, Nuclear Power Reactors in the World, 2018 Edition;

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- as with any nuclear operator, the latter's obligations means giving ongoing priority to nuclear safety, based on technical and organisational 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;
- although the nuclear business can contribute effectively to the security of energy supply and to combating the greenhouse effect, it must also demonstrate its competitiveness and its acceptance over the different time scales in which it operates. As the nuclear business inherently requires substantial and long-term investments, special care must be taken with regard to the long-term soundness and efficiency of the maintenance and upgrading programmes 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 partners in France, Europe and throughout the world. In France, EDF was assigned, by the public authorities, the role of lead company in the nuclear sector, with the integration of the New NP subsidiary, which became Framatome, which involves specific risks associated with the exercise of this responsibility and the activities of Framatome;
- in light of the fact that EDF is the world's largest nuclear operator, exploiting global feedback and making comparisons with best practices internationally <sup>(47)</sup> 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. Such projects in turn require the acquisition and mastery of innovative technologies, notably at the digital level.

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

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 (*i.e.*, 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 an equivalent capacity. Accordingly, the early closure of one or more reactors in the EDF fleet might be decided upon, not because of an industrial choice but rather because of a legal decision. Such decisions must lead to EDF being compensated for the harm suffered, as reiterated by the French Constitutional Council in a decision of 13 August 2015. In this regard, concerning the nuclear power plant at Fessenheim, discussions with the French State have led to a draft procedure, approved by the European Commission, defining the principles for compensation and which is described in section 1.4.1.1.6 "Decommissioning of nuclear power plants" of the 2017 *Document de Référence*. This protocol, authorised by EDF's Board of Directors, provides for a compensation scheme based on an initial fixed part estimated to date at approximately €490 million with a payment forecast of 20% in 2019 and 80% in 2021 and an additional variable part which may, as the case may be, result in further payments, as a consequence of the loss of earnings incurred for EDF until 2041. The 2016 amended Finance Law no. 2016-1918 dated 29 December 2016 opened a specific account in order to finance the compensation procedure between the French State and EDF relative to the early closure of the nuclear power plant at Fessenheim. Lastly, it may be decided that new nuclear construction projects, in which the EDF Group has already invested considerable sums, should be halted. This issue potentially concerns all the EDF Group's nuclear assets.

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.

***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,

<sup>(47)</sup> Exploitation of standards and feedback from the International Atomic Energy Agency and the World Association of Nuclear Operators (WANO).

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particularly in France, a system in place that monitors and periodically re-examines basic nuclear facilities, which focuses, firstly on nuclear safety, protection of the environment and public health, but also on security considerations regarding malicious acts (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 2017 *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. Increased number of requests emanating from the French ASN (*Autorité de sûreté nucléaire – ASN*) and enhanced controls may increase EDF's compliance costs and risks.

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

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

The EDF 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 2017 *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 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 2017 *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 periodic reviews 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 2017 *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 programme 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, additional inspections carried out to check compliance or confirm nuclear safety, and non-programmed security upgrades to increase security margins, led to a loss of production of more than 6TWh in 2017. 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 2017 *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, China and the United States, and it may also be required to make costly repairs or modifications to these units or could face 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

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experience and anticipating potentially precursory events.

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 power 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.

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

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.

Despite the measures taken during their design or operation, a serious accident at a nuclear facility cannot be ruled out, such as the nuclear accident in Japan, on the Fukushima Daiichi site, following the earthquake and tsunami of 11 March 2011. The way in which the feedback from this accident was taken into account in France is described in section 1.4.1.1.5 "Preparing for the future of the nuclear fleet in France, chapter on additional safety assessments following the Fukushima accident" of the 2017 *Document de Référence*. A further accident like this anywhere in the world could turn public opinion against nuclear power and lead the competent authorities to tighten power plant operating requirements substantially 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 such 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 may not be able to obtain authorisation to continue the operation of its reactors beyond the period currently planned, or it may not even be authorised to exploit them up to the end of this period.***

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 nuclear 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 2017 *Document de Référence*). Accordingly, at the end of 2017, more than 85% of the 900MW segment units have undergone their third ten-year inspection and, for 11 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 that it has enacted.

To postpone the construction of new units and the related investments, and to continue to benefit from the low-carbon production and cash flows coming from its existing fleet, the EDF Group aims to extend the operating lifespan of its nuclear fleet 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 900MWe reactor (VD4-900), which was the subject of the permanent "Guidelines" group meeting of April 2015. This periodic 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,

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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 operation and developments in knowledge and rules which might apply to similar facilities. The ASN will examine, reactor by reactor, the continuation of operation based on a report giving the conclusions of the periodic re-examination, taking into account the results of inspections and requalification tests. The first concluding report on the fourth re-examination of the 900 reactor series should be available in February 2020 for Tricastin 1. In addition, the Chairman of the ASN confirmed that the generic opinion would be given in 2020 (instead of 2019) and that binding instructions applicable to EDF would be presented in 2021 by the ASN. The ASN should base its opinion on the following key elements: the Memorandum on Response to Objectives, which was transmitted on 28 February 2018 to the ASN and provides an assessment of the measures proposed by EDF in the context of the fourth periodic re-examination of the 900 reactor series; the results of the public consultation on the generic phase of the re-examination, which will be launched in the second half-year of 2018 under the supervision of the High Committee for Transparency and Information on Nuclear Safety; the conclusions of the permanent “reactors” group currently planned for 2020; and the first concluding report on the fourth periodic re-examination, which should be submitted by EDF in February 2020 for the first reactor concerned. For each reactor and for each authorisation stage, the ASN will decide on the measures taken by the operator and may give additional instructions. Solutions are being studied to demonstrate the capacity of non-replaceable equipment such as the containment building and reactor vessels, to ensure their operation up to 60 years. These studies, which rely on data available in France and internationally<sup>(48)</sup> aim to confirm the safety margins available for the operating lifespans that are being investigated beyond 40 years.

In 2016, all the technical, economic and governance conditions necessary for the amortisation 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 as of 31 December 2017). The consolidated financial statements dated 31 December 2017 incorporate the extension from 40 to 50 years of the amortisation period of the 900MW PWR units (except Fessenheim), without prejudice to any decisions which might be made by the ASN regarding authorisations to continue operations, unit by unit, following each ten-year inspection.

The accounting period of the other series of France’s nuclear fleet (1,300MW and 1,450MW), which are more recent, currently remains at 40 years, because the conditions for an extension have not been met. The future extension of these other series remains one of the EDF Group’s industrial objectives, undertaken in line with the orientations of its energy policy.

However, the EDF Group cannot guarantee that it will receive the expected operating lifespan extension from the competent authorities. 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 lifespan 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 plant by 20 years after the currently planned 40 years (see section 1.4.5.1.2.1 “Nuclear generation” of the 2017 *Document de Référence*). However, in light of the nuclear 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

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<sup>(48)</sup> The Nuclear Regulatory Commission (NRC) staff has defined subsequent license renewal (SLR) to be the period of extended operation from 60 years to 80 years. <https://www.nrc.gov/reactors/operating/licensing/renewal/subsequent-license-renewal.html>.

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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 requirement to make 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.

### ***The construction and operation of the first EPR could encounter difficulties that might affect other projects.***

The EDF Group has initiated the construction of the European Pressurized water Reactor (EPR) (see section 1.4.1.2 "New Nuclear Projects" of the 2017 *Document de Référence*) in order to renew its nuclear fleet in France and to enable construction of new facilities in Europe and internationally. This "third generation" reactor was designed based on experience gained from the existing fleet, to provide significant progress in safe operation. No reactor of this design is yet in operation anywhere in the world and the industrial and financial challenges associated are very great for the EDF Group. The commercial commissioning of a reactor is preceded by a long period of start-up tests, which begin with the first tests enabled by the completion of the first electro-mechanical assemblies and which continue with the full-scale commissioning tests. This period is punctuated by authorisations from the Safety Authority, notably including the authorisation to load nuclear fuel which precedes the authorisation for start-up and the first criticality of the reactor itself.

If any generic measures to be taken may be anticipated from feedback on EPR projects, difficulties may occur during the start-up tests and at the beginning of operation of each of the EPR projects, and have an impact on the other projects. These difficulties may be such as to raise further questions about the authorisation conditions of the safety authorities of the countries concerned, or to compromise the economic performance or even the return on investment expected from the various projects. This could have an adverse impact on the EDF Group's financial position. These various difficulties could slow or prevent the implementation of other EPR projects which the EDF Group may undertake.

In France, the continuation of the start-up tests of the Flamanville 3 reactor could encounter new uncertainties. In September 2015, EDF submitted a new timetable and updated construction costs for this project for a total amount of 10.5 billion euros<sup>(49)</sup>. The cold functional testing was carried out successfully. Following detection in March 2018 of quality deviations on certain welds of the main secondary system of the Flamanville EPR, EDF performed additional control and announced in July 2018 the setting up of corrective actions. It led to adjustments of the implementation timetable and the budget for the project in July 2018. The loading of nuclear fuel is now scheduled for the 4<sup>th</sup> quarter in 2019 and the target construction costs have been revised from €10.5 billion to €10.9 billion. The hot functional testing are scheduled to commence before the end of 2018. The state of progress of the project is given in section 1.4.1.2.2 "Update on the Flamanville EPR project" of the 2017 *Document de Référence* and in the "Recent Events" section of this Base Prospectus.

Sticking to this revised timetable and this adjusted budget nevertheless depends on the success of the start-up tests that are still to be done and on obtaining the various permits that must still be delivered by the ASN. The three expert committees mandated by the ASN help bring together all of the technical requirements the EPR must satisfy. At the end of 2017, 95% of the file for the commissioning application had been investigated and a permanent experts' group will be set up by 2019 to enable the ASN to make a decision on the authorisation to load nuclear fuel. The EDF Group might have to cope with new uncertainties, might not obtain the expected permits or they might be compromised by judicial or administrative decisions.

In China, the EDF Group has a 30% stake alongside its Chinese partner CGN within TNPJVC (Taishan Nuclear Power Joint Venture Company Limited), which will operate two EPR reactors in Taishan. The profitability of these two reactors remains subject to obtaining favourable conditions for the purchase of electricity. The timetable for the start-up of the two reactors was

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<sup>(49)</sup> In 2015 euros, excluding interim interest.

reviewed in 2017 by the majority shareholder (CGN) and commercial commissioning of the first reactor occurred as planned in 2018, and that of the second reactor is scheduled in 2019. Taishan 1, which has successfully completed its preparatory work and testing phases, was granted permission by the Chinese Ministry of Ecology and Environment to load the reactor with fuel on 10 April 2018. On 29 June 2018, it was the first EPR reactor in the world to be successfully connected to the grid. Following this first connection, the reactor is undergoing a period of gradual power-up tests. Once the Taishan 1 reactor has passed all these tests, it will then be tested in steady-state conditions at full power (see sections 1.4.1.2.3.2 “Taishan EPR” and 1.4.5.3.6.1 “Activities in China” of the 2017 *Document de Référence* and the “Recent Events” section of this Base Prospectus).

In the United Kingdom, control of the design and bringing the manufacturing and the construction site under control will determine the profitability of the Hinkley C project and the financing of any future projects in the United Kingdom. The EDF Group has a 66.5% stake in the Hinkley Point C project, alongside its Chinese partner CGN for 33.5%. The milestone for pouring the first nuclear safety concrete for the building in unit 1 is planned for mid-2019, providing that the final design has been determined by the end of 2018. Meeting these milestones will determine the deadline for the commercial commissioning of the first reactor, which is planned for the end of 2025 (see sections 1.4.1.2.3.1 “Hinkley Point C EPR” and 1.4.5.1.2.5 “Nuclear New Build Division” of the 2017 *Document de Référence*). The costs to finish the project are now estimated at £19.6 billion (2015 values)<sup>(50)</sup>, up by £1.5 billion (2015 values) compared to previous evaluations. This estimate depends on the success of operational action plans, in partnership with the suppliers. The estimated cost overruns, net of action plans, result essentially from a better appreciation of the design, which have been adapted to meet regulatory requirements, the volume and sequencing of work on the site and the gradual implementation of supplier contracts with management controls that are appropriate to the challenges. The forecast rate of return (IRR) for EDF is now estimated at about 8.5%, compared with around 9% initially. In addition, the risk of a postponement of commercial commissioning is estimated at 15 months for unit 1 and nine months for unit 2. This risk would entail potential additional cost of around £0.7 billion (2015 values). In this case, the IRR for EDF would be about 8.2%<sup>(51)</sup>. The IRR for the project is sensitive to exchange rates and could be reduced if the pound sterling continues to drop in relation to the euro

EDF has also signed two other contracts with CGN relative to studies on two nuclear construction projects in the United Kingdom, Sizewell C and Bradwell B. Agreements that secure the income of Hinkley Point C specify a price revision to the contract for difference in the event of an investment decision concerning Sizewell C. The ability of EDF to take a final investment decision and to finance these projects beyond the development phase could depend on the management of the Hinkley Point C project, the existence of partners and an appropriate regulatory and financial framework.

***The EDF Group depends, for its nuclear business, on a limited number of players for specific skills.***

Although the EDF Group has adopted a policy of diversifying its suppliers and service providers for its nuclear business, it is currently dependent on a limited number of contractors and individuals who have the specific skills and necessary experience. This limits competition in 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 Orano, Westinghouse, GE and Alstom, but also for most nuclear industry manufacturers and the principal maintenance service providers (see section 2.3 “Dependency factors” of the 2017 *Document de Référence*). Changes to the shareholding or governance of these various providers may also have an impact on the cost, the operational continuity of ongoing contracts and the cost of services provided or delivered products.

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<sup>(50)</sup> Excluding interim interest and excluding exchange-rate effects in relation to a reference exchange rate for the project of £1 = €1.23.

<sup>(51)</sup> IRR calculated at the July 2017 exchange rate (£1 = €1.16). Any changes to the exchange rate could affect the IRR.

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***The creation of Edvance and the successful integration of Framatome into the EDF Group could enable new synergies and strengthen the industrial efficiency and competitiveness of the sector.***

Control of the design, by the nuclear operator, of nuclear reactors is a nuclear safety issue. The creation of Edvance comes within the integrated producer-supplier concept, which has been proven in several countries for industrial reactors for electricity generation, and which has contributed to enabling EDF to becoming currently the number one nuclear operator worldwide. On 17 May 2017, the Board of Directors of EDF approved the creation of Edvance, which concluded the merger of EDF's Engineering Departments and AREVA NP. It was an essential milestone in the overhaul of the French nuclear sector that was announced in June 2015. Edvance takes charge of basic design and implementation projects (studies, assistance with supply, assembly and commissioning) for nuclear islands and the command and control systems of new reactors under construction, in France and internationally. EDF holds 80% of the share capital of the company and Framatome holds 20%. This new entity was created independently of the acquisition by EDF of New NP on 31 December 2017, which became Framatome on 4 January 2018. The success of this transformation will determine the competitiveness of the nuclear sector, the success of the ongoing and future EPR projects and the financial performance of the EDF Group (see section 1.4.1.2.3.4 "The creation of Edvance" of the 2017 *Document de Référence*).

Following the approval of their respective Boards of Directors on 13 and 14 December 2017, AREVA SA and EDF signed, on 22 December 2017, the final binding agreements fixing the terms of the transfer of an equity holding giving EDF exclusive control of Framatome. The contracts for the EPR Olkiluoto 3 project and the resources required to complete the project, as well as certain contracts relating to components forged in the Le Creusot plant, stay within AREVA NP, in AREVA SA's scope. This signature took place following the positive opinion issued by the ASN on the commissioning of the Flamanville 3 reactor vessel. This also followed on from the implementation and satisfactory conclusions of the quality audits carried out in the plants at Le Creusot, Saint-Marcel and Jeumont, concerning contracts taken over by Framatome. For these contracts, in any case, EDF remains guaranteed by AREVA SA against any residual risk resulting from these audits.

In particular, EDF is continuing its comprehensive review of the manufacturing records of the components coming from the Le Creusot Forge plant (71), installed on its nuclear reactors in operation. This project falls within AREVA's quality plan that has been ongoing since 2015, in association with EDF and under the control of the ASN. The in-depth examination of these records resulted in a list of findings concerning traceability and the transcription of documents, as well as the performance of manufacturing operations. Each of these records is analysed to demonstrate the ability of the equipment concerned to function in complete safety. The comprehensive review of the Le Creusot Forge manufacturing records will continue until 31 December 2018. It cannot be ruled out that the conclusions of these analyses might have a negative impact on the availability of EDF's nuclear reactors or on the financial performance of the EDF Group. Neither can it be ruled out that a quality issue in manufacture for nuclear operators other than EDF might also have an impact on the financial performance of the EDF Group.

A 75.5% stake in the share capital of New NP was acquired by EDF on 31 December 2017. New NP, which became Framatome on 4 January 2018, is the entity formed from the AREVA Group, which brings together industrial activities, design and supply of nuclear reactors and equipment, fuel assemblies and services to the installed base (see section 1.4.1.3 "Framatome" of the 2017 *Document de Référence*).

The success of the integration of Framatome within the EDF Group, which involves convergence on the approach to nuclear projects and the development of synergies arising from this, should enable the French nuclear industry to be more efficient, responsive and effective in carrying out major work such as the "Grand Carénage" programme to overhaul the fleet in operation and the implementation of new nuclear projects. The non-achievement of these objectives could compromise the competitiveness of the nuclear sector in France and that of the EDF Group in its international development.

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

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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 Orano 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 2017 *Document de Référence*). Prices and availability of uranium and conversion and enrichment services are subject to fluctuations due to political and economic and other factors 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 reactors, the EDF Group relies on the 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 2017 *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 back-end part of the nuclear fuel cycle is described in section 1.4.1.1.4 "Nuclear fuel cycle and related issues" of the 2017 *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 radioactive 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 Orano group and the French National Agency for the Management of Radioactive Waste (ANDRA)), in particular in the event of a breach by such contractors.

In France, the long-term management of radioactive waste has been the subject of various initiatives under 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" – "High-Level Long-Lived Waste ("HAVL")" of the 2017 *Document de Référence*). The EDF Group cannot guarantee that all long-life high- and medium-level waste will constitute "final radioactive waste" (*déchets radioactifs ultimes*) within the meaning of Article L. 542-1-1 of the French Environment Code and, therefore, that such waste may be directly stored in deep

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geological layers, especially as the Order no. 2016-128 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” – “Storage of packaged residual waste” of the 2017 *Document de Référence*).

Within the framework of the National Plan for Radioactive Materials and Waste Management (PNGMDR) for 2016-2018, the ASN and the Directorate General for Energy and Climate (DGEC) asked EDF to propose a solution to procure new spent fuel storage capacity for the timeframe of 2025-2035. Pool storage was deemed preferable, by EDF together with the ASN, and a safety option file was submitted at its request. The ongoing public debate regarding the PNGMDR for 2019-2021 should rule on the solution to be adopted.

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 2017 *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”).

For nuclear power plants which EDF does not operate, but in which it has financial interests (United States, Belgium, Switzerland, China), the EDF Group is exposed financially in proportion to its shareholding to contributing 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, recovery and packaging of waste and long-term waste management may increase significantly in the event that the assumptions for the costs and the sequencing of the works 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 2017) 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 2017 *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 2017 and section 1.4.1.1.4 “The nuclear fuel cycle and related issues” of the 2017 *Document de Référence*). Following new calculations of the costs of deep storage under the supervision of the 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 cost was included in the accounts of the EDF

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Group at the end of 2015 (see note 29.1.2 to the consolidated financial statements for the financial year ending on 31 December 2017). The current estimate is based on the preliminary design assumptions and will be regularly revised based on the progress of the project, as stated in the Ministerial order. Opinion n°2018-AV-0300 from the ASN dated 11 January 2018 relative to the safety options file presented by Andra for the Cigeo project to store radioactive waste in a deep geological layer specifies that the project has achieved satisfactory overall technological maturity at the stage of the safety options file. The reservations that remain and the supplementary investigation that will be carried out for Andra to obtain construction approval for the geological storage area may lead to a revision of the provisions for long-term waste management.

However, the amount of current provisions is likely to change in the next few 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 2017).

Note 19.2.1 "Nuclear provisions in France" to the 2018 Half-Year Financial Statements indicates the connection between "costs based on economic conditions", which represent estimated amounts as at 30 June 2018, and "amounts in provision at present value". With regards to the management of spent fuel, the expenses based on economic conditions at 30 June 2018 are evaluated at €19,325 million and the corresponding provision is €10,897 million. Concerning the long-term management of waste and the recovery and packaging of waste, the expenses based on economic conditions at 30 June 2018 are evaluated at €30,707 million and the corresponding provision is €9,797 million, as the discounting effect is very significant due to distant waste storage maturities. Note 29.1.5.2 "Analyses of sensitivity to macro-economic assumptions" to the consolidated financial statements as 31 December 2017 indicates the analyses of sensitivity of provisions and EDF Group's results to a discount rate change, for the different types of provisions, as of such date.

***Provisions booked by the EDF Group for decommissioning operations for nuclear facilities 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.***

Operations ongoing concerning the power plants that were built and operated before the current nuclear fleet, as well as the Superphenix power plant ("first generation" power plants). These operations cover four different reactor technologies: heavy water reactor (Brennilis), sodium-cooled fast reactor (Superphenix at Creys-Malville), graphite-moderated and gas-cooled reactor (UNGG reactors at Chinon, Saint Laurent and Bugey) and the PWR at Chooz. These operations were firsts for EDF and with the exception of the PWR, they concern reactor technologies for which international feedback is low or non-existent. They therefore require the development of new methods and technologies which involve greater risk than technologies for which feedback is already available. The decommissioning of the PWR at Chooz does benefit from some feedback (essentially American and of a limited nature) but it has the innovative specific feature of being located in a cave, which also makes it an unusual operation for which experience is not immediately transferable and which includes specific risks.

The feedback from the PWR at Chooz will enable consolidation, as far as possible, of the studies and estimates on the future costs of decommissioning the nuclear fleet currently in operation (power plants of the "second generation"). However, neither EDF nor any other operator has currently begun a decommissioning programme on a scale comparable to that of the current PWR fleet and the estimates therefore involve risks that are associated in particular with this scale effect (see section 1.4.1.1.6 "Decommissioning of nuclear power plants" of the 2017 *Document de Référence*).

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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 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 2017 *Document de Référence*). The Act no. 2006-739 dated 28 June 2006 provided for a dedicated storage centre for Low-Level Long-Life waste (FAVL), such as graphite. ANDRA submitted a progress report in July 2015 under the national plan for the management of radioactive materials and radioactive waste (PNGMDR). This report assesses several storage concepts and allows for the possibility of storage of graphite waste on the Soulaines site. An overall industrial scheme for the management of all FA-VL radioactive waste is planned by the PNGMDR before the end of 2019. (See section 1.4.1.1.4 “The nuclear fuel cycle and related issues”.) 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 2017). 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 2017). Accordingly, in 2016, the EDF Group revised quotations and the provisions arising from them 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 had been made public in January 2016 by the aforementioned authority. The annual review carried out in 2017 did not lead to any significant adjustment of the provision.

With regards to the provision for decommissioning the nuclear electricity generation fleet in France, the costs based on economic conditions at 30 June 2018 are evaluated at €27,176 million and the corresponding provision is €15,475 million. As for the last core provision, costs based on economic conditions at 30 June 2018 are estimated at €4,332 million and provision at present value amounts are valued €2,4567 million, as the discounting effect is very significant due to distant waste storage maturities. Note 29.1.5.2 “Analyses of sensitivity to macro-economic assumptions” to the consolidated financial statements for the fiscal year ended on 31 December 2017 indicates the analyses of sensitivity of provisions and the EDF Group’s results to a discount rate change, for the different types of provisions, as at such date.

The provisions of Framatome and SOCODEI in relation to the basic nuclear facilities in France stand respectively at €81 million and €43 million (see note 30 “Other provisions for decommissioning” to the consolidated financial statements for the fiscal year ended 31 December 2017). 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” of the 2017 *Document de Référence*).

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.***

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In France, as of 30 June 2018, the market value of EDF's portfolio of dedicated assets was €28.144 billion, compared to €28.115 billion as of 31 December 2017 (see note 22.1 "Valuation of EDF's dedicated assets" to the 2018 Half-Year Financial Statements, 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" and note 47.3 to the consolidated financial statements for the financial year ended 31 December 2017).

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 allocations 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, 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 2017 *Document de Référence* for a sensitivity analysis), which could require EDF to allocate 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 2017 *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 standards<sup>(52)</sup>, 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 the EDF Group's industrial sites, 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 2017 *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 2017 *Document de Référence*), provide for these maximum amounts to be increased and a

<sup>(52)</sup> Exploitation of standards and feedback from the International Atomic Energy Agency and the World Association of Nuclear Operators WANO.

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 euros in the event of a nuclear accident in a facility and 70 million euros 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 EDF Group's civil liability as a nuclear operator is described in section 2.5.6.1 "Civil liability of nuclear facility operators" of the 2017 *Document de Référence* and for insurance coverage for transport of nuclear materials in section 2.5.6.2 "Civil liability for transport of nuclear substances" of the 2017 *Document de Référence*.

Property damage to EDF's nuclear facilities is covered by insurance programmes (see section 2.5.6.3 "Damage to nuclear facilities" of the 2017 *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 in March 2011.

### 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 6 to 33 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 130 to 169 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 and/or in any other Member State of the European Union to which the Base Prospectus has been passported from time to time (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

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) complies with the determination of the target market assessment in respect of the Notes and distribution channels identified under the "MiFID II Product Governance" legend set out in the relevant Final Terms; (d) 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; (e) 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; (f) 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); (g) 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 (h) 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.

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 2017 *Document de Référence* filed with the AMF under no. D.18-0133 on 15 March 2018 prepared by the Issuer (hereafter the “**2017 Document de Référence**”) which (a) contains, *inter alia*, the audited consolidated financial statements of the Issuer for the year ended 31 December 2017 and the statutory auditors report on such financial statements and (b) incorporates by reference the annual consolidated financial statements of the Issuer for the year ended 31 December 2016 and the statutory auditors report on such financial statements (as included in the 2016 *Document de Référence* filed with the AMF under no. D.17-0125 on 6 March 2017), with the full exception of the following items (originally included in the 2017 *Document de Référence*), which are hereby explicitly excluded from the scope of incorporation to this Base Prospectus:
  - Chapter 8.1.2 of the 2017 *Document de Référence* relating to the EDF Chairman and Chief Executive Officer's declaration of responsibility regarding the content of the 2017 *Document de Référence*; and
  - the section entitled “2018 targets confirmed” included in Chapter 5.4 of the 2017 *Document de Référence* relating to the financial targets announced for 2018;
- (b) the Issuer's half-year management report as at 30 June 2018 (*rapport semestriel d'activité*) (the “**2018 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 2018 (the “**2018 Half-Year Financial Statements**”);
- (d) the statutory auditors' review report on the 2018 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**”);
- (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

## Documents incorporated by reference

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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 2017 *Document de Référence* includes the statutory auditors' special report on agreements involving members of the Board of Directors for the financial year ended 31 December 2017 in Section 7.5.4.

This report corresponds to French law specific requirements and is addressed to EDF's shareholders only. In addition, the procedures and practices followed by the statutory auditors in France in respect to such report 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 report.

Attention is also drawn to the statutory auditors' report included in Section 6.4 of the 2017 *Document de Référence*, which includes the statutory auditors' verifications on the information on corporate governance prepared in accordance with Article L.225-235 of the French commercial code (see Section 4.7 of the 2017 *Document de Référence* which refers to Section 6.4 therein), and the statutory auditors' review report on the 2018 interim condensed consolidated financial statements for the six-month period ended 30 June 2018. 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 2017 *Document de Référence* includes for the information of the reader the key audit matters relating to risks of material misstatement that were of most significance 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 Issuer's website ([www.edf.com](http://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 and at the specified offices of each of the Paying Agents.

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](http://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 2014/65/EU, 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 2018 Half-Year

## Documents incorporated by reference

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Management Report, the 2018 Half-Year Financial Statements and the statutory auditors' review report in connection therewith.

Free English translation of the 2017 *Document de Référence*, the 2018 Half-Year Management Report and the 2018 Half-Year Financial Statements are 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)**

<b>Rule</b>	<b>2017 <i>Document de Référence</i> (DR) / 2018 Half-Year Management Report (HYMR) / 2018 Half-Year Financial Statements (HYFS)</b>
<b>1. PERSONS RESPONSIBLE</b>	
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
<b>2. STATUTORY AUDITORS</b>	
2.1.	Names and addresses of the Issuer's auditors for the period covered by the historical financial information Chapter 8, Section 8.2 (page 493) (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
<b>3. SELECTED FINANCIAL INFORMATION</b>	
3.1.	Selected historical financial information Chapter 6, Section 6.5 (page 468) (DR)
3.2.	Selected financial information for interim periods Section 1 (pages 7-8) (HYMR)
<b>4. RISK FACTORS</b>	
	Prominent disclosure of risk factors that may affect the issuer's ability to Chapter 2, Section 2.1 (pages 106-124) (DR)

## Documents incorporated by reference

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fulfil its obligations under the securities to investors in a section headed 'Risk Factors'

### 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 476) (DR)
- 5.1.2. Place of registration of the Issuer and its registration number Chapter 7, Section 7.1.2 (page 476) (DR)
- 5.1.3. Date of incorporation and the length of life of the Issuer Chapter 7, Section 7.1.3 (page 476) (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 7.1.4 (page 476) (DR)
- 5.1.5. Recent events Chapter 5, Section 5.2 (page 292), Chapter 6, Section 6.1, note 50 (page 404) and Section 6.3, note 42 (page 464) (DR)
- Section 3.1 (page 15), Section 3.3 (page 16), Section 10 (page 44) (HYMR)
- Note 3 (pages 23-29), Note 25 (page 56) (HYFS)
- 5.2. Investments**
- 5.2.1. Principal investments Chapter 1, Section 1.3.3.1 (page 15), Chapter 5, Section 5.1.5.1.1.2 (page 276) (DR)
- Section 3.1 (page 15) (HYMR)
- Note 14 (pages 36-39) (HYFS)
- 5.2.2. Principal future investments Chapter 1, Section 1.3.3.2 (pages 15-16) (DR)
- Section 3.1 (page 15) (HYMR)
- 5.2.3. Anticipated sources of funds Chapter 1, Section 1.3.3.2 (pages 15-16) (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 16-79) (DR)

## Documents incorporated by reference

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- 6.1.2. Indication of any significant new Chapter 1, Section 1.4 (pages 16-79) (DR) products and/or activities.

### **6.2. Principal markets**

A brief description of the principal Section 2 (pages 9-14), Section 3.2 (page 16) markets in which the Issuer (HYMR) competes

Note 3.5 (pages 25-29) (HYFS)

- 6.3. Basis for any statements made by Chapter 1, Section 1.4.2.1.2 (page 42) and the Issuer regarding its competitive Section 1.4.5.1.2.4 (pages 59-60) (DR) position

## **7. ORGANISATIONAL STRUCTURE**

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

## **8. TREND INFORMATION**

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

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

## Documents incorporated by reference

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### 9. PROFIT FORECASTS OR ESTIMATES

- 9.1. A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. N/A
- 9.2. A report prepared by 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. N/A

### 10. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

- 10.1. Names, business addresses and functions in the Issuer of members of the administrative, management or supervisory bodies Chapter 4, Section 4.2 (pages 226-249) and Section 4.3 (pages 250-251) (DR)
- 10.2. Administrative, Management and Supervisory bodies' conflicts of interests Chapter 4, Section 4.4.1 (page 252) (DR)
- Potential conflicts of interest Note 24 (page 56) (HYFS)

### 11. BOARD PRACTICES

- 11.1. Audit committee Chapter 4, Section 4.2.3.1 (pages 245-246) (DR)
- 11.2. Corporate governance regime(s) Chapter 4, Section 4.1 (pages 224-225) (DR)

### 12. MAJOR SHAREHOLDERS

- 12.1. To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or 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 Chapter 7, Section 7.3 (pages 479-484) (DR)
- 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 484) (DR)

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

#### 13.1. Historical Financial Information

## Documents incorporated by reference

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- (a) balance sheet Chapter 6, Section 6.1 (page 298) and Section 6.3 (pages 414-415) for the year ended 31 December 2017 (DR)
- Chapter 6, Section 6.1 (pages 322-323) and Section 6.3 (pages 440-441) for the year ended 31 December 2016 of the 2016 *Document de Référence* for the year ended 31 December 2016
- Page 4 at 30 June 2018 (HYFS)
- (b) the income statement Chapter 6, Section 6.1 (page 296) and Section 6.3 (page 413) for the year ended 31 December 2017 (DR)
- Chapter 6, Section 6.1 (page 320) and Section 6.3 (page 439) for the year ended 31 December 2016 of the 2016 *Document de Référence* for the year ended 31 December 2016
- Page 2 at 30 June 2018 (HYFS)
- (c) cash flow statement; and Chapter 6, Section 6.1 (page 299) and Section 6.3 (page 416) for the year ended 31 December 2017 (DR)
- Chapter 6, Section 6.1 (page 324) and Section 6.3 (page 442) for the year ended 31 December 2016 of the 2016 *Document de Référence* for the year ended 31 December 2016
- Page 5 at 30 June 2018 (HYFS)
- (d) the accounting policies and explanatory notes. Chapter 6, Section 6.1 (pages 301-408) and Section 6.3 (pages 417-464) for the year ended 31 December 2017 (DR)
- Chapter 6, Section 6.1 (pages 326-436) and Section 6.3 (pages 443-496) for the year ended 31 December 2016 of the 2016 *Document de Référence* for the year ended 31 December 2016
- Notes 1-25 at 30 June 2018 (pages 10-56) (HYFS)

### **13.2. Financial statements**

If the Issuer prepares both own and consolidated financial statements, include at least the consolidated

Chapter 6 (pages 295-474) for the year ended 31 December 2017 (DR)

Chapter 6 (pages 319-506) for the year ended 31 December 2016 of the 2016 *Document de*

## Documents incorporated by reference

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financial statements in the *Référence* for the year ended 31 December 2016 registration document.

Pages 2-7 at 30 June 2018 (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 295-474) for the year ended 31 December 2017 (DR), including the Statutory Auditors' report on the consolidated financial statements (pages 409-412) and the Statutory Auditors' report on the financial statements (pages 465-467)

Chapter 6 (pages 319-506) for the year ended 31 December 2016 of the 2016 *Document de Référence* for the year ended 31 December 2016, 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)

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

13.3.3. Where financial data in the 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. N/A

### **13.4. Age of latest financial information**

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

### **13.5. Interim and other financial information**

13.5.1. If the Issuer has published quarterly or half yearly financial 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. HYFS (pages 1-56) and the related Statutory Auditors' review report

## Documents incorporated by reference

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- 13.5.2. If the registration document is 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. N/A
- 13.6. Legal and arbitration proceedings information on any governmental, legal or arbitration proceedings** Chapter 2, Section 2.4 (pages 133-140) (DR)  
Section 9 (pages 38-44) (HYMR)
- 13.7 Significant change in the issuer's financial or trading position N/A

### 14. ADDITIONAL INFORMATION

#### **14.1. Share Capital**

- 14.1.1. The amount of the issued capital, 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. Chapter 6, Section 6.1, note 27 (pages 356-357) to the consolidated financial statements for the year ended 31 December 2017 (DR)

#### **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 476) and Section 7.2 (pages 476-479) (DR)

### 15. MATERIAL CONTRACTS

A brief summary of all material contracts Chapter 1, Section 1.4.1.1.6 (pages 26-28), Section 1.4.1.3 (page 31), Section 1.4.5.1.2.5 (pages 60-62), Chapter 5, Section 5.1.3.1 (pages 267-268), Section 5.1.3.2 (page 268), Chapter 6, Section 6.1, note 3.2 (pages 322-324), note 3.4.1 (pages 325-326), note 3.4.2 (page 326), note 3.7.2 (page 327), note 3.7.5 (page 328) to the consolidated financial statements for the year ended 31 December 2017, Chapter 7, Section 7.6 (page 489) (DR)

Section 3.1 (page 15), Section 3.3 (page 16), Section 10 (page 44) (HYMR)

## Documents incorporated by reference

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

- 16.1. Where a statement or report N/A 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 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 493) (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

## **Documents incorporated by reference**

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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 EEA 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 to be admitted to trading on Euronext Paris or on a Regulated Market, 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 (if indicated in the relevant Final Terms) credit with a nominal amount of Notes the accounts of subscribers with 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 14 September 2018 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 ("**EEA**") as defined in Directive 2014/65/EU on markets in financial instruments of 15 May 2014, as amended, and as listed on the website of Europa ([http://ec.europa.eu/internal\\_market/securities/isd/mifid\\_fr.htm#reg\\_markets](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 Articles L.211-3 *et seq.* and R. 211-1 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 SA/NV ("**Euroclear**") and the depository bank for Clearstream Banking S.A. ("**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 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.

- (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.

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- (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, 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

## Terms and Conditions of the Notes

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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 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 (as defined in Condition 5 (*Interest and Other Calculations*)), 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

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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 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.

"**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)

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the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

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"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" 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

"**D<sub>2</sub>**" 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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" 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

"**D<sub>2</sub>**" 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.

- (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:

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"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" 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 D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" 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 D<sub>2</sub> 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.

"**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 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 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) 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.

**"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 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
  - (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:

$$\text{CMS Rate} + \text{Margin}$$

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

## Terms and Conditions of the Notes

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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 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 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

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Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

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 unexpired 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

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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 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

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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 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.213-0-1 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.213-0-1 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.
- (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 non-U.S. 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

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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;
  - (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

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together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured 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 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 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 TRADCN3, 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.
- (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

## Terms and Conditions of the Notes

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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.

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

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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 Notes have a denomination of less than EUR 100,000 or its equivalent in other currencies at the time of issue and 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**").

(i) **Legal personality**

The Masse will be a separate legal entity and will act in part through a representative of the Masse (the "**Representative**") and in part through a general meeting of the Noteholders (a "**General Meeting**"). The provisions of the French *Code de commerce* relating to the *Masse* shall apply, as completed by, and subject to, the provisions of this Condition 11(a).

(ii) **Representative of the Masse**

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.

In the event of death, liquidation, retirement, resignation 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.

(iii) **General Meetings**

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.

In accordance with Article R. 228-71 of the French Code de commerce, the right of each holder of a Dematerialised Note to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 00:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting.

In accordance with Articles L. 228-59 and R. 228-67 of the French Code de commerce, notice of date, hour, place and agenda of any General Meeting will be made as provided under Condition 15 not less than 15 calendar days prior to the date of such General Meeting on first convocation, and 5 calendar days on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence and, in accordance with Article L. 228-61 of the French Code de commerce, in the case of Dematerialised Notes only, by videoconference or by any other means of telecommunication allowing the identification of participating Noteholders.

Decisions of General Meetings once approved will be published in accordance with the provisions set forth in Condition 15. The decisions referred to in Articles R.228-61, R.228-79 and R.236-11 of the French Code de commerce will be published, to the extent permitted by such Articles, in accordance with Condition 15.

(iv) **Written resolutions and Electronic Consent**

Pursuant to Article L. 228-46-1 of the French *Code de commerce*, but in respect of any Series of Dematerialised Notes only, 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. 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. Pursuant to Article L. 228-46-1 of the French *Code de commerce*, 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 15 not less than 15 calendar days prior to the date fixed for the passing of such Written Resolution (the “**Written Resolution Date**”). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with 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 dispose 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. of the nominal amount of the Notes outstanding. References to a Written Resolution include, unless the context otherwise requires, a resolution approved by Electronic Consent.

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- (b) If the Notes have a denomination of at least EUR 100,000 or its equivalent in any other currency or are issued outside France for the purpose of Article L.228-90 of the French *Code de Commerce* and if the applicable Final Terms specify “**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:

(i) **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 of the Noteholders (the “**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.

(ii) **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:

- (a) 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
- (b) 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
- (c) 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
- (d) 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.

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, liquidation, retirement, resignation 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.

(iii) ***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.

(iv) ***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.

In accordance with Articles L. 228-59 and R. 228-67 of the French *Code de commerce*, notice of date, hour, place and agenda of any General Meeting will be made as provided under Condition 15 (*Notices*) not less than 15 calendar days prior to the date of such General Meeting on first convocation, and 5 calendar days on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence, and, in accordance with Article L.228-61 of the French *Code de commerce*, in the case of Dematerialised Notes only, 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.

(v) ***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*).

(vi) ***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 fifteen (15) calendar days prior to the date fixed for the passing of such Written 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. References to a Written Resolution include, unless the context otherwise requires, a resolution approved by Electronic Consent.

(c) **Information to Noteholders**

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting and Written Resolution Date, 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 or submitted in writing to the Noteholders, 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 or the Written Resolution.

(d) **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 seeking of a Written Resolution and, more generally, all reasonable and duly documented administrative expenses resolved upon by the General Meeting or in writing by the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(e) **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.

(f) **One Noteholder**

Whether the relevant Final Terms specify “Full Masse” or “Contractual Masse” if and for so long as the Notes of any Series are held by a single Noteholder, the provisions of this Condition will not apply. Such sole Noteholder shall hold a register of the decisions it will have taken in this capacity, shall provide copies of such decisions to the Issuer and shall make them available, upon request, to any subsequent holder of any of the Notes of 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 *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 bought in such courts.

## Terms and Conditions of the Notes

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- (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 (through RTE<sup>1</sup>, an entity accounted for using the equity method), distribution (through Enedis), sales and marketing, efficiency and energy services, and energy trading. It is the leading player in the French electricity market and holds strong positions in Europe (mainly in the United Kingdom (UK), Italy and Belgium), 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 129.3GWe<sup>2</sup> as at 31 December 2017, generating 580.8TWh, the EDF Group has one of the largest generation fleets in the world. Among the ten largest global power suppliers, it produces the smallest amount of CO<sub>2</sub> per kilowatt-hour generated<sup>3</sup> 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 35.1 million customer<sup>4</sup> accounts worldwide (of which 26.5 million in France).

The EDF 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.

In addition, the EDF Group is present in the regulated electricity transmission and distribution sectors, in particular via RTE and Enedis, respectively, which are fully independent subsidiaries as defined by the French 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, embodying each of these three priorities.

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<sup>1</sup> Transmission network operator, independently managed within the meaning of the French Energy Code.

<sup>2</sup> Source: EDF. Figures calculated according to consolidation accounting rules.

<sup>3</sup> Source: comparison based on data published by these ten groups.

<sup>4</sup> One customer can have two customer accounts: one for electricity and another for gas.

## Description of the Issuer

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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, Citelum and other subsidiaries (Sodetrel, Edelia, Netseenergy) allows to support its customers in achieving energy performance and developing decentralised local systems. In 2017, EDF launched the "EDF Solutions énergétiques" brand to promote this product offering to all its customers.

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 Sowe in 2016 (a subsidiary offering Connected Home innovative products and solutions, that was further diversified in 2017) reflects the EDF Group's commitment to meeting the new expectations of its customers, especially with regard to 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 efficiency solutions for its customers (insulation, high-efficiency solutions, deployment of innovative digital tools);
- 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*" ("My sun and me");
- by developing and operating heating networks that use renewable and recovery energies;
- by creating *EDF Nouveaux Business*, an incubator of in-house and external projects aimed at testing and exploring new business sectors, creating new drivers of growth for the EDF Group and bringing customers a new range of products and innovative services.

Finally, the development of renewable energies, the deployment of the Linky<sup>5</sup> 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).

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<sup>5</sup> 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.

## Description of the Issuer

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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, the EDF Group, as a part of CAP 2030, has made a commitment to six corporate responsibility goals (see section below entitled “sustainable development”).

### *Very low carbon generation: nuclear and renewable energies*

To remain the leader in very low carbon electricity generation, 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 very 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 its economic and carbon competitiveness has been demonstrated. In 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; investments are being made to extend the operating life of the entire UK nuclear fleet by an average of eight years compared with its initial service life;
- 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 building and operation 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 acquisition by EDF of the exclusive control of the activities of AREVA NP corresponding to the design and supply of nuclear boilers and fuel assemblies performed by the company now named Frametome, 75.5% owned by EDF;
- the preparation of the reactors of the future with the EPR 2 project, conducted jointly with Frametome;
- the development of the activities of Edvance;

## Description of the Issuer

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- the development of the EPR for the export market (with, in particular, decision taken in India).

With regard to renewable energy, the new means developed will be essentially onshore and offshore wind power, solar energy and hydropower. In December 2017, EDF announced the Solar Plan: a development plan of solar energy, aimed at installing 30GW of solar power in France between 2020 and 2035. The development of these assets outside France is undertaken in line with the EDF Group's international strategy. In this respect, the EDF Group strengthened in 2017 its integration in the renewable energy industry by developing new projects, not only in France, but also in the United States, the UK, Germany, Middle East, Brazil, Chile, India and China.

In line with the very low carbon generation priority, EDF supports the need to implement measures to increase the price of CO<sub>2</sub> in order to guarantee, if possible at the European level, a CO<sub>2</sub> price that is sufficient and consistent with the energy transition goals. The UK and the Netherlands have adopted these pricing measures and the French government supports the principle. EDF believes that such measures should be applied to all electricity generation 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 EDF Group is also expanding outside Europe, by pursuing three long-term objectives: to make some non-European countries core countries for the EDF Group, to channel its investment choices to contribute to the global energy transition, and to triple (between 2015 and 2030) the share of the "Grand International" in the EDF Group's business.

EDF is thus deploying a targeted approach in geographic terms and is giving priority to low carbon hydraulic, wind and solar generation projects as well as energy services and engineering activities.

Gas-to-power infrastructure projects are also being developed where they are a key component of the energy transition.

With respect to new nuclear, EDF will draw on the breadth of its experience and the expertise of Framatome to develop new opportunities in the international market (India, South Africa, etc.).

### *Transformation*

Health and safety, digital and new work practices, responsibility and simplification, skills and the recognition model are the five major levers of the EDF Group's transformation.

The EDF 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. The EDF Group has streamlined and simplified its policies, bringing them down from 200 to 40 while making them simpler to apply.

## Description of the Issuer

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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 creation of EDF Nouveaux Business, a department in charge of “new businesses”, has complemented the skills EDF is gradually developing in order to meet the challenges in this field. It will use the levers of incubation, investment in external start-ups (through the Electranova funds) or technological partnerships

The digital transformation involves employees and internal modus operandi, customer relations and the management and design of industrial assets. The creation at end 2016 of a Transformation and Operational Efficiency Department, which combines the EDF Group’s activities relating to information systems, purchasing, real estate and shared services, reflects the EDF Group’s desire to speed up in this field.

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 EDF 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 plan, EDF has made a commitment to corporate responsibility, in connection with the UN’s new sustainable development programme (2015-2030), through six corporate responsibility goals. The EDF Group has committed to presenting annual results that lay down a roadmap for the EDF Group’s businesses and subsidiaries to serve a profitable and responsible development:

- climate change: going beyond the requirements of the 2°C trajectory defined by COP 21 by further reducing the EDF Group’s CO<sub>2</sub> emissions, which are already at remarkably low levels compared to the EDF Group’s main European counterpart<sup>6</sup>;
- human development: incorporating the best practices of industrial groups in the field of human development: health & safety, gender equality and internal promotions;
- energy poverty: offering all vulnerable populations information and solutions to support them in their energy consumption and help them assert their rights;
- energy efficiency: innovating through digital energy efficiency solutions so that each customer can optimise their consumption;
- dialogue and consultation: organising systematically and worldwide an initiative of dialogue and consultation which is transparent and open for each new project;
- biodiversity: launching a positive approach of biodiversity, not merely being aware of or decreasing the impacts of our activities in order to have a positive effect.

### *Cap 2030 success factors*

CAP 2030 enables the EDF 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:

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<sup>6</sup> 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>

## Description of the Issuer

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- the expansion of the range of offers and exemplary customer relations;
- the management of major projects, in particular the new models for nuclear reactors, the “Grand carénage” programme or the development of the Nuclear New Build in the United Kingdom;
- the selectiveness of investments in projects, the transformation of the EDF Group’s modus operandi and the commitment of all;
- cost control.

In this context, the EDF Group confirmed in 2017 the deployment of the performance plan announced on 22 April 2016 and updated the targets as shown below:

- a reduction in operating expenses<sup>1</sup> of €0.8 billion from 2015 to 2018; at end 2017, the cumulative reduction amounted to €0.7 billion compared with 2015, which means the initial target has been reached a year ahead of schedule;
- an asset disposal plan of approximately €10 billion between 2015 and 2020 that should be almost completed by the end of 2018. At end of 2017, the completed transactions represented approximately €8.1 billion;
- a €1.8 billion working capital requirement optimisation plan from 2015 to 2018; the target has been exceeded at end 2017, with a cumulative contribution of €1.9 billion over the period 2015-2017.

The EDF Group is also continuing its efforts to control net investments (excluding Linky, new developments and assets disposals), with a target of approximately €11 billion in 2018.

On 28 March 2017, EDF announced that it had successfully completed its €4 billion capital increase, to which the French government has committed €3 billion, in line with its commitment, representing c.75% of the capital increase. The proceeds of the capital increase will be used mainly to finance the EDF Group’s development operation between 2017 and 2020, in accordance with the CAP 2030 strategy, as well as to strengthen the EDF Group’s financial flexibility.

### Key figures as at 31 December 2017

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 2017 are prepared under the international accounting standards published by the IASB and approved by the European Union for application at 31 December 2017. 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 2017.

The figures presented in the present Base Prospectus are taken from the EDF Group’s consolidated financial statements at 31 December 2017.

The EDF Group’s key figures for 2017 are shown in the following tables.

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<sup>1</sup> At comparable scope and exchange rates. At constant pension discount rates. Excluding change in operating expenses of service activities.

## Description of the Issuer

### Extract from the consolidated income statements

<i>(in millions of Euros)</i>	2017	2016	Variation	Variation (%)	Organic growth (%)
Sales	69,632	71,203	(1,571)	-2.2	-1.0
Operating profit before depreciation and amortisation (EBITDA)	13,742	16,414	(2,672)	-16.3	-14.8
Operating profit (EBIT)	5,637	7,514	(1,877)	-25.0	-23.2
Income before taxes of consolidated companies	3,401	4,181	(780)	-18.7	-15.5
EDF net income	3,173	2,851	322	+11.3	+13.7
Net income excluding non-recurring items <sup>(1)</sup>	2,820	4,085	(1,265)	-31.0	-29.3

*<sup>(1)</sup> 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 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 "Net income excluding non-recurring items" of the 2017 Document de Référence).*

### Extract from the consolidated balance sheets

<i>(in millions of Euros)</i>	31/12/2017	31/12/2016
Non-current assets	156,899	147,626
Inventories and trade receivables	37,549	37,397
Other assets	63,649	66,238
Cash and cash equivalents, other liquid assets and loans joint ventures	22,655	25,159
Assets held for sale	-	5,220 <sup>(1)</sup>
<b>TOTAL ASSETS</b>	<b>280,752</b>	<b>281,640</b>
Equity (EDF's share)	41,357	34,438
Equity (non-controlling interests)	7,341	6,924
Special concession assets	46,323	45,692
Provisions	76,857	74,966
Loans and other financial liabilities	55,670	61,230
Other liabilities	53,204	56,281
Liabilities related to assets classified as held for sale	-	2,109 <sup>(2)</sup>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>280,752</b>	<b>281,640</b>

*<sup>(1)</sup> Including €104 million of financial assets impacting net indebtedness.*

*<sup>(2)</sup> Including €1,458 million of financial liabilities impacting net indebtedness.*

## Description of the Issuer

### EDF Group cash flow

<i>(in millions of Euros)</i>	2017	2016	Variation	Variation (%)
<b>Group cash flow <sup>(1)</sup></b>	<b>(209)</b>	<b>(1,565)</b>	<b>1,356</b>	<b>+86.6</b>

*<sup>(1)</sup> 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.*

### Details of net indebtedness

<i>(in millions of Euros)</i>	31/12/2017	31/12/2016	Variation	Variation (%)
Loans and other financial liabilities	56,846	65,195	(8,349)	-12.8
Derivatives used to hedge liabilities	(1,176)	(3,965)	2,789	-70.3
Financial liabilities reclassified as liabilities related to assets held for sale <sup>(1)</sup>	-	1,458	(1,458)	-100.0
Cash and cash equivalents	(3,692)	(2,893)	(799)	+27.6
Available-for-sale financial assets – Liquid assets	(18,963)	(22,266)	3,303	-14.8
Financial assets reclassified as assets held for sale <sup>(1)</sup>	-	(104)	104	-100.0
<b>NET INDEBTEDNESS <sup>(2)</sup></b>	<b>33,015</b>	<b>37,425</b>	<b>(4,410)</b>	<b>-11.8</b>

*<sup>(1)</sup> Net indebtedness of assets held for sale in 2016 principally concerned CTE (the Company that holds 100% of RTE - An independent EDF subsidiary as defined in the French Energy Code) and Polish companies.*

*<sup>(2)</sup> Net indebtedness is not defined in the accounting standards and is not directly visible in the EDF Group's consolidated balance sheet. It comprises total loans and financial liabilities, less cash and cash equivalents and liquid assets. Liquid assets are financial assets consisting of funds or securities with initial maturity of over three months that are readily convertible into cash and are managed according to a liquidity-oriented policy.*

### Key figures as at 30 June 2018

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 2018 are prepared 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 2018. 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 2018.

The figures presented in the present Base Prospectus are taken from the EDF Group's condensed consolidated half-year financial statements at 30 June 2018.

The comparative figures for the half-year ended 30 June 2017 presented in the notes to the condensed consolidated financial statements have been restated for the impact of retrospective application of IFRS 15 "Revenue from Contracts from Customers". As a consequence of these restatements, sales and energy purchases as published at 30 June 2017 have been reduced, with no impact on EBITDA (see note 2.1 to the condensed consolidated half-year financial statements at 30 June 2018).

## Description of the Issuer

IFRS 9 “Financial Instruments” became mandatory on 1 January 2018. It introduces new principles for classification and measurement of financial instruments, impairment for credit risk on financial assets, and hedge accounting. In application of the simplified approach allowed by IFRS 9, the comparative figures for the first year of application have not been restated. The transition measures and the new standard’s principal implications for the EDF Group are presented in note 2.2 to the condensed consolidated half-year financial statements at 30 June 2018.

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 2017.

The EDF Group’s key figures for the first half of 2018 are shown in the following table.

### Extract from the consolidated income statements

<i>(in millions of Euros)</i>	H1 2018	H1 2017 restated <sup>(1)</sup>	Variation	Variation (%)	Organic growth (%)	H1 2017 published
Sales	35,175	33,298	1,877	+5.6	+4.0	35,723
Operating profit before depreciation and amortisation (EBITDA)	8,231	6,996	1,235	+17.7	+18.9	6,996
Operating profit (EBIT)	3,650	3,882	(232)	-6.0	-1.2	3,882
Income before taxes of consolidated companies	2,013	2,894	(881)	-30.4	-23.9	2,894
EDF net income	1,726	2,005	(279)	-13.9	-8.7	2,005
Net income excluding non-recurring items <sup>(2)</sup>	1,739	1,370	370	+27.0	+34.6	1,370

<sup>(1)</sup> The figures published at 30 June 2017 have been restated to reflect the impact of application of IFRS 15 standard on sales.

<sup>(2)</sup> Net income excluding non-recurring items is not defined by IFRS, and is not directly visible in the EDF Group’s consolidated income statement. It corresponds to the EDF Group’s share of net income (EDF net income) excluding non-recurring items, net changes in the fair value of energy and commodity derivatives (excluding trading activities), and net changes in the fair value of debt and equity securities, net of tax (see section 4.9 “Net income excluding non-recurring items” of the 2018 Half-Year Management Report)

### From EDF net income to net income excluding non-recurring items

<i>(in millions of Euros)</i>	H1 2018	H1 2017
EDF net income	1,726	2,005
Gain on sale of 49.9% of the EDF Group’s investment in CTE <sup>(1)</sup>	-	(1,289)
Other, including net changes in fair value on energy and commodity derivatives, excluding trading activities and changes in the fair value of debt and equity instruments	(36)	291
Impairment	49	363
<b>NET INCOME EXCLUDING NON-RECURRING ITEMS</b>	<b>1,739</b>	<b>1,370</b>
Payments to bearers of perpetual subordinated bonds	(378)	(394)

## Description of the Issuer

<b>NET INCOME AFTER PAYMENTS TO BEARERS OF PERPETUAL SUBORDINATED BONDS</b>	<b>1,361</b>	<b>976</b>
<i>(1) The company that holds 100% of RTE's shares (an independent EDF subsidiary as defined in the French Energy Code).</i>		

## Group cash flow

<i>(in millions of Euros)</i>	<b>H1 2018</b>	H1 2017	Variation	Variation (%)
Group cash flow <sup>(1)(2)</sup>	1,599	1,482	117	+7.9
<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 changes in working capital and net investments, allocations and withdrawals from dedicated assets, and dividends (see section 5 of the 2018 Half-Year Management Report).</i>				
<i>(2) Before the capital increase</i>				

## Details of net indebtedness

<i>(in millions of Euros)</i>	<b>30/06/2018</b>	31/12/2017	Variation	Variation (%)
Net indebtedness <sup>(1)</sup>	31,275	33,015	(1,740)	-5.3
Equity (EDF share)	43,955	41,357	2,598	+6.3
Net indebtedness/EBITDA	2.1 <sup>(2)</sup>	2.4		
<i>(1) Net indebtedness is not defined in the accounting standards and is not directly visible in the EDF Group's consolidated balance sheet. It comprises total loans and financial liabilities, less cash and cash equivalents and liquid assets. Liquid assets are financial assets consisting of funds or securities with initial maturity of over three months that are readily convertible into cash and are managed according to a liquidity-oriented policy (see note 20.3 to the condensed consolidated half-year financial statements at 30 June 2018).</i>				
<i>(2) The ratio at 30 June 2018 is calculated based on cumulative EBITDA for the second half of 2017 and the first half of 2018.</i>				

## Members of the Board of Directors as at 14 September 2018

*Directors appointed by the General Shareholders' Meeting*

Jean-Bernard Lévy  
 Oliver Appert  
 Philippe Crouzet  
 Bruno Lafont  
 Bruno Lechevin  
 Marie-Christine Lepetit  
 Colette Lewiner  
 Maurice Gourdault-Montagne  
 Laurence Parisot  
 Claire Pedini  
 Michèle Rousseau

*Representative of the French State*

Martin Vial

*Employee Representatives*

Christine Chabauty  
 Jacky Chorin  
 Christophe Cu villiez  
 Marie-Hélène Meyling  
 Jean-Paul Rignac  
 Christian Taxil

## Description of the Issuer

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The business address of all directors in the context of their duties is that of EDF's registered office.

### 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 RTE <sup>1</sup>, 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'électricité et bénéficie de positions fortes en Europe (notamment au Royaume-Uni, en Italie et en Belgique) qui en font l'un des électriciens leader dans le monde et un acteur gazier reconnu.

Avec une puissance installée nette de 129,3 GWe<sup>2</sup> dans le monde au 31 décembre 2017 pour une production mondiale de 580,8 TWh, le Groupe EDF 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 CO<sub>2</sub> par kilowattheure produit<sup>3</sup> 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 35,1 millions de comptes client<sup>4</sup> dans le monde (dont 26,5 millions en France).

Le Groupe EDF 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 EDF 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 renouvelable ;

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<sup>1</sup> Gestionnaire du réseau de transport géré en toute indépendance, au sens des dispositions du Code de l'énergie.

<sup>2</sup> Source : EDF. Chiffres calculés conformément aux règles de consolidation comptable.

<sup>3</sup> Source : comparaison basée sur les données publiées par ces dix groupes.

<sup>4</sup> Un client peut avoir deux comptes client : un pour l'électricité et un autre pour le gaz.

## Description de l'Émetteur

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- développement international.

En tout, ce sont plus d'une quinzaine de programmes qui ont été lancés depuis 2015, concrétisant chacune de ces trois priorités stratégiques.

L'atteinte de cette ambition repose également sur un programme de transformation en quatre axes : simplification, innovation et numérique, responsabilisation et performance, ambition humaine et compétences.

### *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, Citelum 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. EDF a lancé en 2017 la marque « EDF Solutions énergétiques » pour mettre en avant cette gamme d'offres auprès de l'ensemble de ses clients.

S'agissant des clients particuliers, le Groupe EDF propose et continue de développer une gamme de services énergétiques numériques, commercialisée en France et dans les « pays coeurs européens » (Royaume-Uni, Italie, Belgique). Ainsi, le lancement en 2016 de Sowe (filiale proposant des offres innovantes dans le domaine de la maison connectée et dont la gamme s'est enrichie en 2017) témoigne de l'engagement du Groupe 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, 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'efficacité énergétique auprès de ses clients (isolation, solutions à haut rendement, déploiement d'outils numériques innovants) ;
- 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 ;
- en créant EDF Nouveaux Business, incubateur de projets internes et externes visant à tester et explorer de nouveaux domaines d'activités, créer de nouveaux leviers de croissance pour le Groupe EDF et fournir aux clients une nouvelle gamme d'offres et de services innovants.

## Description de l'Émetteur

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Enfin, le développement des énergies renouvelables, le déploiement des compteurs communicants Linky<sup>1</sup> 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*), comme la signature du contrat Smart City de Dijon, en consortium avec le groupe Bouygues.

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 s'est également engagé à travers six Objectifs de Responsabilité d'Entreprise (voir la section intitulée « développement durable »).

### *Production très bas carbone : nucléaire et énergies renouvelables*

Pour rester leader de la production d'électricité très bas carbone, 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 de limitation des émissions de gaz à effet de serre, tout en assurant un coût de l'électricité inférieur.

L'ambition de production très bas carbone passe d'abord par la consolidation de la base d'actifs hydrauliques et nucléaires :

- EDF investit régulièrement dans des 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 ; des investissements sont aussi réalisés pour prolonger la durée de fonctionnement de l'ensemble du parc nucléaire britannique de 8 ans en moyenne par rapport à la durée de vie initiale ;
- 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 :

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<sup>1</sup> 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.

## Description de l'Émetteur

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- la mise en service de Flamanville 3 et de Taishan ;
- la construction et l'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 ;
- l'acquisition par EDF du contrôle exclusif des activités d'AREVA NP correspondant à la conception et la fourniture de chaudières nucléaires et d'assemblages combustibles logées dans la société désormais dénommée Framatome, détenue à 75,5 % par EDF ;
- la préparation des réacteurs de demain avec le projet EPR 2 (prenant la suite du projet EPR Nouveau Modèle) mené conjointement avec Framatome ;
- le développement des activités de la société Edvance ;
- le développement de l'EPR à l'export (avec notamment des décisions menées en Inde).

S'agissant des énergies renouvelables, les nouveaux moyens développés seront pour l'essentiel l'éolien terrestre et maritime, le photovoltaïque et l'hydraulique. EDF a annoncé en décembre 2017 le Plan Solaire : un plan de développement du photovoltaïque, visant à installer en France 30 GW de solaire entre 2020 et 2035. Hors de France, le développement de ces actifs est conduit en cohérence avec la stratégie internationale du Groupe EDF. À ce titre, le Groupe EDF a enrichi en 2017 son portefeuille dans les énergies renouvelables par le développement de nouveaux projets en France, mais également aux États-Unis, au Royaume-Uni, en Allemagne, au Moyen-Orient, au Brésil, au Chili, en Inde et en Chine.

En cohérence avec la priorité d'une production très bas carbone, EDF soutient la nécessité de mettre en place des mesures visant au relèvement du prix du CO<sub>2</sub> afin de garantir, si possible au niveau européen, un prix du CO<sub>2</sub> suffisant et cohérent avec les objectifs de la transition énergétique. Une telle mesure a été adoptée au Royaume-Uni et aux Pays-Bas, et son principe est soutenu par le gouvernement français. EDF estime que de telles mesures doivent être appliquées à l'ensemble des filières de production électrique 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 EDF se développe également hors d'Europe, en poursuivant trois objectifs inscrits dans la durée : faire de quelques pays hors d'Europe des pays cœurs pour le Groupe EDF, orienter ses choix d'investissements pour contribuer à la transition énergétique mondiale, multiplier par trois (entre 2015 et 2030) la part du "grand international" dans l'activité du Groupe EDF.

Ainsi, EDF déploie une approche ciblée au plan géographique et privilégie les projets de production bas carbone, hydraulique, éolien et solaire, et les activités de services énergétiques et d'ingénierie.

Des projets d'infrastructures *gas-to-power* sont aussi développés là où ils constituent un élément essentiel de la transition énergétique.

## Description de l'Émetteur

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S'agissant du nouveau nucléaire, EDF s'appuiera sur toute son expérience et sur l'expertise de Framatome pour développer de nouvelles opportunités à l'international (Inde, Afrique du Sud, etc.).

### *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 EDF.

Le Groupe EDF 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. Les politiques du Groupe EDF ont été rationalisées et simplifiées, ce qui a permis de faire passer leur nombre de 200 à 40 en les rendant plus simples à appliquer.

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 d'EDF Nouveaux Business, une Direction en charge des « nouveaux business », a complété la palette d'outils dont EDF se dote progressivement pour relever les défis dans ce domaine. Elle utilisera les leviers de l'incubation, de l'investissement dans des start up externes (via le fonds Electranova) ou encore de partenariats technologiques.

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 fin 2016 d'une Direction de la Transformation et de l'Efficacité Opérationnelle, qui regroupe les activités du Groupe EDF en matière de systèmes d'information, d'achats, d'immobilier et de services partagés, traduit la volonté du Groupe EDF 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 EDF 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 s'est engagé en matière de responsabilité d'entreprise, en lien avec le nouveau programme pour le développement durable de l'ONU (2015-2030), au travers de six Objectifs de Responsabilité d'Entreprise. Le Groupe EDF s'est engagé à en présenter chaque année les résultats, qui fixent une feuille de route aux métiers et aux filiales du Groupe EDF pour réussir un développement rentable et responsable :

- changement climatique : aller au-delà des exigences de la trajectoire de + 2 °C fixée par la COP 21, en réduisant encore les émissions de CO<sub>2</sub> du Groupe EDF dont le niveau actuel constitue déjà une performance remarquable au regard des grands comparants européens ;
- développement humain : intégrer les meilleures pratiques des groupes industriels en matière de développement humain (santé/sécurité, égalité hommes/femmes et promotion sociale interne) ;

## Description de l'Émetteur

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- précarité énergétique : 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 ;
- efficacité énergétique : innover par des solutions numériques d'efficacité énergétique pour que chaque client puisse consommer mieux ;
- dialogue et concertation : organiser de façon systématique et partout dans le monde, une démarche de concertation transparente et contradictoire autour de chaque nouveau projet ;
- biodiversité : 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 EDF pour avoir un effet positif.

### *Les conditions de succès de CAP 2030*

CAP 2030 permet au Groupe EDF 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 :

- l'enrichissement de la gamme d'offres et l'exemplarité dans la relation client ;
- 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 ; la transformation des modes de fonctionnement du Groupe EDF et la mobilisation de tous ;
- la maîtrise des coûts.

Dans ce cadre, le Groupe EDF a confirmé en 2017 la mise en œuvre du plan de performance annoncé le 22 avril 2016 et a actualisé les objectifs comme suit :

- réduction des charges opérationnelles<sup>1</sup> de 0,8 milliard d'euros de 2015 à 2018 ; à fin 2017, la réduction est de 0,7 milliard d'euros vs 2015, soit l'atteinte de l'objectif initial avec un an d'avance ;
- plan de cession d'actifs d'environ 10 milliards d'euros entre 2015 et 2020, et qui sera achevé en quasi-totalité fin 2018. Fin 2017, la réalisation de transactions finalisées représente environ 8,1 milliards d'euros ;
- plan d'optimisation du besoin en fonds de roulement de 1,8 milliard d'euros de 2015 à 2018 ; à fin 2017, l'objectif a été dépassé, avec une contribution cumulée sur la période 2015-2017 de 1,9 milliard d'euros.

Par ailleurs, le Groupe EDF poursuit ses efforts de maîtrise des investissements nets (hors Linky, nouveaux développements et cessions d'actifs), avec un objectif d'environ 11 milliards d'euros en 2018.

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<sup>1</sup> À 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

Le 28 mars 2017, EDF a annoncé le succès de son augmentation de capital en numéraire pour un montant total de 4,0 milliards d'euros, pour laquelle l'État français, conformément à son engagement, a souscrit 3 milliards d'euros, soit environ 75 % de l'augmentation de capital. Le produit de l'augmentation de capital servira principalement au financement des opérations de développement du Groupe EDF sur la période 2017-2020, en cohérence avec la stratégie CAP 2030, ainsi qu'au renforcement de la flexibilité financière du Groupe EDF.

### Chiffres clés au 31 décembre 2017

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 2017 sont préparés conformément aux normes comptables internationales telles que publiées par l'IASB et approuvées par l'Union européenne au 31 décembre 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 au 31 décembre 2017.

Les informations financières présentées dans ce document sont issues des comptes consolidés au 31 décembre 2017 du Groupe EDF.

Les chiffres clés du Groupe EDF pour l'exercice 2017 sont présentés ci-après.

### Extraits des comptes de résultat consolidés

(en millions d'euros)	2017	2016	Variation en valeur	Variation en %	Croissance organique en %
Chiffre d'affaires	69 632	71 203	(1 571)	-2,2	-1,0
Excédent brut d'exploitation (EBE)	13 742	16 414	(2 672)	-16,3	-14,8
Résultat d'exploitation	5 637	7 514	(1 877)	-25,0	-23,2
Résultat avant impôt des sociétés intégrées	3 401	4 181	(780)	-18,7	-15,5
Résultat net part du Groupe	3 173	2 851	322	+11,3	+13,7
Résultat net courant <sup>(1)</sup>	2 820	4 085	(1 265)	-31,0	-29,3

<sup>(1)</sup> Le résultat net courant n'est pas défini par les normes IFRS et n'apparaît pas en lecture directe dans le compte de résultat consolidé du Groupe EDF. 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 « Résultat net courant » du Document de Référence 2017).

### Extraits des bilans consolidés

(en millions d'euros)	31/12/2017	31/12/2016
Actif immobilisé	156 899	147 626
Stocks et clients	37 549	37 397
Autres actifs	63 649	66 238
Trésorerie, autres actifs liquides, prêt aux sociétés en contrôle conjoint	22 655	25 159

## Description de l'Émetteur

Actifs détenus en vue de la vente	-	5 220 <sup>(1)</sup>
<b>TOTAL DE L'ACTIF</b>	<b>280 752</b>	<b>281 640</b>
Capitaux propres – part du Groupe	41 357	34 438
Intérêts attribuables aux participations ne donnant pas le contrôle	7 341	6 924
Passifs spécifiques des concessions	46 323	45 692
Provisions	76 857	74 966
Emprunts et dettes financières	55 670	61 230
Autres passifs	53 204	56 281
Passifs liés aux actifs détenus en vue de la vente	-	2 109 <sup>(2)</sup>
<b>TOTAL DU PASSIF</b>	<b>280 752</b>	<b>281 640</b>

<sup>(1)</sup> Inclut 104 millions d'euros d'actifs financiers impactant l'endettement financier net.  
<sup>(2)</sup> Inclut 1 458 millions d'euros de dettes financières impactant l'endettement financier net.

### Cash flow Groupe EDF

(en millions d'euros)	2017	2016	Variation	Variation (%)
<b>Cash flow Groupe <sup>(1)</sup></b>	<b>(209)</b>	<b>(1 565)</b>	<b>1 356</b>	<b>+86,6</b>

<sup>(1)</sup> 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.

### Informations relatives à l'endettement financier net

(en millions d'euros)	31/12/2017	31/12/2016	Variation en valeur	Variation en %
Emprunts et dettes financières	56 846	65 195	(8 349)	-12,8
Dérivés de couvertures des dettes	(1 176)	(3 965)	2 789	-70,3
Dettes financières reclassées dans les passifs liés aux actifs détenus en vue de leur vente <sup>(1)</sup>	-	1 458	(1 458)	-100,0
Trésorerie et équivalents de trésorerie	(3 692)	(2 893)	(799)	+27,6
Actifs financiers disponibles à la vente – Actifs liquides	(18 963)	(22 266)	3 303	-14,8
Actifs financiers reclassés dans les actifs détenus en vue de leur vente <sup>(1)</sup>	-	(104)	104	-100,0
<b>ENDETTEMENT FINANCIER NET <sup>(2)</sup></b>	<b>33 015</b>	<b>37 425</b>	<b>(4 410)</b>	<b>-11,8</b>

<sup>(1)</sup> L'endettement financier net des actifs destinés à être cédés en 2016 concernait principalement CTE (holding détenant 100 % des titres RTE (1)) et des sociétés en Pologne.  
<sup>(2)</sup> L'endettement financier net n'est pas défini par les normes comptables et n'apparaît pas en lecture directe dans le bilan consolidé 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 2018

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 2018 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 2018. 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 2018.

Les informations financières présentées dans ce document sont issues des comptes consolidés résumés du semestre clos le 30 juin 2018 du Groupe EDF.

Les données comparatives du semestre clos le 30 juin 2017 présentées dans l'annexe aux comptes consolidés résumés sont retraitées de l'impact lié à l'application rétrospective de la norme IFRS 15 « Produits des activités ordinaires tirés de contrats conclus avec des clients ». Ces changements ont pour conséquence une réduction du chiffre d'affaires et des achats d'énergie publiés au 30 juin 2017, sans impact sur l'excédent brut d'exploitation (voir la note 2.1 des comptes consolidés résumés du semestre clos le 30 juin 2018).

La norme IFRS 9 « Instruments financiers » est applicable à compter du 1er janvier 2018. Elle définit de nouveaux principes en matière de classement et d'évaluation des instruments financiers, de dépréciation pour risque de crédit des actifs financiers et de comptabilité de couverture. Les données comparatives de l'année de première application n'ont pas été retraitées, conformément à l'approche simplifiée d'IFRS 9. Les modalités de transition et les principales implications de la norme pour le Groupe EDF sont présentées dans la note 2.2 des comptes consolidés résumés du semestre clos le 30 juin 2018.

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 2017.

Les chiffres clés du Groupe EDF pour le premier semestre 2018 sont présentés ci-après.

### Extrait des comptes de résultat consolidés

<i>(en millions d'euros)</i>	<b>1er semestre 2018</b>	1er semestre 2017 retraité <sup>(1)</sup>	Variation en valeur	Variation en %	Croissance organique en %	1 <sup>er</sup> semestre 2017 publié
Chiffre d'affaires	35 175	33 298	1 877	+5,6	+4,0	35 723
Excédent brut d'exploitation (EBE)	8 231	6 996	1 235	+17,7	+18,9	6 996
Résultat d'exploitation	3 650	3 882	(232)	-6,0	-1,2	3 882
Résultat avant impôt des sociétés intégrées	2 013	2 894	(881)	-30,4	-23,9	2 894

## Description de l'Émetteur

Résultat net part du Groupe	1 726	2 005	(279)	-13,9	-8,7	2 005
Résultat net courant <sup>(2)</sup>	1 739	1 370	370	+27,0	+34,6	1 370

<sup>(1)</sup> Les données publiées au titre du semestre clos le 30 juin 2017 ont été retraitées de l'impact lié à l'application de la norme IFRS 15 portant sur le chiffre d'affaires.

<sup>(2)</sup> Le résultat net courant n'est pas défini par les normes IFRS et n'apparaît pas en lecture directe dans le compte de résultat consolidé du Groupe. Il correspond au résultat net hors éléments non récurrents, hors variations nettes de juste valeur sur instruments dérivés énergie et matières premières hors activités de trading et hors variations nettes de juste valeur de titres de dettes et de capitaux propres nets d'impôts (voir section 4.9 « Résultat net courant » du rapport financier semestriel 2018).

### Passage du résultat net part du Groupe au résultat net courant

(en millions d'euros)	1er semestre 2018	1er semestre 2017
Résultat net part du Groupe	1 726	2 005
Plus-value de cession de 49,9 % de la participation du Groupe dans CTE <sup>(1)</sup>	-	(1 289)
Autres, y compris variations nettes de juste valeur sur instruments dérivés énergie et matières premières hors activités de trading	(36)	291
Pertes de valeur	49	363
<b>RÉSULTAT NET COURANT</b>	<b>1 739</b>	<b>1 370</b>
Rémunération des titres subordonnés à durée indéterminée	(378)	(394)
<b>RESULTAT NET COURANT AJUSTE DE LA REMUNERATION DES EMISSIONS HYBRIDES</b>	<b>1 361</b>	<b>976</b>

<sup>(1)</sup> Holding détenant 100 % des titres RTE (filiale indépendante d'EDF au sens des dispositions du Code de l'énergie).

### Cash flow Groupe

(en millions d'euros)	1er semestre 2018	1er semestre 2017	Variation en valeur	Variation en %
<b>Cash flow Groupe</b> <sup>(1)(2)</sup>	1 599	1 482	117	+7,9

<sup>(1)</sup> 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 financier semestriel 2018).

<sup>(2)</sup> Avant augmentation de capital.

### Informations relatives à l'endettement financier net

(en millions d'euros)	30/06/2018	31/12/2017	Variation en valeur	Variation en %
Endettement financier net <sup>(1)</sup>	31 275	33 015	(1 740)	-5,3
Capitaux propres - part du Groupe	43 955	41 357	2 598	+6,3

## Description de l'Émetteur

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<b>Endettement financier net/EBE</b>		2,1 <sup>(2)</sup>	2,4		
<p><sup>(1)</sup> L'endettement financier net n'est pas défini par les normes comptables et n'apparaît pas en lecture directe dans le bilan consolidé 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 (voir note 20.3 des comptes consolidés résumés du semestre clos le 30 juin 2018).</p> <p><sup>(2)</sup> Le ratio au 30 juin 2018 est calculé sur la base du cumul de l'EBE du second semestre 2017 et du premier semestre 2018.</p>					

### Membres du Conseil d'administration au 14 septembre 2018

*Administrateurs élus par l'Assemblée Générale des actionnaires*

Jean-Bernard Lévy  
Oliver Appert  
Philippe Crouzet  
Bruno Lafont  
Bruno Lechevin  
Marie-Christine Lepetit  
Colette Lewiner  
Maurice Gourdault-Montagne  
Laurence Parisot  
Claire Pedini  
Michèle Rousseau

*Administrateur représentant l'Etat*

Martin Vial

*Administrateurs représentant les salariés*

Christine Chabauty  
Jacky Chorin  
Christophe Cuvilliez  
Marie-Hélène Meyling  
Jean-Paul Rignac  
Christian Taxil

L'adresse professionnelle de tous les administrateurs, dans le cadre de leurs fonctions, est celle du siège social d'EDF.

### RECENT EVENTS

#### 1. EDF's Credit Ratings as of 14 September 2018

Since the publication of a press release by Moody's on 10 May 2018, S&P on 14 May 2018 and Fitch Ratings on 25 July 2018, EDF's long-term and short-term ratings have been respectively set at "A3" (stable outlook) and "P-2" for Moody's, "A-" (negative outlook) and "A-2" for S&P and "A-" (stable outlook) and "F2" for Fitch Ratings. Moreover, the Programme has been rated "A3" (senior unsecured debt) by Moody's and "A-" (long-term debt) by S&P.

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; or (ii) a change in the EDF Group's relationship with the French government were to cause Moody's to remove the uplift for government support, or if there were to be a significant downgrade of France's government rating.

S&P indicated that rating downside over the next two years is possible if (i) S&P sees additional deterioration of EDF's operating performance, and an unexpected renewed downturn in power prices, although these have recently been improving, or (ii) if S&P foresees a deterioration in the EDF's Group financial credit metrics and debt trajectory over 2019-2020. S&P also mentions other risk factors that could lead to a downgrade, which stem from potential delays or cost overruns from EDF's new nuclear projects and a material and sharp deterioration of the domestic and U.K. unregulated power market. Finally, S&P indicates 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) adjusted net leverage above 4.2x on a sustained basis, (ii) FFO fixed charge cover below 3.5x on a sustained basis, and (iii) a substantial decline in electricity price in France, the United Kingdom and Italy or a weakened business profile.

Rating Agency	Long-term rating	Short-term rating
<b>Moody's</b>	A3, stable outlook	P-2
<b>S&amp;P</b>	A-, negative outlook	A-2
<b>Fitch Ratings</b>	A-, stable outlook	F2

Each of Moody's Investors Service Ltd, S&P Global Ratings and Fitch Ratings Limited is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit rating agencies as 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](http://www.esma.europa.eu)).

### 2. 31 July 2018 – Half-Year Results

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

##### Key figures of the 2018 half-year results

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

##### Confirmation of the rebound

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

##### Strengthened balance sheet

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

##### Continuation of the deployment of CAP 2030

##### Renewable energies

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

##### Customers & Energy services

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

##### Nuclear

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

##### Innovation and transformation

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

##### Sustainable development

- Continuation of efforts to reduce the Group's carbon footprint:
  - Commitment to reduce direct emissions of CO<sub>2</sub> by 40% over the period 2017 - 2030 (-35% achieved over 2013 - 2017)

##### 2018 targets

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

<sup>1</sup> Organic change at comparable scope and exchange rates

<sup>2</sup> Net income excluding non-recurring items is not defined by IFRS, and is not directly visible in the Group's consolidated income statement. It corresponds to the Group's share of net income (EDF net income) excluding non-recurring items, net changes in the fair value of energy and commodity derivatives (excluding trading activities), and net changes in the fair value of debt and equity securities, net of tax

<sup>3</sup> IFRS 9 "Financial Instruments" is effective starting on 1 January 2018, with no retrospective application in 2017

<sup>4</sup> Compared to 31/12/2017

<sup>5</sup> Organic change

<sup>6</sup> Sum of personnel expenses and other external expenses. At comparable consolidation scope and exchange rates. At constant pension discount rates. Excluding change in operating expenses of the service activities

<sup>7</sup> Following this sale, the evaluation of the long-term LNG regasification capacity reservation contract between EDF and Dunkerque LNG should result in the recognition of an onerous contract provision. The result of the sale, net of the provision that would be recognised, should thus be limited

<sup>8</sup> At comparable exchange rates and "normal" weather conditions, on the basis of a nuclear output in France assumption of >395TWh. At constant pensions discount rates

<sup>9</sup> Excluding eventual interim dividend for the 2018 fiscal year

<sup>10</sup> Linky is a project led by Enedis, an independent EDF subsidiary as defined in the French Energy Code

<sup>11</sup> Disposals signed or realised

<sup>12</sup> Adjusted for interest payments on hybrid bonds booked in equity

## Recent Events

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

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

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

### Change in EDF group's half-year results

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

### Change in EDF group's half-year EBITDA

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

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

The financial result corresponds to a financial expense of €1,637 million, €649 million more than in the first half of 2017. This is mainly due to the fact that the discount rate for nuclear provisions in France decreased by 10 basis points compared to 31 December 2017, whereas the rate was stable in the first half of 2017. In addition, significant capital gains from disposals

<sup>13</sup> The data published for the half year ending on 30 June 2017 has been restated for the impact of the application of the IFRS 15 standard on sales (without impact on EBITDA) and the change in segmental reporting (IFRS 8)

## Recent Events

of dedicated assets were recorded in the first half of 2017 (in application of IAS 39), whereas net changes in the fair value of debt and equity securities in the first half of 2018 had little effect, in line with the evolution of the markets over the half year<sup>14</sup>. Moreover, the cost of gross financial debt continues to improve.

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

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

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

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

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

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

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

### Main Group results by segment France – Generation and supply activities

(in millions of Euros)	H1 2017	H1 2018	Organic change (%)
<b>Sales<sup>21</sup></b>	<b>13,056</b>	<b>13,652</b>	<b>+4.6</b>
<b>EBITDA</b>	<b>2,453</b>	<b>3,578</b>	<b>+45.9</b>

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

<sup>14</sup> As a reminder, IFRS 9 is applied as of 1 January 2018, without restatement of the previous year

<sup>15</sup> The company that holds 100% of RTE's shares (an independent EDF subsidiary as defined in the French Energy Code)

<sup>16</sup> Linky is a project led by Enedis, an independent EDF subsidiary as defined in the French Energy Code

<sup>17</sup> New developments: in particular the UK NNB, Italian acquisition and offshore wind

<sup>18</sup> Cash flow after dividends without taking into consideration the capital increase

<sup>19</sup> 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

<sup>20</sup> The ratio at 30 June 2018 is calculated based on cumulative EBITDA for the second half of 2017 and the first half of 2018

<sup>21</sup> Breakdown of sales across the segments, before inter-segment eliminations

## Recent Events

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

Nuclear output amounted to 202.6TWh, an increase of 5.4TWh compared to the end of June 2017. This increase can be explained by the improved availability of the fleet at the beginning of the year compared to the first half of 2017, which was marked by several reactor outages linked to the manufacturing records of the Creusot plant and by the “carbon segregation” issue. Hydropower output<sup>22</sup> stood at 29.3TWh, up 37.6% (+8TWh) compared to the first half of 2017, thanks to exceptional hydro conditions. This represents the highest hydro output over a half year in the last fifteen years.

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

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

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

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

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

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

### France – Regulated activities<sup>26</sup>

<i>(in millions of Euros)</i>	H1 2017	H1 2018	Organic change (%)
<b>Sales<sup>27</sup></b>	<b>8,142</b>	<b>8,405</b>	<b>+3.2</b>
<b>EBITDA</b>	<b>2,400</b>	<b>2,663</b>	<b>+11.0</b>

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

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

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

<sup>24</sup> Excluding Energy Saving Certificates component on market offers

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

<sup>26</sup> Regulated activities include Enedis, ÉS and island activities

<sup>27</sup> Breakdown of sales across the segments, before inter-segment eliminations

## Recent Events

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

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

### Renewable energies

#### EDF Énergies Nouvelles

<i>(in millions of Euros)</i>	H1 2017	H1 2018	Organic change (%)
<b>Sales<sup>29</sup></b>	<b>620</b>	<b>735</b>	<b>+9.2</b>
<b>EBITDA</b>	<b>451</b>	<b>360<sup>30</sup></b>	<b>-22.0</b>
<i>of which EBITDA generation</i>	<i>374</i>	<i>435</i>	<i>+10.7</i>

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

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

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

The contribution of the Development and Sales of Structured Assets activities was down (-€98 million)<sup>30</sup>.

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

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

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<sup>28</sup> Indexation as of 1 August 2017 of the TURPE 5 Distribution of +2.71% and the TURPE 5 Transport of +6.76%

<sup>29</sup> Breakdown of sales across the segments, before inter-segment eliminations

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

## Recent Events

### Group Renewables<sup>30,31</sup>

<i>(in millions of Euros)</i>	H1 2017	H1 2018	Change (%)
<b>Sales<sup>29</sup></b>	<b>1,959</b>	<b>2,352</b>	<b>+20.1</b>
<b>EBITDA</b>	<b>917</b>	<b>1,106</b>	<b>+20.6</b>
<b>Net investments</b>	<b>(224)</b>	<b>(424)</b>	<b>X2</b>

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

### Energy services

#### Dalkia

<i>(in millions of Euros)</i>	H1 2017	H1 2018	Organic change (%)
<b>Sales<sup>32</sup></b>	<b>1,787</b>	<b>2,009</b>	<b>+6.6</b>
<b>EBITDA</b>	<b>155</b>	<b>159</b>	<b>+2.6</b>

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

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

### Group Energy Services<sup>33</sup>

<i>(in millions of Euros)</i>	H1 2017	H1 2018	Change (%)
<b>Sales<sup>32</sup></b>	<b>2,240</b>	<b>2,605</b>	<b>+16.3</b>
<b>EBITDA</b>	<b>208</b>	<b>214</b>	<b>+2.9</b>
<b>Net investments</b>	<b>(92)</b>	<b>(99)</b>	<b>+7.6</b>

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

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

<sup>32</sup> Breakdown of sales across the segments, before inter-segment eliminations

<sup>33</sup> Group Energy Services consist of Dalkia, street lighting, heating networks, decentralised low-carbon generation based on local resources, control of consumption and electric mobility

## Recent Events

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### Framatome

<i>(in millions of Euros)</i>	H1 2017	H1 2018	Organic change (%)
<b>Sales<sup>34</sup></b>	-	<b>1,500</b>	-
<b>EBITDA<sup>35</sup></b>	-	<b>194</b>	-
<b>EBITDA EDF group contribution</b>		<b>86</b>	

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

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

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

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

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

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

### United Kingdom

<i>(in millions of Euros)</i>	H1 2017	H1 2018	Organic change (%)
<b>Sales<sup>36</sup></b>	<b>4,427</b>	<b>4,605</b>	<b>+4.8</b>
<b>EBITDA</b>	<b>627</b>	<b>485</b>	<b>-16.9</b>

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

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

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

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

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<sup>34</sup> Breakdown of sales across the segments, before inter-segment eliminations

<sup>35</sup> Breakdown of EBITDA across the segments, before inter-segment eliminations

<sup>36</sup> Breakdown of sales across the segments, before inter-segment eliminations

## Recent Events

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### Italy

<i>(in millions of Euros)</i>	H1 2017	H1 2018	Organic change (%)
<b>Sales<sup>36</sup></b>	<b>3,820</b>	<b>4,113</b>	<b>+4.3</b>
<b>EBITDA</b>	<b>426</b>	<b>407</b>	<b>-4.5</b>

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

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

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

### Other international

<i>(in millions of Euros)</i>	H1 2017	H1 2018	Organic change (%)
<b>Sales<sup>37</sup></b>	<b>1,706</b>	<b>1,147</b>	<b>-0.9</b>
<b>EBITDA</b>	<b>275<sup>38</sup></b>	<b>117</b>	<b>-4.4</b>

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

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

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

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<sup>37</sup> Breakdown of sales across the segments, before inter-segment eliminations

<sup>38</sup> 2017 data, including EDF Polska's sales in Poland for an EBITDA of €133 million, sold on 13 November 2017

## Recent Events

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### Other activities

<i>(in millions of Euros)</i>	H1 2017	H1 2018	Organic change (%)
<b>Sales<sup>37</sup></b>	<b>1,259</b>	<b>1,284</b>	<b>+3.2</b>
<b>EBITDA</b>	<b>209</b>	<b>376</b>	<b>+80.9</b>

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

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

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

### **Main events<sup>1</sup> since the 2018 first quarter press release**

#### **Major Events**

##### **Group Renewables**

###### **EDF Énergies Nouvelles<sup>2</sup>**

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

##### **EDF Nouveaux Business**

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

##### **Group Energy Services**

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

##### **Nuclear industry**

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

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<sup>1</sup> A full list of press releases is available on EDF's website [www.edf.fr](http://www.edf.fr)

<sup>2</sup> A full list of EDF Énergies Nouvelles' press releases is available on the website [www.edf-energies-nouvelles.com](http://www.edf-energies-nouvelles.com)

## Recent Events

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

### **Disposal plan**

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

### **Other significant events**

- EDF announced the acceleration of the off-grid market in Africa by focusing on a new offer and local skills (see press release of 18 July 2018).
- EDF Trading and JERA announced the creation of a common optimisation and trading joint venture for LNG (Liquefied Natural Gas) (see press release of 3 July 2018).
- EDF announced the results of the option for payment of the balance of the dividend to be paid out in new shares for the 2017 financial year: 93.39% of the rights were exercised in favour of a payment in shares following the option period which took place between 25 May 2018 and 11 June 2018 included. (see press release of 15 June 2018).
- EDF signed a global responsible employer agreement with IndustriALL and PSI (see press release of 29 May 2018).
- Mobilised in the fight against global warming, EDF committed to reducing its direct CO<sub>2</sub> emissions by 40% by 2030 and to pursuing the goal of achieving carbon neutrality of France by 2050 (see press release of 15 May 2018).
- EDF finalised the acquisition of 750MW of generation assets (gas and peak) to support the development of its renewable activities in Chile (see press release of 10 May 2018).

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

## Recent Events

### APPENDICES :

#### Consolidated income statement

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

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

## Recent Events

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### Consolidated balance sheet

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

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

## Recent Events

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

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

## Recent Events

### Consolidated cash flow statement

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

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

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

## Recent Events

### 3. 9 May 2018 – Q1 2018 Results

#### Quarterly Financial Information at 31 March 2018 Sales up 3.0%<sup>1</sup> 2018 targets confirmed

##### Key figures

<b>Group sales</b>		€20.4bn +3.0% org. <sup>1</sup>
<b>Electricity Output</b>		
Nuclear France:	112.9TWh	+4.1%
Nuclear United Kingdom:	15.1TWh	-5.6%
Group Renewables:	20.6TWh	+31.4%
of which Hydropower France <sup>2</sup> :	14.6TWh	+35.2%

##### Highlights

- Improved generation in France**
  - Nuclear output up 4.4TWh benefiting from improved availability of the fleet. Performance consistent with the assumption of nuclear output greater than 395TWh in 2018.
  - Hydropower output in France<sup>2</sup> up by more than 35% in a context of more favourable hydro conditions.
- New developments in renewable energies**
  - Launch of the Electricity Storage Plan with the goal of commissioning an additional 10GW by 2035.
  - Acquisition of the “Nearth na Gaoithe” offshore wind power project in Scotland (450MW).
  - Inauguration of 200MW of solar capacity in the Emirate of Dubai, the first unit of the DEWA III (800MW) plant, a joint project between EDF, Masdar and DEWA.
  - Award of a Power Purchase Agreement (PPA) for a 114MW wind energy project in Brazil.
- Client solutions & services**
  - Completion of the acquisition of Gas Natural Fenosa Vendita Italia by Edison: increase in the customer base by *circa* +50%.
  - Acquisition by Dalkia of 25% of Tiru (specialist in waste recovery). Dalkia is now the sole shareholder of Tiru.
- New Nuclear build**
  - Jaitapur: Industrial Way Forward Agreement signed for 6 EPRs (almost 10GW) in India. EDF will participate as the supplier of the EPR technology.
  - Taishan 1: start of fuel loading on 10 April 2018.
  - Flamanville 3: detection of quality deviations on the welding of the pipes of the secondary coolant system. Additional controls on the welds and report currently underway.

##### 2018 targets confirmed

• Operating expenses <sup>3</sup> :	-€0.8bn compared to 2015
• EBITDA <sup>4</sup> :	€14.6 - 15.3bn
• Cash flow <sup>4,5</sup> excluding Linky <sup>6</sup> , new developments and 2015-20 disposal plan:	~0
• Asset <sup>7</sup> disposals since 2015:	~€10bn
• Total net investments excluding acquisitions and 2015-20 assets disposal plan:	≤€15bn
of which Net investments excluding Linky <sup>6</sup> , new developments and 2015-20 assets disposal plan:	~€11bn
• Net financial debt/EBITDA <sup>4</sup> :	≤2.7x
• Target payout ratio of Net income excluding non-recurring items <sup>8</sup> :	50%

<sup>1</sup> Organic change at comparable scope and exchange rates

<sup>2</sup> Hydropower excluding French islands electrical activities

<sup>3</sup> Sum of personnel expenses and other external expenses. At comparable consolidation scope and exchange rates. At constant pension discount rates. Excluding change in operating expenses of the service activities

<sup>4</sup> At comparable exchange rates and “normal” weather conditions, on the basis of a nuclear output in France assumption of >395TWh. At constant pensions discount rates

<sup>5</sup> Excluding eventual interim dividend for the 2018 fiscal year

<sup>6</sup> Linky is a project led by Enedis, an independent EDF subsidiary as defined in the French Energy Code

<sup>7</sup> Disposals signed or realised

<sup>8</sup> Adjusted for the remuneration of hybrid bonds accounted for in equity

## Recent Events

### Change in EDF group sales

<i>(in millions of Euros)</i>	Q1 2017 published	Q1 2017 restated <sup>1</sup>	Q1 2018	%	% organic
France - Generation and supply activities	11,354	7,944	7,956	+0.2	+0.2
France - Regulated activities	4,862	4,842	5,167	+6.7	+6.7
EDF Énergies Nouvelles	306	306	379	+23.9	+14.7
Dalkia	1,222	1,132	1,223	+8.0	+4.0
Framatome	-	-	721	-	-
United Kingdom	2,568	2,568	2,577	+0.4	+1.9
Italy	2,797	2,148	2,252	+4.8	+3.5
Other international	1,467	979	666	-32.0	+0.9
Other activities	625	632	751	+18.8	+16.9
<i>Inter-segment eliminations</i>	<i>(4,073)</i>	<i>(842)</i>	<i>(1,246)</i>	<i>+48.0</i>	<i>+9.6</i>
<b>Total Group</b>	<b>21,128</b>	<b>19,709</b>	<b>20,446</b>	<b>+3.7</b>	<b>+3.0</b>

The Group's first quarter 2018 sales amounted to €20.4 billion, an organic increase of 3.0% compared to the first quarter 2017.

This increase is mainly driven by the France - Regulated activities segment, in line with the tariff changes, and the performance of EDF Trading, which benefited from an improved volatility and price environment linked to weather conditions in Europe and North America.

Sales in France - Generation and supply activities were relatively stable. The higher hydropower and nuclear output and the improvement in the price conditions were neutral on sales due to a net buying position (in euros) on the wholesale markets in the first quarter of 2018, as in the first quarter of 2017.

### Change in Group sales by segment

#### France – Generation and supply activities

<i>(in millions of Euros)</i>	Q1 2017 <sup>2</sup>	Q1 2018	% organic
France - Generation and supply activities	7,944	7,956	+0.2

Sales in France - Generation and supply activities in the first quarter of 2018 amounted to €8.0 billion, up 0.2% in organic terms compared to the first quarter of 2017.

Nuclear output amounted to 112.9TWh, an increase of 4.4TWh over the first quarter of 2017. This improvement can be explained by the better availability of the fleet at the beginning of the year compared to the first quarter of 2017, which was marked by several reactor outages linked to the manufacturing records at the Creusot Forge plant and by the “carbon segregation” issue. This performance is consistent with the assumption of a nuclear output greater than 395TWh in 2018. Hydropower output<sup>3</sup> stood at 14.6TWh, up 35.2% (+3.8TWh) compared to the first quarter of 2017, thanks to more favourable hydro conditions. The higher hydropower and

<sup>1</sup> 2017 data restated for the impact of the IFRS 15 standard and the change in segment reporting (IFRS 8)

<sup>2</sup> 2017 data restated for the impact of the IFRS 15 standard and the change in segment reporting (IFRS 8)

<sup>3</sup> Hydropower, excluding French islands electrical activities before deduction of pumped volumes. For information, after deduction of pumped-storage hydropower volumes: 8.9TWh in Q1 2017 and 12.8TWh in Q1 2018

## Recent Events

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nuclear output and the improvement in the price conditions were neutral on sales due to a net buying position (in euros) on the wholesale markets in the first quarter of 2018, as in the first quarter of 2017.

The weather had a favourable effect, particularly in February and March 2018, with a positive impact of an estimated €94 million (+2.1TWh) compared to the first quarter of 2017.

Changes in the regulated sales tariffs<sup>1</sup>, for the part excluding the delivery component, had a negative impact of around €20 million.

The downstream market conditions had a positive effect of an estimated €58 million. The negative impacts of the decline in sales to end customers were more than offset by favourable price effects, related notably to changes in the portfolio structure.

In addition, non-recurring items recorded in 2017 and without equivalent in 2018 weighed on sales for an estimated -€120 million.

### France – Regulated activities

<i>(in millions of Euros)</i>	Q1 2017 <sup>2</sup>	Q1 2018	% organic
France - Regulated activities	4,842	5,167	+6.7

Sales in the France - Regulated activities segment in the first quarter of 2018 amounted to €5.2 billion, up 6.7% in organic terms compared to the first quarter of 2017.

Sales benefited from the positive change in the distribution tariffs<sup>3</sup> for an estimated €124 million and from favourable weather effects for around €90 million.

In addition, price effects related in particular to the change in the portfolio structure had a favourable impact estimated at close to €100 million.

### EDF Énergies Nouvelles

<i>(in millions of Euros)</i>	Q1 2017	Q1 2018	% organic
EDF Énergies Nouvelles	306	379	+14.7

EDF Énergies Nouvelles' contribution to Group sales amounted to €0.4 billion, up 14.7% in organic terms compared to the first quarter of 2017. This change was mainly due to the commissioning in 2017 of wind and solar power projects, which, together with the acquisition of Futuren, contributed to a 25% increase in output (+0.8TWh). Total installed net capacity increased by 24.7% over the first quarter of 2017 to 7.9GW.

Sales also benefited from the increase in distributed solar activities, notably by Grosolar in the United States, in the amount of +€15 million.

Finally, gross portfolio of projects under construction amounted to 1.7GW at the end of the first quarter of 2018.

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<sup>1</sup> Tariff changes of +1.7% for Blue residential and non-residential categories on 01/08/2017, and +0.7% and +1.6% for Blue residential and non-residential categories respectively on 01/02/18. It should be noted that, with the application of IFRS15, the impact of the tariff increases for this segment is now presented excluding the evolution of the delivery component of the tariff, also presented in France - Regulated activities (change in the TURPE 5 distribution tariff of +2.7% on 01/08/2017)

<sup>2</sup> 2017 data restated for the impact of the IFRS 15 standard

<sup>3</sup> Increase in TURPE by 2.7% on 1/8/2017

## Recent Events

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Total Group Renewables<sup>1</sup> contributed €1.3 billion<sup>2</sup> to Group sales in the first quarter of 2018. This increase was driven by good hydro conditions in France and Italy, by the commissioning of new wind and solar farms in 2017 and by the improvement of wind conditions in Europe.

### Dalkia

<i>(in millions of Euros)</i>	Q1 2017 <sup>3</sup>	Q1 2018	% organic
Dalkia	1,132	1,223	+4.0

Dalkia's contribution to Group sales amounted to €1.2 billion, an organic increase of 4.0% compared to the first quarter of 2017, mainly due to the favourable evolution of gas and electricity prices and to the commercial expansion performed in 2017.

Sales for Group Energy Services<sup>4</sup> amounted to €1.5 billion, up 11.8% compared to the first quarter of 2017. They benefited notably from the integration of Imtech in the United Kingdom (€92 million) and selective acquisitions in Italy and Belgium.

### Framatome

<i>(in millions of Euros)</i>	Q1 2017	Q1 2018	% organic
Framatome	-	721	

Framatome's sales amounted to €0.7 billion in the first quarter of 2018, a significant part of which was realised with the Group.

The French Nuclear Safety Authority authorised the resumption of manufacturing of forged parts for the French nuclear fleet at its Creusot site in January 2018.

With the acquisition of Schneider Electric's nuclear Instrumentation & Control (I&C) offering, Framatome is developing its engineering expertise and expanding its portfolio of I&C solutions. Framatome and Vattenfall signed contracts for the delivery of fuel assembly reloads.

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<sup>1</sup> Please refer to the appendices of the Q1 2018 (p. 8); Group Renewables includes of EDF Énergies Nouvelles and the Group's hydro generation, as well as the renewable energy activities of EDF Luminus and Edison

<sup>2</sup> For the renewable energy generation optimized within a larger portfolio of generation assets, in particular relating to the French hydro fleet after deduction of pumped volumes, sales are estimated based on the valuation of realised output at spot market prices (or at purchase obligation tariff) without taking into account hedging effects, and include if need be the valuation of capacity

<sup>3</sup> 2017 data restated for the impact of the IFRS 15 standard

<sup>4</sup> Please refer to the appendices of the Q1 2018 (P. 8); Group Energy Services includes of Dalkia, street lighting, heating networks, decentralised low-carbon generation based on local resources, control of consumption and electric mobility

## Recent Events

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### United Kingdom

<i>(in millions of Euros)</i>	Q1 2017	Q1 2018	% organic
United Kingdom	2,568	2,577	+1.9

In the United Kingdom, sales were up 1.9%, in organic terms compared to the first quarter of 2017, to €2.6 billion.

Sales benefited from higher electricity residential tariffs, in line with increased supply costs, and higher gas volumes lifted by cold weather in the first quarter of 2018. The residential customer base was down 2% compared to the end of 2017.

Nuclear generation and realised nuclear prices were down. Nuclear output amounted to 15.1TWh, down 0.9TWh compared to the first quarter of 2017, due to the extended outage of Sizewell B into 2018 and the phasing effect from refuelling outages.

### Italy

<i>(in millions of Euros)</i>	Q1 2017 <sup>1</sup>	Q1 2018	% organic
Italy	2,148	2,252	+3.5

In Italy, sales amounted to €2.3 billion, up 3.5% in organic terms compared to the first quarter 2017.

Sales in Electricity activities were supported by higher sales volumes in the residential customer segment and by growth in hydro and wind power generation. These items were partially offset by a negative price effect.

Sales increased in Hydrocarbon activities thanks in particular to higher gas volumes sold to residential customers due notably to favourable weather conditions. Exploration-production activities benefited from a positive change in Brent prices and an increase in volumes.

### Other international

<i>(in millions of Euros)</i>	Q1 2017 <sup>2</sup>	Q1 2018	% organic
Other international	979 <sup>3</sup>	666	+0.9

Sales in the Other international segment amounted to €0.7 billion, up 0.9% in organic terms compared to the first quarter of 2017.

In Belgium, sales amounted to €528 million, up 1.2% in organic terms. This change reflects, in particular, an increase in gas volumes sold, partially offset by the drop in electricity volumes sold, particularly in the business segment, marked by increased competition. Wind power capacities were up +27% compared to the first quarter of 2017 to reach 380MW.

In addition, generation was affected by the extended outages at the Doel 3 and Tihange 3 nuclear power plants; these outages had no impact on first quarter 2018 sales.

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<sup>1</sup> 2017 data restated for the impact of the IFRS 15 standard

<sup>2</sup> 2017 data restated for the impact of the IFRS 15 standard

<sup>3</sup> 2017 data, including EDF Polska's sales in Poland, sold on 13 November 2017

## Recent Events

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In Brazil, sales were up, due to a slightly positive impact of an annual review of the Power Purchase Agreement tariff that took place at the end of 2017.

### Other activities

<i>(in millions of Euros)</i>	Q1 2017 <sup>1</sup>	Q1 2018	% organic
Other activities	632	751	+16.9

Sales in Other activities amounted to €0.8 billion, up 16.9% in organic terms compared to the first quarter of 2017.

EDF Trading's sales amounted to €267 million, up strongly by 110.7% in organic terms. It benefited from favourable price and volatility conditions in Europe and North America due to cold weather during the first quarter of 2018.

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<sup>1</sup> 2017 data restated for the change in segment reporting (IFRS 8)

## Recent Events

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### **Main events<sup>1</sup> since the 16 February 2018 press release**

#### Major Events

- EDF detected quality deviations on certain welds of the secondary coolant system of the Flamanville EPR and began additional controls (see press release of 10 April 2018).
- The Vietnamese government confirmed the EDF Group's position as leader of the consortium in charge of the studies for the building of a 2,000 MW combined-cycle power plant at Son My (see press release of 27 March 2018).
- EDF announced the Electricity Storage Plan to become the leader in Europe by 2035: further storage capacity of 10GW representing investment of €8 billion, and doubling the investment in Research and Development (see press release of 27 March 2018).
- Industrial Way Forward Agreement signed between the EDF Group and the Indian energy company NPCIL for the implementation of 6 EPRs in Jaitapur (see press release of 10 March 2018).

#### New investments, partnerships and investment projects

##### Development of renewable energies, EDF Énergies Nouvelles<sup>2</sup>

- On 3 May 2018, EDF Énergies Nouvelles acquired a 450MW offshore wind project in Scotland from Mainstream Renewable Power.
- On 1 May 2018, the EDF Group commissioned its first renewable energy facility in the United Arab Emirates.
- On 12 April 2018, EDF Énergies Nouvelles' international subsidiaries were rebranded as EDF Renewables
- On 9 April 2018, EDF Énergies Nouvelles won a 114MW wind energy project in Brazil.

##### Edison<sup>3</sup>

- On 22 February 2018, Edison finalised the acquisition of Gas Natural Fenosa Vendita Italia and increased its customer base by 50%.

##### Framatome<sup>4</sup>

- On 27 April 2018, Framatome and Vattenfall signed contracts for the delivery of fuel assembly reloads.

#### Other significant events

- EDF Energy announced the outage of the Hunderston B power plant, with a return to service expected before the end of 2018. (see press release of 2 May 2018).
- EDF launched Metroscope, the artificial intelligence solution that boosts operational excellence for its industrial customers (see press release of 29 March 2018).
- EDF (Cyclife) and Westinghouse Electric Spain were awarded a nuclear dismantling engineering contract in Spain (see press release of 21 February 2018).

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<sup>1</sup> A full list of press releases is available on EDF's website: [www.edf.fr](http://www.edf.fr)

<sup>2</sup> A full list of EDF Énergies Nouvelles' press releases is available from the website [www.edf-energies-nouvelles.com](http://www.edf-energies-nouvelles.com)

<sup>3</sup> A full list of Edison press releases is available on Edison's website: [www.edison.com](http://www.edison.com)

<sup>4</sup> A full list of Framatome press releases is available on Framatome's website: [www.framatome.com](http://www.framatome.com)

## Recent Events

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### 4. Disposal of EDF's stake in Dunkerque LNG

#### **12 July 2018 – “Signing of the binding agreements for the sale of EDF's stake in Dunkerque LNG**

Following on from the press release published on 29 June 2018, the EDF Group announces that the binding agreements for the disposal of its interest in the share capital of the liquefied natural gas (LNG) terminal of Dunkirk (Dunkerque LNG) have been signed today with, on the one hand, a consortium composed of Fluxys, AXA Investment Managers and Crédit Agricole Assurances and with, on the other hand, a consortium of Korean investors composed of Samsung Securities Co. Ltd, IBK Securities Co. Ltd. and Hanwha Investment & Securities Co. Ltd.

The terms of the transaction remain unchanged and closing is expected for the second half of 2018, once required regulatory approvals have been granted by the French authorities.”

#### **29 June 2018 – “EDF announces reaching a key milestone in the sale process of its stake in Dunkirk LNG terminal to Fluxys and a financial consortium composed of Samsung Securities Co. Ltd., IBK Securities Co. Ltd. and Hanwha Investment & Securities Co. Ltd.**

Following a competitive auction process launched early 2018, the EDF Group announces it has entered into exclusive negotiations with two groups of investors for the disposal of its 65.01% interest in the share capital of Dunkerque LNG, owner and operator of the liquefied natural gas (LNG) terminal of Dunkirk.

On the one hand, a consortium composed of Fluxys, AXA Investment Managers – Real Assets, on behalf of clients, and Crédit Agricole Assurances has committed to acquire a stake of 31%; on the other hand, a consortium of Korean investors led by IPM Group (comprised of InfraPartners Management Korea Co. Ltd. in Seoul and InfraPartners Management LLP in London) in collaboration with Samsung Asset Management Co., Ltd and composed of Samsung Securities Co. Ltd., IBK Securities Co. Ltd. and Hanwha Investment & Securities Co. Ltd. has committed to acquire a stake of 34.01%.

Across prices paid by the two consortia, the average enterprise value for the entire stake amounts to c. €2.4 billion.

The transaction will allow current 25% shareholder Fluxys, with the support of Axa Investment Managers – Real Assets and Crédit Agricole Assurances, to take control and consolidate Dunkerque LNG in line with its global growth strategy in gas infrastructures. Fluxys' expertise in the gas business and in the management of LNG terminals will benefit Dunkerque LNG and ensure industrial continuity and strong reliability of the terminal.

This transaction also illustrates the attractiveness of Dunkirk LNG terminal for foreign financial investors. The quality of the terminal's design, the strength of the business and the positive prospects for the LNG market in Europe make it a compelling investment case.

EDF, as a client of Dunkerque LNG, remains engaged in the long term with the terminal, which will continue serving its gas strategy.

The Board of Directors of EDF has approved the transaction. The final documentation shall be signed in the coming days and closing is expected for the second half of 2018, once required regulatory approvals have been granted by the French authorities.”

### 5. Partnerships

#### **3 July 2018 – “JERA and EDF Trading to form an LNG optimisation and trading joint venture**

JERA Co., Inc (“**JERA**”) and EDF Trading Limited (“**EDFT**”) are pleased to announce the signing of binding agreements to form an LNG optimisation and trading joint venture where JERA's and EDFT's LNG optimisation and trading activities will be merged into JERA Trading Pte. Ltd. (“**JERAT**”).

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This joint venture follows the successful completion of the acquisition of EDFT's coal business by JERAT on 4<sup>th</sup> April 2017.

JERA holds 66.67% of the equity in JERAT through its wholly-owned subsidiary JERA Trading International Pte. Ltd. EDFT holds 33.33% of the shares in JERAT and is a wholly-owned subsidiary of EDF S.A. ("**EDF**"). JERA and EDFT will now have joint responsibility and joint control in managing the new and expanded business and each will have two Executive Directors. The Chief Executive will be appointed by JERA.

With demand for LNG in Japan becoming increasingly variable and difficult to predict and the ramp up in US LNG liquefaction, Europe has become a key balancing market for excess global LNG. As a result, JERA and EDFT believe that there is significant room for optimising LNG on a global basis, establishing a more liquid market, and, over time, developing a clear pricing signal for LNG in Asia.

JERA and EDFT have significant positions in the LNG market and this new business will bring important resources including risk management capabilities to this new partnership which will better position JERAT to respond to the uncertainties of LNG demand in Japan and Europe. JERA has been focusing on developing flexible LNG supply sources as flexible procurement is more important than ever before due to the large scale introduction of renewable power generation globally. EDFT has a successful third party LNG trading business and access to the European LNG and gas markets to enable the unloading, reloading and storage of LNG in-tank, and is one of the largest financial JKM traders in the market.

The companies will combine their LNG optimisation and trading activities into JERAT which will become the exclusive LNG optimiser for JERA and EDF S.A., managing their collective short and medium term LNG optimisation activity. LNG remains a strategically important fuel for JERA and EDF and this agreement will bring more flexibility and scale to both partners without affecting JERA's and EDF's long term procurement activities.

With around 300 people and offices in Japan, Singapore, the UK, the United States and the Netherlands, JERAT will become one of the largest utility-owned seaborne energy optimisers, spanning Asia, the Pacific and the Atlantic Basins.

As part of this transaction, EDF Trading North America, one of the leading marketers of gas and power in the region will be responsible for supplying electricity and natural gas to meet JERA's capacity requirements at the Freeport liquefaction terminal. EDFT in Europe will become the exclusive market interface for JERAT with respect to the European natural gas markets.

Recognising the expansion of JERAT's business globally, JERA and EDFT agreed to change the name of JERA Trading to "JERA Global Markets".

This transaction is subject to customary regulatory approvals and is expected to be completed by early 2019.

"We look forward, through JERA Global Markets, to optimising our global LNG portfolio with more flexible LNG sources and associated shipping positions amid the uncertainties of LNG demand in Japan and global LNG market developments", said Yuji Kakimi, President of JERA.

"LNG is an important fuel for EDF and this joint venture will combine EDFT's wholesale market optimisation capabilities with JERA's offtake volumes. This is another important step in our relationship with JERA, which started in 2005 and has significantly grown over the years. I look forward to building this new business with JERA in the rapidly developing LNG market," said John Rittenhouse, Chief Executive, EDFT.

## Recent Events

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“With this operation, JERA and EDFT are entering into a new chapter of their strategic partnership, which will bring scale and value to both Groups”, said Xavier Girre, Senior Executive Vice President and Chief Financial Officer of EDF Group and Chairman of EDFT.”

### **5 June 2018 – “EDF and McPhy sign a partnership agreement to develop carbon-free hydrogen in France and around the world**

- An industrial, commercial and research partnership agreement to develop carbon-free hydrogen in France and around the world
- Investment by EDF Nouveaux Business of approximately €16M in McPhy via the subscription to a reserved capital increase<sup>1</sup>
- Consolidation of McPhy’s financial capacity, meaning that it will be able to sustain its growth and draw on EDF’s strategic markets to speed up its commercial development
- Another step forward for EDF in its contribution to the energy transition: EDF enters the carbon-free hydrogen market, with the medium-term goal of developing a competitive carbon-free hydrogen solution

Paris - La Motte Fanjas, 5 June 2018 at 19:45 – McPhy (Euronext Paris Compartiment C : MCPHY, FR0011742329), experts in equipment for producing, storing and distributing hydrogen, and the EDF group, have today announced the signature of a partnership agreement to develop carbon-free hydrogen in France and around the world.

Cédric Lewandowski, Senior Executive Vice President in charge of Innovation, Strategy and Planning at the EDF Group, declares: *“We are proud to announce this collaboration with McPhy, a key player in the field of hydrogen, with whom the EDF Group has had ties for several years. This partnership is the first step in the process that will help EDF speed up its entry to this flourishing new market that is creating jobs in France and around the world.”*

Pascal Mauberger, Chief Executive Office of McPhy announces: *“We are delighted with the signature of this partnership agreement with the EDF Group, world leader when it comes to low-carbon energy. This agreement marks an important new chapter in McPhy’s development. Thanks to the additional financial resources and the support provided by the EDF Group we are going to be able to speed up our growth, consolidate our commercial development and conquer new markets. We would like to thank the EDF Group for this expression of confidence in our technology and our industrial infrastructure to develop hydrogen solutions. On a personal note, I am very proud to be at the helm for this new chapter in the development of McPhy.”*

### **An industrial, commercial and research partnership to develop carbon-free hydrogen in France and around the world**

Founded in 2008, McPhy, a company originally from Drôme and listed on Euronext, is a key player in the field of hydrogen and offers a comprehensive range of solutions including electrolyzers, hydrogen charging stations and storage. McPhy covers the whole value chain, from engineering, manufacturing and production to operation and maintenance, as well as R&D. McPhy relies on a highly qualified team of more than 80 employees, mainly distributed between France, Italy and Germany, to target the growing markets of carbon-free hydrogen for industry and mobility. With this collaboration with EDF, who will thus become its key shareholder, McPhy is equipping itself with the additional means it needs to help fund its growth. It will be able to draw on EDF’s position in its strategic markets in Europe, the United

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<sup>1</sup> EDF Nouveaux Business Holding’s contribution to McPhy’s capital, which is subject to receiving the approval by the shareholders during the McPhy AGM, due to take place on 26 June 2018 and obtaining the visa from the French Market Authority (Autorité des Marchés) on the prospectus related to the capital increase.

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States and China, along with sustained support to consolidate its commercial development and secure new clients in France and around the world.

EDF's ambitions are focused on developing competitive carbon-free hydrogen solutions, mainly aimed at industrial clients and the heavy-duty mobility sector, by relying on industrial partners and regional vitality. The Group has also already dedicated more than 15 years of R&D resources to hydrogen, including in particular electrolysers and vehicle charging stations, at its EIFER research centre in Karlsruhe. In keeping with its involvement in creating a carbon-free economy and the Hydrogen Plan announced by Nicolas Hulot, the Minister for an Ecological and Inclusive Transition, the EDF Group thus embarks on a new chapter in its contribution to the energy transition, by working with McPhy, experts in equipment for producing, storing and distributing hydrogen, in order to contribute to the development of the production of carbon-free hydrogen.

McPhy's roots in France and elsewhere around the world are a major asset in this regard. In France, McPhy plays an active role in rolling out hydrogen solutions, including in particular in industry, with a 1 MW project for GRTgaz in Fos-sur-Mer, and in terms of mobility, by equipping 9 of the 18 hydrogen charging stations installed in France. Internationally, the company has also enjoyed a number of significant commercial successes in recent months, such as the contract it won in China to provide 4 MW of hydrogen production units for Jiantou Yanshan Wind Energy.

Thanks to McPhy's expertise, EDF will be able to offer its customers new services to help them reduce their carbon footprint and boost their competitiveness. This expertise when it comes to producing and marketing CO<sub>2</sub>-free hydrogen will also constitute a boost to the EDF Group's electromobility strategy. With this partnership, EDF consolidates its commitment to combating climate change<sup>1</sup>. Indeed, EDF sees electrolytic hydrogen as a vital energy carrier to make certain sectors of the economy (industry, mobility) carbon-free when it is produced from electricity that is itself carbon-free, as is the case thanks to EDF's low-carbon mix, which combines nuclear and renewable energy<sup>2</sup>.

### Financial details

EDF's investment will involve the subscription to a reserved increase in McPhy's capital worth a total of approximately €16M, at a price per share of €5,10 (representing a discount of 4,2% compared with the average closing price for the last three months, of €5,32, and of 15% compared with the current price per share of €6,00), representing 3 137 250 new shares in the company, and circa 21,7% of its share capital, and 20,4% of its voting rights. The implementation of this capital increase is subject to the fulfilment of certain conditions precedent, including in particular receiving the approval of McPhy's annual general meeting on 26 June 2018, and obtaining the visa from the French Market Authority (Autorité des Marchés) on the prospectus related to the capital increase; and is due to be finalised in the days following these approvals.

In addition, the appointment of two directors designated by EDF Nouveaux Business will be proposed to the Shareholders' meeting of McPhy on 26 June 2018."

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<sup>1</sup> According to a recent study carried out by the Hydrogen Council with McKinsey, hydrogen could represent almost 1/5 of the total energy consumed by 2050, helping to reduce CO<sub>2</sub> emissions by 20%, so 55 million tonnes. According to these estimates, the large-scale development of hydrogen could generate a turnover of 2,500 billion dollars and 30 million jobs.

<sup>2</sup> According to a study by IFP Energies Nouvelles, at the moment 96% of hydrogen is produced from fossil fuels.

## Recent Events

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### 6. Nuclear industry

#### 6.1 Nuclear activities in France

##### **25 July 2018 – “Welds in the main secondary system of the Flamanville EPR: EDF sets up corrective actions and adjusts schedule and target construction costs**

As of 25 July 2018, EDF has inspected 148 of the 150 welds in the main secondary system<sup>[1]</sup> of the Flamanville EPR and continued to exchange with the French Nuclear Safety Authority (ASN), as announced in previous press releases dated 10 April and 31 May 2018<sup>[2]</sup>. The two remaining welds will be inspected before the end of July 2018.

Out of the 148 inspected welds, 33 have quality deficiencies and will be repaired.

In addition, EDF has decided to rework a further 20 welds, even though they do not have any defects. These welds do not comply with the "high quality" requirements<sup>[3]</sup> defined by EDF during the EPR design phase (break preclusion principle).

For 10 other welds, EDF has submitted a proposal to the ASN detailing a specific justification method to confirm the high level of safety at the plant throughout its operating life. The ASN will conduct an in-depth examination of this method.

The other 85 welds are compliant.

The EDF group has therefore adjusted the Flamanville EPR schedule and construction costs accordingly. The loading of nuclear fuel is now scheduled for the 4th quarter in 2019 and the target construction costs have been revised from €10.5 billion to €10.9 billion<sup>[4]</sup>.

EDF teams and their industrial partners are fully mobilized and are continuing all other assembly and testing activities at the Flamanville EPR, including the system performance tests. The "hot tests" are scheduled to commence before the end of 2018.

The impact on operations of the two Fessenheim reactors is currently being reviewed, particularly in relation to the French Energy Transition Law for green growth, which caps nuclear electricity generation capacity.”

##### **5 July 2018 – “Clarification on safety and security at EDF nuclear power plants in France”**

Today, the National Assembly committee of inquiry dedicated to nuclear safety and security at nuclear facilities presented its report.

EDF has answered all the questions posed by the National Assembly committee of inquiry in accordance with the legal framework.

Several members of company senior leadership team spoke at National Assembly committee hearings for several hours on two occasions (15 March 2018 and 7 June 2018), answering more than 150 questions under oath. Around sixty additional questions were addressed to EDF in writing. They were answered in detail, with 2000 pages of documents being transmitted.

At the request of the committee of inquiry, three days of visits were organised at Gravelines NPP (18 May 2018), Tricastin NPP (1 June 2018) and Flamanville 3 EPR construction site (6 June 2018). The programme of these visits was set out together with the Commission of Inquiry so that all the queries were able to be answered.

The report summary does not point out any shortfall in Nuclear Operator obligations. Based on the recommendations issued by the committee of inquiry, EDF has observed that the measures set up to ensure the safety and security at nuclear power plants in France are validated across the board.

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<sup>[1]</sup> A closed system in which the steam produced in the steam generator is sent towards the turbine. Once condensed, the water is brought back to the steam generator

<sup>[2]</sup> See EDF press release dated 10 April 2018 and 31 May 2018

<sup>[3]</sup> See declaration (30 November 2017) of significant safety event related to correct application of "high quality" requirements

<sup>[4]</sup> In Euros of 2015, excluding interim interests

## Recent Events

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Nuclear safety has been EDF overriding priority since the start-up of its nuclear power plants and is committed to the continuous improvement approach. In addition, the Nuclear Safety Authority (ASN) considered that the level of nuclear safety at French Nuclear power plants was “generally satisfactory” in 2017.

The Group wishes to provide further clarification:

- All the employees working at nuclear power plants are covered by the same work conditions and benefit from identical protection against the risks, similar training and the same medical supervision whatever their status.
- Since 1 February 2013, EDF has included social specifications in its invitations to tender. In addition to the technical requirements, the contractor companies shall be committed to deploying a set of measures covering subcontracting areas such as: worker professionalism, radiation protection, occupational risk prevention, medical supervision and limitation of subcontracting to three levels. This limitation of subcontracting levels has been governed by Decree since 28 June 2016.

On the subject of nuclear waste management, EDF points out that:

- Within the framework of the National Plan for Radioactive Materials and Waste Management (PNGMDR) for 2016-2018, the Nuclear Safety Authority and the Directorate General for Energy and Climate (DGEC) asked EDF to propose a solution to procure new spent fuel storage capacity for the timeframe of 2025-2035.

Pool storage was deemed preferable, by EDF together with the ASN, and a safety option file was submitted at its request. The public debate to be held in the second half of 2018 to define the PNGMDR for 2019-2021 should rule on the solution to be adopted.

- The Group bears full financial responsibility for dismantling of its nuclear power plants.

For the record, French regulations (the Law of 28 June 2006 governing sustainable radioactive materials and waste management and its texts of application) set up a mechanism that is restrictive for Nuclear Operators and secure:

- The Law stipulates allocation of financial assets dedicated to funding of the dismantling of nuclear facilities and long-term radioactive waste management.
- They are identified and isolated from management of other company assets and financial investments so as to ensure availability in a timely manner.
- Strict checking and monitoring are performed on these assets and funds by the Board of Directors and the State on a regular basis.

As at 31 December 2017, the funds for long-term nuclear power obligations, mainly for dismantling of nuclear power plant, last cores and long-term radioactive waste management (including the Cigéo storage project), amounted to 25.9 billion Euros for a value of dedicated assets of 28.1 billion Euros, resulting in a rate of coverage of 108.5%<sup>1</sup> (EDF Group consolidated accounts as at 31/12/2017).

An audit commissioned by the Ministry for the Environment, Energy and the Sea was conducted on the provisions for dismantling of NPPs in operation. The Ministry concluded that the audit, with results published on 15 January 2016<sup>2</sup>, overall confirmed the estimation by EDF of the costs of dismantling its nuclear fleet.

In addition, EDF factored in the recommendations issued within the framework of this audit, as from the Group financial statements as at 31 December 2016.

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<sup>1</sup> Market value

<sup>2</sup> Conclusions of the audit published in January 2016 on the Ministry for the Environment, Energy and the Sea website: <http://www.developpement-durable.gouv.fr/Synthese-du-rapport-d-audit-sur.html>

## Recent Events

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The EDF Group accounts are audited and certified by the external auditors<sup>1</sup>. They are inspected by the Auditor General on a regular basis.

During initial reading of the report, EDF picked up a certain number of factual errors. The Group shall study this report in detail and provide further clarification by the end of the month. Nuclear safety is EDF Group overriding priority.

### 6.2 Nuclear activities out of France

#### **29 June 2018 – “Taishan 1, world’s first EPR connected to the grid**

On the 29<sup>th</sup> of June at 17:59 local time, Taishan 1 reactor located in China became the first EPR\* reactor in the world to be successfully connected to the grid.

Taishan is the largest cooperative energy project between China and France. It is operated by TNPJVC, a joint venture established between CGN (51%), EDF (30%) and the provincial Chinese electricity company Yuedian (19%). The construction of Taishan 1 began in 2009, whilst that of Taishan 2 began in 2010. These two units were respectively the third and fourth EPR reactors to have started being built worldwide.

On the 10<sup>th</sup> of April, following the completion of preparatory work and testing phases, China’s Ministry of Ecology and Environment granted Taishan 1 permission to load the reactor with fuel. Fuelling operations commenced on the very same day. The first chain reaction in reactor no. 1 took place on the 6<sup>th</sup> of June and on the 29<sup>th</sup> of June, main-generator and grid-connection tests were successfully completed.

Following the unit’s first connection to the grid, the reactor will undergo a period of gradual power-up tests. Once the reactor has passed all these tests, it will then be tested in steady-state conditions at full power. Since the start of construction, the Taishan project has aligned itself with the highest safety and quality standards, which have been monitored throughout its duration.

A number of factors contributed to Taishan 1 being the world’s first EPR to go on line: it has benefited from a longstanding strategic partnership between EDF and CGN, from both partners’ experience in the construction and operation of nuclear power plants, and from the support of leading players in both countries’ nuclear sectors. During the initial stage of the project, Taishan also benefited from the experience of the two European EPR projects (Flamanville and Olkiluoto), which had started being built earlier on.

The EPR design adopted by Taishan nuclear power plant features third-generation nuclear technology, jointly developed by EDF and Framatome. This technology incorporates operating experience and technological improvements spanning the past 40 years of Pressurised Water Reactor operation around the world.

As the world’s leading EPR project, Taishan epitomises the strength of the nuclear partnership between France and China, whilst at the same time providing reactors of similar design around the world with valuable experience in the areas of project management and technological expertise.

\*European Pressurised Reactor”

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<sup>1</sup> The EDF consolidated financial statement for the financial year ending on 31 December 2017 and the external auditor report are inserted in Chapter 6 of the EDF reference document. The financial statements can be consulted on the edf.fr website: <https://www.edf.fr/sites/default/files/contrib/groupe-edf/espaces-dedies/espace-finance-fr/informations-financieres/informations-reglementees/resultats-annuels/2017/pdf/resultats-annuels-2017-comptes-consolides-20180216.pdf>

## Recent Events

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### **26 June 2018 – “EDF and GE sign a strategic cooperation agreement for the planned construction of 6 EPRs in India**

On the 26th of June 2018, Xavier Ursat, Group senior executive vice president of EDF in charge of new nuclear projects and engineering, and Andreas Lusch, President and CEO of GE's Steam Power business, announced that GE and EDF signed a strategic cooperation agreement for the planned construction of 6 EPR reactors at the Jaitapur site, Maharashtra, India.

This agreement lays the foundations for a long term partnership concerning the construction of the conventional island\* on each of the 6 reactor units. GE Power will design the conventional island for the Jaitapur nuclear plant and supply its main components. The company will also provide operational support services and a training programme to respond to the requirements of NPCIL, the Indian owner and operator of the future nuclear power plant currently under discussion. EDF will be responsible for engineering integration covering the entire project (nuclear island, conventional island and auxiliary systems) and will provide all the requisite input data.

EDF and GE Power will move forward with the work currently being performed to freeze the project's technical options, fine-tune industrial arrangements between both companies and finalize the design-engineering and procurement schedule.

The signing of this strategic cooperation agreement is an important step in implementing the Industrial Way Forward Agreement which was signed with NPCIL on the 10<sup>th</sup> of March 2018. Under the terms of this agreement, EDF will supply EPR technology and will be responsible for building and coordinating industrial partners for this project.

GE Power is a long-standing partner of the EDF Group. The company is the main supplier of conventional-island components for many French power plants like Flamanville-3 as well as Hinkley Point C in the UK. GE Power has decades of experience and a manufacturing footprint in both France and India.

Statement by Xavier Ursat: *“This strategic agreement marks the beginning of a new phase in the implementation of the world’s biggest nuclear project at Jaitapur. We are proud to be supported by an experienced partner whose expertise is widely recognised across the globe. This long term agreement with GE, underpinned by a synergy of combined skills and the convergence of our long-term strategies in India, is yet another promising brick supporting the future of this project which is essential for the future of India’s energy mix and for EDF”.*

Statement by Andreas Lusch: *“We are delighted to build on our long-standing partnership with EDF by signing this agreement related to Jaitapur. This represents 60 years of nuclear partnership between our two companies and demonstrates deep expertise in nuclear project development. GE Power also has a long history of helping India produce power and we’re pleased that our ARABELLE™ steam turbines\*\* will be part of the solution to ensure reliable, CO2-free power for their growing economy.”*

*\*The conventional island comprises all components and systems that are used for converting steam generated by the nuclear reactor into electrical power (all Turbine Hall systems and components including steam turbine, power generator, condenser, moisture separator-reheater system, auxiliary systems and power evacuation systems).*

*\*\* The ARABELLE™ steam turbines -- either in operation or being manufactured -- represent about 50 GW of power globally. This technology has been in operation for more than 15 years and is the largest steam turbine in operation today.”*

### **2 May 2018 – “EDF Energy : Hunterston B Update**

EDF Energy has been in discussion with the Office for Nuclear Regulation (ONR) to agree the return to service of Reactor 3 at Hunterston B following the completion of a recent

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inspection programme. The inspections confirmed the expected presence of new keyway root cracks in the reactor core and also identified these happening at a slightly higher rate than modelled.

EDF Energy has today decided that, while Hunterston B Reactor 3 could return to operation from the current outage, it will remain offline while the company works with the regulator to ensure that the longer term safety case reflects the findings of the recent inspections and includes the results obtained from other analysis and modelling. The operation of other reactors is not affected.

We have been working over many years to fully understand and prepare for these late life changes to the reactor core and regular inspections at all our plants have provided a clear understanding of how the reactor cores age. The longer term safety case will build on work already completed and EDF Energy expects that this will demonstrate that there are large safety margins both now and for the projected reactor lifetime.

Over £100m has been spent on the graphite research programme which benefits from the expertise of our own team of specialists as well as academics at several leading U.K. universities.

During this time EDF Energy may take the opportunity to carry out additional planned routine maintenance.

We expect the unit to return to service before the end of 2018. This will result in a reduction in 2018 nuclear output forecast of up to 3TWh.”

### **7. Sustainable development and Group renewables**

#### **22 June 2018 – “The EDF Group has inaugurated two ground breaking energy transition projects in the United Kingdom: the off-shore wind farm in Blyth and the battery storage facility in West Burton**

On Friday 22 June 2018, Jean-Bernard Lévy, the EDF Group Chairman and Chief Executive Officer, Bruno Bensasson, the Group Executive Vice-President in charge of Renewable Energies and Simone Rossi, EDF Energy Chief Executive Officer officially opened two ground breaking projects in the United Kingdom: the Blyth off-shore wind farm and the West Burton B battery storage facility.

#### **Blyth off-shore wind farm**

Located off the Northumberland coast, the Blyth off-shore wind farm is composed of five turbines with total generation capacity of 41.5 MW. Several innovations have been built in to contribute to enhanced competitiveness of off-shore wind power.

Blyth is the first off-shore wind farm to use float and submerge technology. The wind turbines are supported with gravity-based foundations transported by floating, which reduces the installation costs. The 8.3 MW turbines are amongst the most powerful of their type to be used offshore. A dedicated operations and maintenance team with 9 members has been set up at the Port of Blyth.

The EDF Group, in the form of EDF Renewables in the UK, already operates the 62 MW Teesside off-shore wind farm located around 80 km to the south of the new Blyth facility. In May, the Group acquired the 450 MW Neart Na Gaoithe off-shore wind project off the east coast of Scotland and has been granted all the administrative permits.

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### West Burton B battery storage facility

The 49 MW battery storage facility located at West Burton B power station is the largest project in the new frequency control system which will be deployed across the UK to improve stability of the national grid.

Against the backdrop of extensive development of renewable energy generation and the closure of ageing power plants, battery storage technology supports stability of the grid and can be used for rapid response to fluctuations in grid frequency.

Jean-Bernard Lévy, the EDF Group Chairman and CEO stated: These two innovative projects demonstrate our expertise in renewable energies and electricity storage. They contribute greatly to decarbonisation of the energy mix in the UK, our second largest market after France. They are both consistent with our CAP 2030 strategy, which aims to double EDF Group renewable energy generation by the year 2030 and our Electricity Storage Plan with the installation of 10 GW of new storage facilities supporting the electricity systems by the year 2035.

Simone Rossi, EDF Energy Chief Executive Officer stated: These projects show how EDF is investing in new technologies to promote the development of renewable energies in the UK. At Blyth, we have used innovation to drive down the cost of off-shore wind power and at West Burton B we are setting up infrastructures, which will guarantee viability of a system increasingly focused on low carbon energy. Both projects demonstrate our commitment to providing UK consumers with reliable, affordable, low carbon energy from a range of technologies mainly based on renewable energies, batteries and nuclear power.

Bruno Bensasson, Group Executive Vice-President in charge of Renewable Energies added: I am delighted to inaugurate these innovative projects. They demonstrate that EDF Group plays a significant role in the shaping of renewable energies and is able to offer reliable solutions for global expansion. The fast-track construction at Blyth highlights robustness of EDF Group expertise in off-shore wind power that we intend to further develop on the UK market, as well as in France and beyond.

### 20 June 2018 – “Confirmation of the three offshore wind farms in Fécamp, Courseulles-sur-Mer and Saint-Nazaire

EDF welcomes the confirmation by the French President, Mr Emmanuel Macron, of the three offshore wind farms in Fécamp, Courseulles-sur-Mer and Saint-Nazaire that its subsidiary EDF Energies Nouvelles is developing with its partners Enbridge Inc. and WPD.

*"At the end of this period of negotiations with the State, we are delighted that our three projects have been confirmed under conditions that will enable the creation of a national offshore wind turbine industry with nearly 7,000 direct and indirect jobs. Our teams and those of our partners are fully committed to carrying out these key projects for the energy transition in France: they will cover the equivalent of the electricity consumption of more than 2,000,000 people. These projects are fully in line with our CAP 2030 strategy, which plans to double the Group's renewable capacity between 2015 and 2030 to 50 GW"* said Jean-Bernard Lévy, Chairman and Chief Executive Officer of EDF.

*"We are pleased with this decision. After several years of consultation with the territory and preparatory work, we are awaiting the last court decisions concerning the authorizations of these projects to launch their construction with a view to their first commissioning as early as 2022. We are thus ready to be a key player in the industrial endeavour of renewable marine energies in France,"* added Bruno Bensasson, EDF Group Executive Director in charge of the Renewable Energy Sector and Chairman and CEO of EDF Energies Nouvelles.

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The consortium and its industrial partner GE Renewable Energy were the winners of the three offshore wind farms projects in Fécamp, Courseulles-sur-Mer and Saint-Nazaire in 2012 during the first call for tenders.

These projects are the result of extensive consultation conducted for over 10 years with local authorities by EDF Energies Nouvelles and its partners - government departments, industrial companies, associations and members of the social and economic local community. The final investment decision that will allow work to begin will be taken once the authorizations obtained for these wind farms have been cleared of all appeals. The consortium expects these decisions in the coming months.”

### **10 May 2018 – “EDF finalises the acquisition of 750 MW of active generation capacity (gas and peak demand) to support the development of its renewable energy business in Chile**

On the 10th of May 2018, the EDF Group – in a joint venture with the Chilean electricity company AME – finalised the agreement it signed with AES Gener for the acquisition of 750MW of flexible generation capacity (gas and peak demand). These assets will enable the EDF Group to further develop renewable energy projects in Chile by compensating for fluctuations in wind and solar output.

The transaction involves the *Nueva Renca* natural-gas combined-cycle power plant (379 MW) and three peak-demand combustion turbines: *Los Vientos* (132 MW), *Santa Lidia* (139 MW) and *Renca* (100 MW). These assets are jointly held with AME and 75% of the transaction has been financed through a variety of bank loans. EDF and AME are planning to upgrade these assets in order to maximise their efficiency and environmental performance.

Through this joint acquisition, EDF and AME are strengthening their collaborative relationship and their position on the Chilean electricity market. Both companies are already partners in the *Santiago Solar* power plant (115MWp) and in a gas-to-power project comprising a combined-cycle plant (*Central el Campesino*) and a LNG storage/regasification infrastructure (*GNL Penco*).

The development of renewables combined with peak-demand capacity is one of Chile’s key energy-transition strategies. The country is seeking to increase the proportion of renewables in its energy mix to 60% by 2035 while also phasing out coal-fired plants by 2050.

Marianne Laigneau, Group Executive Vice-President in charge of the International Division: *“With this acquisition, the EDF Group is consolidating its position in Chile and is acquiring flexible assets in order to deliver on the expansion of its solar business, which it has already embarked upon with its partner AME. Chile is one of the key countries where EDF is expanding its business in line with its CAP2030 strategy which seeks to triple our business outside of Europe by 2030. We are extremely proud to be supporting the country with the successful delivery of its energy transition”.*”

### **3 May 2018 – “The EDF Group acquires a 450 MW offshore wind project in Scotland from Mainstream Renewable Power**

The EDF Group, via EDF Renewables in the United Kingdom, a joint subsidiary of EDF Energy and EDF Energies Nouvelles, has bought the Neart na Gaoithe<sup>1</sup> wind farm project from global wind and solar developer Mainstream Renewable Power, following a competitive bidding process.

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<sup>1</sup> Neart na Gaoithe is Gaelic for “Strength of the Wind”.

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The wind farm will generate up to 450 megawatts (MW) of renewable energy, which is equivalent to the annual electricity provision of around 375,000 homes<sup>1</sup>. It is a fully consented offshore wind project which is located in the Firth of Forth off the east coast of Scotland. It covers 105km<sup>2</sup>, and has a 15 year Contract for Difference at 140 Euros (corresponding to the indexation of the tariff of £114.39 that was set in 2012 prices), and grid connection agreements in place. This project also benefits from a wind regime among the best in the world.

The total investment required to deliver the project is around £1.8 billion. The commissioning of the wind farm is planned for 2023. In line with the group's usual practice, the project will be open to other investors in due course.

Bruno Bensasson, EDF Group Senior Executive President responsible for Renewable Energies and Chief Executive Officer of EDF Energies Nouvelles' Group said, "This large-scale new offshore project demonstrates our strong ambition in being a leading global player in the offshore wind industry. It confirms EDF Group's wider commitment to renewables in countries where EDF already has a strong footprint such as the United Kingdom. The project is consistent with the CAP 2030 strategy that aims at doubling EDF's renewable energy generation by 2030".

Simone Rossi, CEO of EDF Energy said, "This is evidence of our continuing investment and growth in Scotland, where we are the largest generator of low carbon energy. Our operations contribute £389m to the Scottish economy every year and we employ more than 2,800 staff and contractors. We supply 144,000 customers in Scotland."

Mainstream Renewable Power's Chief Executive Officer, Andy Kinsella said, "We are very pleased to be bringing in such an established partner and supporter of the Scottish energy industry in EDF Renewables to this vital infrastructure project for Scotland. The completion of this sale adds to Mainstream's global track record as the leading independent developer of some of the most significant and complex wind and solar projects across Europe, South America, Africa and Asia. The Neart na Gaoithe offshore wind farm has been fully developed by Mainstream and we are delighted to be handing over this world-class project."

### **1 May 2018 – “The EDF Group commissions its first renewable energy facility in the United Arab Emirates**

On Monday 30<sup>th</sup> April 2018, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, accompanied by His Excellency Saeed Mohammed Al Tayer, MD & CEO of Dubai Electricity and Water Authority (DEWA), His Excellency Dr Sultan Al Jaber, Minister of State in the UAE Cabinet, CEO of the Abu Dhabi National Oil Company (ADNOC Group) and Chairman of MASDAR, Mohamed Jameel Al Ramahi, CEO of Abu Dhabi Future Energy Company (MASDAR), and by Jean-Bernard Lévy, the EDF Group's Chairman & Chief Executive Officer, in the presence of His Excellency Ludovic Pouille, French Ambassador to the UAE, and Bruno Bensasson, Group Executive Vice-President in charge of Renewables, inaugurated 200 MW of solar capacity in the Emirate of Dubai.

This plant is the first unit of the 800-MW *Dewa III* facility in which EDF acquired a stake along with Masdar and the Dubai Electricity & Water Authority (DEWA). *DEWA III* is the third phase of one of the world's most powerful solar projects – the Mohammed bin Rashid Al Maktoum solar park. Amounting to a total investment of 14 billion US dollars (50 billion AED), the solar park will have a total installed capacity of 5000 MW, creating more than 1000 jobs during its development phase and cutting down on CO<sub>2</sub> emissions by up to 6.5 million tons a year once it is fully operational in 2030.

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<sup>1</sup> Based upon the average domestic electricity consumption per home of 3,889 kWh per the Energy Consumption in the UK (published July 2017) and Renewable-UK offshore wind average load factor at 37.2%.

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The *DEWA III* project had been awarded at a highly competitive price of 2.99 US cents per kilowatt-hour for the generation of solar power. The currently installed 200 MW of generating capacity will be followed by the consecutive commissioning of two 300-MW units in 2019 and 2020. The facility will thus be used to power Dubai's World Expo in 2020, according to the Dubai Clean Energy Strategy 2050, to increase the share of clean energy in Dubai, with a total power output to 75% by 2050.

Statement from Jean-Bernard Lévy, EDF's Chairman & Chief Executive Officer: *"It is a great honour for the EDF Group to contribute to the Emirate of Dubai's energy transition. I am delighted with the trusting relationship we have forged with our partners Masdar and DEWA to develop carbon-free energy in the region and beyond. Dewa III exemplifies the EDF Group's ability to execute large-scale solar projects, whilst contributing to the ambitions of the Group's CAP 2030 strategy: doubling its renewable capacities and tripling its international business outside of Europe by 2030".*

Statement from Bruno Bensasson, Group Executive Vice-President in charge of Renewables: *"We are proud to inaugurate the first unit of our large-scale DEWA III solar project with a total installed capacity of 800 MW in this strategic region for the EDF Group. This new project, which is being delivered in accordance with a challenging schedule, illustrates our workforce's know-how when it comes to developing large solar plants".*

## 8. Litigation

The following paragraph describe legal 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 2017 *Document de Référence* and section 9 ("Significant events related to litigation in process") of the 2018 Half-Year Management Report.

### Proceedings concerning EDF

#### ***Decision of the CJEU on the request for a preliminary ruling from the Conseil d'Etat in the Messer France case***

Pursuant to a decision dated February 22, 2017, the *Conseil d'Etat* decided to stay the proceedings in the Messer France case until the decision of the Court of Justice of the European Union (the "CJEU") on the request for a preliminary ruling (*renvoi préjudiciel*) submitted by the *Conseil d'Etat* regarding the compatibility of the Contribution to the Public Electricity Service (*Contribution au service public de l'électricité* – CSPE) with the directives establishing general arrangements for excise duties (92/12/EEC of February 25, 1992 and 2008/118/EC of December 16, 2008) and the common framework for the taxation of energy products and electricity (2003/96/EC of October 27, 2003). On July 25, 2018, the CJEU ruled that a tax such as the CSPE may be classified as 'another indirect tax' as regards its environmental objective, which is intended to finance additional costs resulting from the obligation to purchase green energy, but not as regards its objectives of territorial and social cohesion, such as the geographical price-balancing mechanism and the reduction in the price of electricity for low-income households, or as regards its purely administrative objectives, including the financing of costs inherent in the administrative operations of public authorities or institutions such as the *Médiateur national de l'énergie* and the *Caisse des dépôts et consignations*, subject to verification by the *Conseil d'Etat* of compliance with the tax rules applicable for excise duty purposes. The CJEU further noted that EU law must be interpreted as meaning that the taxable persons concerned are entitled to partial reimbursement of a tax such as the CSPE in the proportion in which revenue raised from that tax was allocated to non-specific objectives, provided that that tax was not directly passed on by the taxable persons to their own customers, which is a matter to be determined by the *Conseil d'Etat*. Following the CJEU's decision, the proceedings before the *Conseil d'Etat* regarding the

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Messer France case should resume in the coming months and a decision of the *Conseil d'Etat* is expected by the end of 2018.

### ***Action against the European Commission's decision to authorize the Hinkley Point C contract for difference***

On 6 July 2015, Austria, supported by Luxembourg, brought an action before the European Union General Court against the European Commission's decision dated 8 October 2014 authorizing the contract for difference negotiated between the United Kingdom, EDF and China Nuclear Power ("**CNG**") in respect of Hinkley Point C – in which EDF and CNG owns respectively a 66.5% stake and a 33.5% stake – pursuant to which the United Kingdom notably planned to implement an aid in favor of unit C of the nuclear power station at Hinkley Point for the purpose of creating new capacity for the generation of nuclear energy.

As this application has no suspensive effect, EDF, the UK government and CGN signed all of the Hinkley Point C related agreements, including the contract for difference, on 29 September 2016.

Pursuant to a decision dated 12 July 2018, the General Court of the European Union dismissed this action.

An appeal, limited to points of law only, may be brought before the Court of Justice against this decision within two months of notification of the decision.

### ***Action against the final investment decision for the project Hinkley Point C – Decision of the Cour d'appel of Paris regarding the application filed by EDF SA's Central Works Council***

Authorized in an order issued on June 20, 2016, EDF's central works council (the "**CCE**") filed an urgent application against EDF with the Presiding Judge of the *Tribunal de grande instance* of Paris, where the CCE asked the Presiding Judge, ruling in urgent proceedings, to order EDF to provide a certain number of documents and/or information to the CCE, to extend the consultation period for EDF's CCE and to order EDF not to implement the Hinkley Point C project. The Presiding Judge of the *Tribunal de grande instance* of Paris dismissed the CCE's applications by a decision dated October 27, 2016.

Pursuant to a decision dated September 7, 2018, the *Cour d'appel* of Paris (i) ordered EDF to provide some document(s) to the CCE and to convene an "extraordinary meeting" of the CCE regarding the Hinkley Point C project for consultation purposes, and (ii) denied all the other requests of the CCE, including the CCE's request to suspend the implementation the Hinkley Point C project. EDF intends to lodge an appeal of this decision before the *Cour de cassation*. Such appeal would not impact the enforceability of this decision.

## **9 Other significant events**

### **15 June 2018 – "Results of the option for the payment of the balance of the dividend to be paid out on the 2017 financial year"**

The option for the payment of the balance of the dividend in shares was chosen by EDF's shareholders: 93.39% of the rights were exercised in favor of a payment in shares following the option period which took place between 25 May 2018 and 11 June 2018 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 15 May 2018 decided to pay a dividend in respect of the 2017 financial year for an amount of 0.46 euro per share conferring entitlement to the ordinary dividend, with an option for the payment in shares of the Company

## Recent Events

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of the outstanding balance of the dividend still to be paid, amounting to 0.31 euro per share conferring entitlement to the ordinary dividend.

The issue price of the new shares is 10.23 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 15 May 2018, 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 82,828,872 new shares (representing approximately 2.75% of the share capital, taking into account the issuance), to be delivered and admitted for trading on Euronext Paris starting on 19 June 2018. 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 2017 reference document Report available on the Company's website. The balance in cash to be paid to the shareholders who opted for the payment in shares amounts to around 0.884 million euros.

The total remaining cash dividend to be paid to shareholders who did not elect to receive the 2017 balance of the dividend in shares amounts to around 60.331 million euro and the payment in cash will take place as of 19 June 2018.

Xavier Girre, Group Senior Executive Vice President, Group Finance stated: "*With this option, widely subscribed by our shareholders, the equity reinforcement plan announced in April 2016 is now completed. It will have reached € 9.06 billion, divided between the option for the payment of the dividend in shares for fiscal years 2015 to 2017 (amounting to €5.04bn) and the rights issue carried out in March 2017 (€4.02bn).*"

### **15 May 2018 – “Mobilised in the fight against global warming EDF is committed to:**

- **Reduce its direct CO<sub>2</sub> emissions by 40% by 2030**
- **Pursue the goal of achieving carbon neutrality by 2050**

The EDF group has made a commitment to reduce its direct CO<sub>2</sub> emissions significantly, with a target of 30 million tonnes in 2030<sup>1</sup> compared with 51 million tonnes in 2017. This target, which represents a 40% reduction in direct emissions compared with current levels, will leave the Group's emissions at approximately 40g/kWh. In particular, this will be achieved by closing down or adapting power stations run on coal and fuel oil, whilst speeding up the development of renewable production methods in addition to nuclear and hydraulic production. EDF is also confirming its goal of achieving carbon neutrality by 2050.

The commitment made by EDF – the world's second biggest electricity producer – is ambitious in a context where the Group has already cut its emissions by 35% since 2013. Besides, the Group is already a major player when it comes to contributing to the carbon performance in France and it is helping to reduce the European electricity sector's carbon footprint significantly.

As a company dedicated to the energy transition in France and around the world, this goal to reduce CO<sub>2</sub> emissions is the first of EDF Group's six corporate responsibility targets. It is in line with society's high expectations when it comes to combating climate change, as well as those of the Group's different stakeholders, including clients, investors and shareholders.

Jean-Bernard Lévy, EDF's CEO and Chairman, announced: "*In order to respect the Paris agreement and its goal to keep the global temperature rise below 2°C, both businesses and government need to take action. This is what is behind the commitment we are making today. The Group's significant reduction in direct CO<sub>2</sub> emissions by 2030 consolidates EDF's leading position when it comes to low-carbon growth. This ambitious commitment will be fulfilled by implementing our Cap 2030 strategy. The recent announcements about the launch of EDF's*

## Recent Events

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*Solar Plan and Electricity Storage Plan demonstrate the efforts the Group intends to make to turn this vision of a low-carbon economy into a reality.”*

<sup>1</sup> *Direct CO<sub>2</sub> emissions excluding an analysis of the life cycle of production means and fuels.”*

**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.*

**[PRIIPs Regulation / PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, “**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

**[MiFID II Product Governance / Target Market assessment** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties[,] [and] professional clients [and retail clients], each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)]/[MiFID II]; [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]]/[(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – [investment advice][,./ and] [portfolio management][,./ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]].]

**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

PR  
2.2.9  
and  
2.2.10

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<sup>1</sup> Delete legend if the Notes do not constitute “packaged” products, in which case, insert “Not Applicable” in paragraph 10(vii) of Part B below. Include legend if the Notes may constitute “packaged” products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case insert “Applicable” in paragraph 10(vii) of Part B below.

of **Électricité de France**

**SERIES NO: [●]**  
**TRANCHE NO: [●]**

[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.

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 14 September 2018 which received visa no 18-432 from the *Autorité des Marchés Financiers* (the "**AMF**") in France on 14 September 2018 [and the supplemental Base Prospectus dated [●] which received visa no [●] from the AMF in France on [●]]<sup>1</sup> 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 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.]<sup>2</sup> 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](http://www.amf-france.org)) and on the Issuer's website ([www.edf.com](http://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 addition<sup>3</sup>, the Base Prospectus [and the supplement(s) to the Base Prospectus] [is/are] available for viewing [at/on] [●]].

Art. 14.2  
PD  
Arts 26 and  
33 PR

*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

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<sup>1</sup> Delete if no supplement is published.

<sup>2</sup> 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.

<sup>3</sup> If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

## Form of Final Terms

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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 14 September 2018 which received visa no. 18-432 from the AMF in France on 14 September 2018 [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 14 September 2018 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].<sup>1</sup> 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](http://www.amf-france.org)) and on the Issuer's website ([www.edf.com](http://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 addition<sup>2</sup>, the Base Prospectus [and the supplement(s) to the Base Prospectus] [is/are] available for viewing [at/on] [●]].

*[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 14 September 2018 which received visa no 18-432 from the *Autorité des marchés financiers* ("**AMF**") on 14 September 2018 [and the supplement[s] to the Base Prospectus dated [●] (together, the "**2018 Base Prospectus**")]] notwithstanding the approval of an updated base prospectus which will replace the 2018 Base Prospectus (the "**2019 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 2019 Base Prospectus (the "**Approval Date**"), must be read in conjunction with the 2018 Base Prospectus, and (ii) on and after the Approval Date, must be read in conjunction with the 2019 Base Prospectus, save in respect of the Conditions which are extracted from the 2018 Base Prospectus. The 2018 Base Prospectus constitutes, and the 2019 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 2018 Base Prospectus, or (ii) on or after the Approval Date, the 2018 Base Prospectus and the 2019 Base Prospectus [and any supplement[s] thereto]. [The Issuer has in the 2018 Base Prospectus given consent to the use of the 2018 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 2018 Base Prospectus. The Issuer will in the 2019 Base Prospectus give consent to the use of the 2019 Base Prospectus in connection with the offer of the Notes.] [For so long as any Notes are outstanding, copies of the 2018 Base Prospectus and the 2019 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](http://www.amf-france.org)) and on the Issuer's website ([www.edf.com](http://www.edf.com)), and (ii) may be obtained,

<sup>1</sup> 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.

<sup>2</sup> If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

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free of charge, during normal business hours from Électricité de France, 22-30, avenue de Wagram, 75008 Paris, France. [In addition<sup>1</sup>, the 2018 Base Prospectus and the 2019 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 become fungible: [Not Applicable/ The Notes will be assimilated (*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: [●]<sup>2</sup> (*one (1) denomination only for Dematerialised Notes*) (*For Materialised Notes, attention should be paid to the rules and procedures of the relevant*  
(Condition 1 (b))

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<sup>1</sup> If the Notes are admitted to trading on a Regulated Market other than Euronext Paris.

<sup>2</sup> 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>Regulated Market(s) and/or clearing system(s).</i> [•]	
7. [(i) Issue Date:	[•]]	Annex V, 4.12
[(ii) Interest Commencement Date:	[Specify/Issue Date/Not Applicable]]	Annex V, 4.7
8. Maturity Date:	[•] <i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i>	Annex V, 4.8
9. Interest Basis:	[[•] % Fixed Rate] [[LIBOR/EURIBOR/CMS Rate/other[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. <b>Fixed Rate Note Provisions</b>	[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"]</i> /not adjusted]	

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- (iii) Fixed Coupon Amount[(s)]: [●] per [●] in Nominal Amount
- (iv) Broken Amount(s): [[●] ] per [●] in Nominal Amount payable on 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 sub-paragraphs 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]

## Form of Final Terms

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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 day in each Interest Accrual Period/each Interest Payment Date]*]

## Form of Final Terms

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- 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]<sup>1</sup>*
- (xii) Maximum Rate of Interest: *[●] per cent. per annum*
- (xiii) Day Count Fraction: *[●]*

### **16. Zero Coupon Note Provisions**

*[Applicable/Not Applicable]*

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Amortisation Yield: *[●] per cent. per annum*

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<sup>1</sup> The Minimum Rate of Interest (including any applicable margin) shall not be less than zero.

(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

**20. Make-Whole Redemption by the Issuer** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Notice Period<sup>1</sup>: [•]

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<sup>1</sup> 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.

## Form of Final Terms

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- (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:**  / 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  
*(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)*

## Form of Final Terms

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- (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, renominisation 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  
*(Note that: (i) in respect of any Tranche of Notes with a denomination of at least EUR 100,000 (or its equivalent in any other currency) or issued outside France, Condition 11 (b) (Contractual Masse) may be elected by the Issuer, and (ii) in respect of any Tranche of Notes issued with a denomination of less than EUR 100,000 and 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

[S&P: [●]]

[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](http://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**

[(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

Historic interest rates:

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters / other].

[Benchmarks:

Amounts payable under the Notes will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the “**Benchmarks Regulation**”). [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [●] is not currently required to obtain authorisation or registration.]]

9. [PLACING AND UNDERWRITING]

Annex V, 5.4

[Not Applicable]<sup>1</sup>

Consent of the Issuer to use the Prospectus during the Offer Period:

[Not Applicable / Applicable with respect to any Authorised Offeror specified below]

Authorised Offeror(s) in various countries where the offer takes place:

[Not Applicable / Name(s) 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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<sup>1</sup> Not required for Notes with a denomination of at least €100,000.

**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**").*

(vii) Prohibition of Sales to EEA

Retail Investors:

[Not Applicable/Applicable]  
*(If the Notes do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified. For the purpose of the above, a "packaged" product shall designate a "packaged retail investment product" which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor).*

## 11. OPERATIONAL INFORMATION

ISIN Code: [•]

Common code: [•]

Annex V, 4.1

## Form of Final Terms

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Any clearing system(s) other than Euroclear France, Euroclear Bank SA/NV and Clearstream Banking S.A. 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

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 Depository: [•]]

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

[Applicable<sup>1</sup> / Not applicable] [If not applicable, delete the remaining subparagraphs 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

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<sup>1</sup> Applicable only for Public Offer issues.

## Form of Final Terms

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Time Period / Description of the application process:	[Not applicable/ <i>give details</i> ]	Annex V,5.1.3
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 may be updated at any time and at least on a yearly basis. A draft law published by the French government on March 28, 2018 and under discussion before the French Parliament would, if adopted in its current form, expand the list of Non Cooperative States as defined under Article 238-0 A of the French *Code Général des Impôts* to include states and jurisdictions on the blacklist published by the Council of the European Union and, as a consequence, would expand this withholding tax regime to certain states and jurisdictions included in the blacklist.

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**"). The above mentioned draft law published by the French government on March 28, 2018 would, if adopted in its current form, expand this regime to the states and jurisdictions included in the blacklist published by the Council of the European Union. 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 French *Code général des impôts*, at a rate of 12.8% for payments to holders that are non-French tax resident individuals,

30% (to be reduced and aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code Général des Impôts* for fiscal years opened on or after January 1, 2020) for payments to holders that are non-French tax resident legal entities in each case (x) unless payments are made in a Non-Cooperative State or in certain states or jurisdiction included in the blacklist published by the Council of the European Union, if the above mentioned draft law is adopted (in which case the withholding tax rate would be equal to 75%) and (y) 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 and 990, BOI-RPPM-RCM-30-10-20-40-20140211, no. 70 and 80, 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-RPPM-RCM-30-10-30-30-20140211, no. 50), or other debt securities issued under French or foreign law and considered

## Taxation

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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 12.8 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 17.2 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 14 September 2018 (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 placed 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 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

## Subscription and Sale

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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.

### Prohibition of Sales to European Economic Area Investors

Unless the Final Terms in respect of any Tranche of Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an “offer” includes 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.

If the Final Terms in respect of any Tranche of Notes specifies “Prohibition of Sales to EEA Retail Investors:” as “Not Applicable”, 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 this Base Prospectus as completed by the final terms in relation thereto to the public in a Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Member State:

- (i) 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 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 and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

## Subscription and Sale

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- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) 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
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (ii) to (iv) 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, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto), 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 and each further Dealer appointed under the Programme will be required to represent and agree 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.

## Subscription and Sale

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### The Republic of France

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 material relating to the Notes in the period (i) 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 EEA which has implemented the EU Prospectus Directive 2003/71/EC (as amended) on the date of notification to the AMF in France, and (ii) 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 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 (Act No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Act**"). 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 and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

## Subscription and Sale

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### 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:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) 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) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; 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 in 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" within the meaning of the 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 Special Administrative Region and Macau Special Administrative Region or Taiwan), except as permitted by the securities laws of the People's Republic of China. The Base Prospectus, the offering material or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. The Base Prospectus, the offering material, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested in by PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. PRC investors themselves are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange, the People's Bank of China, the China Securities Regulatory Commission, the China Banking and Insurance Regulatory Commission and/or other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant PRC foreign exchange regulations and/or overseas investment regulations.

### 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

## Subscription and Sale

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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 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:

- (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 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. Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold or resold in compliance with any applicable registration or other

## Subscription and Sale

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requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale or resale.

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 obtain any consent, approval or permission required for the purchase, offer, sale, or delivery of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchase, offer, sale or delivery and neither 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.

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. 18-432 on 14 September 2018 from the AMF. Euronext Paris is a Regulated Market. 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 shall be authorised in accordance with French law. A resolution of the *conseil d'administration* dated 14 December 2017 authorises the issue of Notes up to a maximum aggregate amount of €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 2017. There has been no significant change in the financial or trading position of the Issuer and its fully consolidated subsidiaries since 30 June 2018.

The consolidated financial statements for the years ended 31 December 2016 and 31 December 2017 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 2018 have been reviewed by Deloitte & Associés and KPMG SA. The audit report relating to the 2017 consolidated financial statements does not include any qualifications and the audit report relating to the 2016 consolidated financial statements includes two emphasis of matters relating to (i) 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 (ii) the valuation of long-term provisions relating to nuclear electricity production, and the limited review report on the 2018 interim condensed consolidated financial statements for the six-month period ended 30 June 2018 includes one emphasis of matter relating to notes of the interim condensed consolidated financial statements, which disclose the effects of the application of new standards adopted by the European Union and applicable for financial years beginning on or after 1 January 2018. KPMG SA and Deloitte & Associés are members of the *Compagnie Nationale des Commissaires aux Comptes*.

5. 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.
6. Notes will be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems which are entities in charge of keeping the records. The Common

## General Information

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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.

7. 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.

8. 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.
9. 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.
10. 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**").
11. Unless otherwise provided, all references in this Base Prospectus to a "day" shall be to a calendar day.
12. 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 articles of association (*statuts*) of the Issuer;
  - (ii) the Amended and Restated Agency Agreement;

## General Information

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- (iii) the audited non-consolidated and consolidated financial statements of the Issuer for the periods ended 31 December 2016 and 2017 and the condensed consolidated half-year financial statements as at, and for the period ending on 30 June 2018;
- (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](http://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](http://www.amf-france.org)):

- (a) the Final Terms for Notes that are listed on Euronext Paris or any other Regulated Market 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 2018 Half-Year Management Report and the 2018 Half-Year Financial Statements.

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.

13. Amounts payable under Floating Rate Notes issued under the Programme may be calculated by reference to LIBOR, EURIBOR, CMS Rate or any other interest rate specified in the relevant Final Terms. LIBOR, EURIBOR and CMS are respectively provided by the ICE Benchmark Administration Limited ("**ICE**") for LIBOR and CMS and the European Money Markets Institute ("**EMMI**") for EURIBOR. As at the date hereof, (i) ICE appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation and (ii) EMMI does not appear on such register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). The relevant Final Terms in respect of an issue of Floating Rate Notes will specify the relevant benchmark, the relevant administrator of such benchmark and whether such administrator appears on the above mentioned register of administrators and benchmarks established and maintained by the European Securities and Markets Authority.

## General Information

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14. The Legal Entity Identifier of the Issuer is 549300X3UK4GG3FNMO06.

**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 2018

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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. 18-432 on 14 September 2018. 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.*

**REGISTERED OFFICE OF THE ISSUER**

**Électricité de France**  
22-30, avenue de Wagram  
75008 Paris

**ARRANGER FOR THE PROGRAMME**

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**DEALERS**

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Crédit Agricole Corporate and  
Investment Bank**  
12, Place des Etats-Unis – CS 70052  
92547 Montrouge Cedex  
France

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**Fiscal Agent, Principal Paying Agent, Paris Paying Agent,  
Redenomination Agent, Consolidation Agent and Calculation Agent**

**Société Générale**  
32, rue du Champ de Tir  
CS 30812  
44308 Nantes Cedex 03  
France

**AUDITORS OF THE ISSUER**

**Deloitte & Associés**  
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**KPMG S.A.**  
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**LEGAL ADVISERS**

*To the Issuer*

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*To the Dealers*

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