

## 2015 full-year results: all targets reached

### Strong operating performance in adverse market conditions

### 2018 ambition reiterated

- **EBITDA:** €17.6bn, +3.9% organic growth excluding 2012 tariff catch-up<sup>1</sup>, in line with the upgraded target of at least 3% growth
- **Net income excluding non-recurring items:** €4.8bn, stable compared to 2014
- **Net income - Group share:** €1.2bn compared to €3.7bn in 2014 due mainly to impairments announced in December 2015
- **Good performance in nuclear generation**
  - France: 416.8TWh, exceeding the 410-415TWh target
  - United Kingdom: 60.6TWh, highest nuclear output in past 10 years
- **Ongoing control on Opex:** -1.4%<sup>2</sup> compared to 2014
- **Continued development of the Group in renewable energies**
  - +1GW of net capacity installed by EDF Énergies Nouvelles
  - Success of the second Green Bond: \$1.25bn dedicated to renewable energy projects
- **Net financial debt / EBITDA:** 2.1x in line with the target of 2-2.5x
- **Dividend proposed for 2015:** €1.10/share with the option for a payment in new shares, equivalent to a 56% payout ratio<sup>3</sup> after deduction of Cigéo extra-cost

#### Financial perspectives

- **EBITDA<sup>4</sup>:** €16.3 – €16.8 billion
- **Net financial debt / EBITDA:** between 2x and 2.5x
- **Pay-out ratio of net income excluding non-recurring items<sup>5</sup>:** 55% to 65%

#### 2018 positive cash flow<sup>6</sup> ambition confirmed

<sup>1</sup> Impact of the regularisation of regulated tariffs for the period from 23 July 2012 to 31 July 2013, following the French Council of State's decision of 11 April 2014

<sup>2</sup> At constant scope and exchange rates

<sup>3</sup> Payout ratio applied to Net income excluding non-recurring items adjusted for the remuneration of hybrid issues booked as equity

<sup>4</sup> At constant scope and exchange rate

<sup>5</sup> Adjusted for interest payments on hybrid issues booked in equity

<sup>6</sup> Cash flow after dividends, excluding Linky and new developments net of disposals

EDF's Board of Directors, meeting on 15 February 2016 under the chairmanship of Jean-Bernard Lévy, approved the consolidated accounts of the financial year ending 31 December 2015.

Jean-Bernard Lévy, EDF's Chairman and Chief Executive Officer, stated: "EDF achieved all its targets in 2015. The year was marked by strong operational performance, reflecting the significant efforts the teams made. With the end of the regulated Yellow and Green Tariffs, most clients turned to EDF. Nuclear output reached its highest level, since 2011 in France, and since 2005 in the United Kingdom. We are also continuing our significant development in renewable energy, with an additional 1GW of net installed capacity. The transformation of EDF Group is essential in the unfavourable market conditions. EDF has embarked on this transformation, and is accelerating innovation to serve the energy transition."

### Change in EDF Group's full-year results

	2014	2015	Change vs. 2014 (%)	Organic growth (%)
<i>In millions of Euros</i>				
Sales	73,383	75,006	+2.2	-1.8
EBITDA	17,279	17,601	+1.9	-0.6
EBITDA excluding 2012 tariff catch-up <sup>7</sup>	16,535	17,601	+6.4	+3.9
EBIT	7,984	4,280	-46.4	
Net income - Group share	3,701	1,187	-67.9	
Earnings per share <sup>8</sup>	1.78	0.32		
Net income excluding non-recurring items	4,852	4,822	-0.6	

### Change in EDF Group's EBITDA

	2014	2015	Organic growth (%)	Organic growth excluding 2012 tariff catch-up <sup>3</sup> (%)
<i>In millions of Euros</i>				
France	12,198	11,517	-6.0	0.0
United Kingdom	1,941	2,242	+4.9	+4.9
Italy	886	1,345	+51.5	+51.5
Other International	632	609	-3.5	-3.5
Other activities	1,622	1,888	+6.2	+7.0
<b>Total Group</b>	<b>17,279</b>	<b>17,601</b>	<b>-0.6</b>	<b>+3.9</b>

In unfavourable market conditions, the Group reached all the 2015 targets that it set for itself. Adjusted for the impact in 2014 of the 2012 tariff catch-up (€744 million), EBITDA rose 3.9% in organic terms, reflecting good operating performance of the Group and its sustained efforts to control Opex.

In France, EBITDA excluding the 2012 tariff catch-up was stable in organic terms, despite intense competition and market prices under pressure, thanks to operational control and stabilisation of costs.

In the United Kingdom, EBITDA grew 4.9% in organic terms compared to 2014, and benefited from excellent nuclear output and a decrease in Opex.

<sup>7</sup> Excluding the impact of the regularisation of regulated tariffs for the period from 23 July 2012 to 31 July 2013, following the French Council of State's decision of 11 April 2014

<sup>8</sup> EPS = (Net income, group share – hybrid payments) / average number of shares in circulation. In 2015, hybrid payments came to €591m

In Italy, EBITDA rose 51.5% in organic terms thanks to the successful arbitration on the Libyan gas contract, which had a positive impact of €855 million on Edison's EBITDA, and thanks to the significant decrease in Opex.

EBITDA in the Other International segment dropped 3.5% in organic terms. It was supported by Poland and Belgium, whose EBITDA rose by 20.2% and 50.6% respectively, but was penalised by Asia and Brazil.

EBITDA in the Other activities segment rose 6.2% in organic terms, mainly due to the strong performance of EDF Énergies Nouvelles, whose EBITDA rose 10% in organic terms, reflecting substantial commissioning in 2015 (+1GW net installed over the entire year).

### **Operating performance: strong nuclear output in France and in the United Kingdom, which reached its highest level in the past 10 years**

In France, nuclear output reached 416.8TWh, a rise of 0.9TWh compared to 2014, above the upper end of EDF group's 410-415TWh target range. This performance confirms the success of the action plan initiated in 2013 to control the duration of planned outages. For 2016, EDF Group expects a higher volume of planned outages than in 2015, with six ten-year inspections, the replacement of the steam generators of two reactors and the gradual deployment of backup diesel generators as part of post-Fukushima works. In view of the continuous improvement in the outage control plan, EDF is targeting between 410 and 415TWh of nuclear output.

Hydropower output<sup>9</sup> was 32.1TWh, a drop of 5.4TWh from 2014, due to unfavourable hydro conditions. Hydro productibility was lower than average for each month of the year, declining significantly in the second half of 2015.

Thermal power plant output remained stable, at 6.8TWh (-0.1TWh), as an increase in output from gas-fired power plants related to favourable market prices compensated for the decrease in coal plants output that was due in particular to the shutdown of the last 250MW coal units.

Overall, output in mainland France amounted to 455.7TWh, a 4.6TWh decrease compared to 2014.

In the United Kingdom, nuclear output reached its highest level in the past 10 years at 60.6TWh. Generation rose 4.4TWh compared to the last year, despite the reduced load at Hartlepool and Heysham 1 power stations. This growth was a result of the strong performance of the whole fleet, with an unplanned outage rate at its lowest since 1996.

For 2016, EDF Energy plans to reach a nuclear output equivalent to 2015.

### **1.4% decrease in Opex compared to 2014**

In 2015, the Group stepped up cost control efforts again. After limiting the Opex rise to +1.1% in 2013 and to +0.9% in 2014, EDF decreased its Opex by 1.4% in organic terms compared to 2014. These efforts concerned all the segments, especially the United Kingdom and Italy, with an organic decrease of -6.9% and -9.8% respectively compared to the previous year, and in France as well, where the Opex increase was limited to +0.4% with lower costs in commercial, thermal activities and support functions.

EDF confirms that operational costs in 2018 will be €700 million less than the 2015 cost base.

<sup>9</sup>38.9TWh of gross production in 2015 (before deduction of volume pumped for storage)

## Net income excluding non-recurring items stable compared to 2014

Net income excluding non-recurring items was €1,187 million, a 67.9% decrease compared to 2014, related to the significant increase in non-recurring items, to -€3,635 million in 2015 compared to -€1,151 million the last year. These items mainly concern impairments on thermal assets, particularly in the United Kingdom, Italy, Poland and Belgium, and impairments on Edison exploration and production activities. The items also include the 22 July 2015 European Commission decision on the tax treatment of the provisions created to renew electricity networks of "Réseau d'Alimentation Générale" ("RAG"), as well as the provision following the 15 January 2016 ministerial decree setting the Cigéo storage project cost at €25 billion<sup>10</sup>.

These negative impacts were partially offset by the significant decrease of the income tax expense, which was -€483 million in 2015, compared to -€1,839 million in the previous year, due in particular to the decrease in the income before taxes, the end of the Robin Hood tax in Italy, and the decrease in the tax rate in both the United Kingdom and Italy.

The financial income slightly increased by 1.5%, to -€2,588 million, compared to -€2,551 million in 2014. The positive impact of increasing variable debt, the reduced discount expenses and gains on dedicated assets disposals were more than compensated by the rise in financial interests related to the European Commission decision on "RAG".

Net income excluding non-recurring items came to €4,822 million in 2015, compared to €4,852 million in 2014.

### **Proposed dividend for 2015: €1.10 per share with the option for a payment in new shares**

At its 15 February 2016 meeting, EDF's Board of Directors decided to seek shareholder approval for the payment of a €1.10 per share dividend for 2015 at the General Meeting to be held on 12 May 2016. This would correspond to a 56% payout of net income excluding non-recurring items<sup>11</sup> after deduction of Cigéo extra-cost.

When subtracting the interim dividend of €0.57 per share paid out in December 2015, the balance of the dividend to be paid out on the 2015 financial year comes to €0.53 per share for shares receiving the ordinary dividend.

Subject to approval at the Shareholders' Meeting, each shareholder will be offered to opt for a payment in new EDF stocks on the remaining dividend to be paid.

In case the option is exercised, the new shares will be set at a price equal to 90 % of the average of opening prices of the EDF share on the Euronext Paris regulated market over the twenty trading days preceding the day of the Shareholders' Meeting to be held on 12 May 2016, reduced by the amount of the balance of the dividend, rounded up to the nearest cent. Shares issued in this way will carry immediate dividend rights. An application will be made to admit the new shares for trading on the Euronext Paris market.

<sup>10</sup> Under the 2011 economic conditions

<sup>11</sup> Adjusted for the remuneration of hybrid issues booked as equity

### Net investments<sup>12</sup>: €12.7 billion in 2015

Net investments rose to €12,672 million, compared to €11,887 million<sup>13</sup> in 2014, increasing by 6.6%. This growth was driven by Europe, particularly by Italy, the United Kingdom and Belgium. In France, net investments rose by 3.5% due to increased investment in network activities linked in particular to improving quality of service provision and, to a lesser extent, due to increased investments in nuclear maintenance activities.

Net investments for new developments including new nuclear build increased by €296 million in 2015. They were mainly financed by disposals up €478 million.

EDF Group's net investments were allocated as follows: 49% to maintenance, 25% to development and 26% to regulated activities.

### Ongoing active funding policy

	31/12/2014	31/12/2015
Net financial debt ( <i>in billions of Euros</i> )	34.2	37.4
Net financial debt / EBITDA	2.0x	2.1x

Net financial debt amounted to €37.4 billion at 31 December 2015, an increase of €3.2 billion compared to 31 December 2014. The net financial debt / EBITDA ratio was 2.1x, thus remaining at the lower end of the 2x to 2.5x range set by the Group.

Operating cash flow at €13,502 million, strongly increased by 15.5%, due in particular to the increase in EBITDA and the decrease in the income tax paid. This allowed to cover €12,672 million of net investments.

Moreover, the change in working capital requirements was +€132 million in 2015, compared to -€1,041 million in 2014. 2014 had been marked in particular by an increase in trade receivables due to the regularisation of 2012 regulated tariffs, €979 million of which was not cashed before 2015, and by an increase in the CSPE operating receivable of -€699 million (compared to -€230 million in 2015).

The Group cash flow improved, reaching -€2,064 million, compared to €-4,007 million in 2014.

EDF Group cash flow<sup>14</sup> excluding new developments, net of disposals (Cash flow Guidance) was -€1,834 million, compared to €-3,595 million in 2014.

Moreover, EDF continued its active funding policy, issuing a senior "Formosa" bond of US\$1.5 billion with a maturity of 30 years on the Taiwanese market in September 2015, and issuing in October 2015 US\$4.75 billion in 5 tranches with maturities ranging from 5 to 40 years.

This latest issuance included the largest US dollar denominated Green Bond from a corporate issuer. This US\$1.25 billion Green Bond issue will further support EDF's development investments in renewable energy.

At 31 December 2015, the average maturity of the Group debt was 13 years for an average coupon of 2.9%, compared to 3.3% at 31 December 2014.

<sup>12</sup> Net investment including Linky and new developments net of disposals

<sup>13</sup> 2014 data restated for strategic operations, transferred to net investments

<sup>14</sup> Excluding Linky

## Partnership between EDF and Areva

On 3 June 2015, the French government entrusted EDF with the role of strategic leader for the French nuclear industry, announcing that EDF Group should become the majority shareholder of the joint subsidiary Areva NP, the company in charge of fuel and equipment manufacturing for nuclear reactors. On 30 July, EDF and Areva signed a memorandum of understanding that formalised the status of the discussion progress concerning their planned partnership.

At its meeting held on 27 January 2016, following due diligence conducted during the second half of 2015, EDF Board of Directors reviewed the outcome of discussions with Areva regarding the acquisition by EDF of exclusive control of AREVA NP activities.

The Board agreed on the final valuation of the activities to be acquired by EDF, which comes to €2.5 billion for 100% of AREVA NP's equity<sup>15</sup>. This amount is likely to be adjusted, firstly, upward or downward depending on the financial statements prepared on the date of completion of the transaction, and secondly, with a possible price earn-out of up to €350 million subject to the achievement of certain performance objectives measured after the closing date. This €2.5 billion valuation corresponds to a valuation of 8 times the normalised EBITDA.

With a contemplated EDF participation of between 51% and 75%, EDF will be in a position to make a binding offer, after consultation with the Central Works Council and authorisation by the Board of Directors, once the arrangements to completely immunise EDF against the costs and risks of the OL3 project and all the final contractual documentation are finalised.

The impact of the transaction on the 2018 cash flow will be marginally positive.

## Outlook

In challenging market conditions, EDF Group is adapting and responding to lower power prices and to increased competition by implementing strong management action. These actions include continuous improvement of nuclear output, reduction of operational expenditures, investments selectivity, the working capital requirement improvement plan, funding new development projects through disposals, and examining a new regulation in France.

Against this backdrop, the Group is announcing the following financial guidance for 2016:

- **EBITDA**<sup>16</sup>: €16.3 – €16.8 billion
- **Net financial debt / EBITDA**: between 2x and 2.5x
- **Pay-out ratio of net income excluding non-recurring items**<sup>17</sup>: 55% to 65%

EDF is following the roadmap allowing to confirm its ambition to reach positive cash flow after dividends<sup>18</sup> in 2018.

In accordance with the December 2015 announcement, net investments will gradually decline, to reach a maximum amount of €10.5 billion in 2018, excluding new developments.

The investments associated to new developments will be financed by reallocating the proceeds from asset disposals.

The action plan also aims to continue improving working capital requirements, with an objective of €1.8 billion reduction by 2018.

<sup>15</sup> On a debt-free, cash-free basis

<sup>16</sup> At constant scope and exchange rate

<sup>17</sup> Adjusted for interest payments on hybrid issues booked in equity

<sup>18</sup> Excluding Linky and new developments net of disposals

**The Group's main results by segment**
**France: flat EBITDA<sup>19</sup> despite lower power prices  
and higher competition**

	2014	2015	Organic growth (%)	Organic growth excluding 2012 tariff catch-up (%)
<b>Sales</b>	<b>39,910</b>	<b>39,619</b>	<b>-0.3</b>	<b>+2.0</b>
<b>EBITDA</b>	<b>12,198</b>	<b>11,517</b>	<b>-6.0</b>	<b>0.0</b>
<i>O/w EBITDA generation and supply (unregulated)</i>	<i>7,929</i>	<i>6,936</i>	<i>-13.2</i>	<i>-4.4</i>
<i>O/w EBITDA regulated</i>	<i>4,269</i>	<i>4,581</i>	<i>+7.3</i>	<i>+7.3</i>

In **France**, sales amounted to €39,619 million, down 0.3% in organic terms compared to 2014. EBITDA decreased by 6% in organic terms compared to 2014. Restated for the impact of the 2012 tariff catch-up for €731 million, EBITDA was stable in organic terms, despite particularly difficult market conditions, driven largely by sustained efforts to control costs. The Group thus limited the rise of Opex in France to +0.4% in organic terms compared to the previous year.

**In generation and supply (unregulated)**, in organic terms, EBITDA declined 4.4% excluding the 2012 tariff catch-up. Market prices remained low throughout the year, resulting in very low sales volumes subscribed under the ARENH mechanism. This generated additional volumes that were sold on the market at lower prices. With the end of regulated yellow and green tariffs, EBITDA was also penalized by the loss of customers. However, the Group did demonstrate strong resilience of its market shares despite the increasingly competitive environment. The drop in hydropower output due to poor hydro conditions over the whole year also negatively impacted the EBITDA of the segment.

These impacts were partially compensated by the strong performance of nuclear generation which rose by 0.9TWh compared to 2014, more favourable weather conditions than in 2014, and the increase of the energy component of regulated tariffs. Opex were stable due to the cost control efforts initiated by the Group, which resulted in particular in decreased expenses in thermal power and commercial activities.

**In regulated activities<sup>20</sup>**, EBITDA rose by 7.3% in organic terms, driven by strong growth in distribution network activities which benefited from a favourable weather effect, and from the lower cost of purchases to cover losses related to the lower market prices. These positive factors were able to compensate the unfavourable impact related to the -1.3% drop in the TURPE distribution tariffs at 1 August 2014.

EBITDA of regulated activities was also supported by the strong performance of French island activities, which benefited from the commissioning of new power plants.

<sup>19</sup> At constant scope and exchange rates, excluding the impact of the regularisation of regulated tariffs for the period from 23 July 2012 to 31 July 2013

<sup>20</sup> ERDF and French islands activities

**United Kingdom: excellent nuclear performance  
and lower Opex**

<i>In millions of Euros</i>	<b>2014</b>	<b>2015</b>	<b>Organic growth (%)</b>
<b>Sales</b>	<b>10,669<sup>(1)</sup></b>	<b>11,618</b>	<b>-1.7</b>
<b>EBITDA</b>	<b>1,941</b>	<b>2,242</b>	<b>+4.9</b>

*(1) 509M€ of net power sales on the wholesale electricity markets (excluding trading activities) relating to the year ended 31 December 2014 have been reclassified from energy purchases to sales*

**In the United Kingdom**, sales amounted to 11,618 million euros, an organic decrease of 1.7% compared to 2014. EBITDA stood at €2,242 million. This incorporates a favourable foreign exchange effect of €205 million. EBITDA rose 4.9% in organic terms.

This growth is due to excellent nuclear output in 2015, which reached its highest level in 10 years, at 60.6TWh (+4.4TWh), despite the reduced load of Heysham 1 and Hartlepool, and driven by the strong performance of the whole fleet. This offset the decrease of realised prices for nuclear power.

B2C activity was affected by a weather effect on the volume of gas sold due to mild temperatures in the fourth quarter and to the average drop in product accounts, with 286,000 less accounts than in 2014.

EBITDA was supported by a 6.9% organic decrease in Opex thanks to the efforts performed by EDF Energy to decrease costs.

**Italy: performance lifted by the favourable impact  
of the arbitration of the Libyan gas contract and strong Opex reduction**

<i>In millions of Euros</i>	2014	2015	Organic growth (%)
<b>Sales</b>	<b>12,687</b>	<b>11,677</b>	<b>-8.1</b>
<b>EBITDA</b>	<b>886</b>	<b>1,345</b>	<b>+51.5</b>

**In Italy**, sales amounted to €11,677 million, down 8.1% in organic terms compared to 2014. EBITDA rose 51.5% in organic terms thanks to Edison's successful gas contract arbitration with ENI, and thanks to the strong Opex organic decrease of 9.8% compared to 2014.

Edison's EBITDA was €1,260 million, a 56.7% rise in organic terms compared to the previous year.

For Electricity activities, EBITDA was penalised by the decrease in hydropower output, after an exceptional year for hydro conditions in 2014, by a continued decrease in average electricity tariffs, and by the decreased margins of the thermal power plants.

EBITDA of Hydrocarbons activities significantly increased in organic terms, thanks to the favourable outcome of the arbitration of the Libyan gas contract, which produced a positive impact of €855 million on EBITDA. This compensated the poor performance of the E&P activities, strongly impacted by the drop in Brent prices.

**Other International: good performance in Europe**

<i>In millions of Euros</i>	2014	2015	Organic growth (%)
<b>Sales</b>	<b>5,603</b>	<b>5,634</b>	<b>-0.3</b>
<b>EBITDA</b>	<b>632</b>	<b>609</b>	<b>-3.5</b>

Sales in the **Other International** segment stood at €5,634 million, a drop of 0.3% in organic terms compared to the previous year. EBITDA decreased by 3.5% in organic terms.

In Belgium, EBITDA rose 50.6% in organic terms driven by the increase of wind power generation (+37% of installed capacity to 254MW), and by the positive change in ancillary services. These positive developments compensated for the drop in nuclear output due to the shutdown of the Doel 3 and Tihange 2 power plants, which received the authorization to restart only in November 2015.

In Poland<sup>21</sup>, EBITDA rose to €220 million, up 20.2% in organic terms compared to 2014, driven by the strong performance of EDF Polska. The increase in realised power prices and heat tariffs was able to partly compensate lower output related to the modernisation work on certain power plants. Moreover, EBITDA was supported by the full-year effect of the renewal of cogeneration support mechanisms in May 2014.

The decrease in EBITDA of the segment was due to Asia, which was impacted by the expected end of the FIGLEC concession in September 2015. In Brazil, heavier maintenance programme than in 2014, and the significant drop in market prices were only partially compensated by sustained efforts to control costs.

<sup>21</sup> Polish EDF EN and Dalkia activities part of the "Other activities" segment

**Other activities: good operating performance**

<i>In millions of Euros</i>	2014	2015	Organic growth (%)
<b>Sales</b>	<b>4,514</b>	<b>6,458</b>	<b>+0.4</b>
<b>EBITDA</b>	<b>1,622</b>	<b>1,888</b>	<b>+6.2</b>

Sales in the **Other activities** segment amounted to €6,458 million, up 0.4% in organic terms compared to 2014. EBITDA increased 6.2% in organic terms.

EDF Énergies Nouvelles contributed €818 million to EDF Group EBITDA, up 10% in organic terms compared to 2014, driven by higher generation activity which benefited from the significant rise in installed capacity in 2015 (+1GW net compared to 2014), especially in the United States and Canada, and from good wind conditions. EBITDA was also supported by strong performance of the Development and Sales of Structured Assets activity.

Dalkia EBITDA rose to €217 million in organic terms, driven by the positive impact of operational efficiency plans that the Group initiated. In 2015, Dalkia also continued to develop its commercial business, in particular via the major Air France contract it won for the maintenance of over 100 sites in France, and via the creation of public heating service for the city of Toulouse.

The contribution of EDF Trading to the Group EBITDA was €495 million, an organic decrease of 22% compared to 2014, due to lower performance of the activity in the United States, which had benefited from exceptional weather conditions in 2014, and due to particularly challenging market conditions in Europe.

Real estate disposals in 2015 also contributed to the increase of the Group EBITDA in organic terms.

## Main highlights after the release of the third quarter 2015 results

### EDF ramps up development in low-carbon energy in India

On 26 January 2016, EDF achieved important milestones in its strategy to develop low-carbon energy in India. Three areas were addressed in particular: nuclear energy, renewable energy and sustainable cities. In the nuclear energy sector, EDF initialled a Memorandum of Understanding with the Indian national electricity generator Nuclear Power Corp of India Ltd (NPCIL), for the projected construction of 6 EPR units at Jaitapur in the west of India. In the renewable energy sector, EDF has been active in the solar photovoltaic sector in India. The Group is consolidating its position in the country by signing a pivotal partnership agreement in onshore wind power with the SITAC Group. The agreement provides for EDF EN to acquire a 50% share in SITAC Wind Management and Development Private Limited. The goal of this joint venture will be to build four wind farms by the end of 2016 with a total capacity of 142MW in the state of Gujarat, one of the windiest parts of India. Finally, in the smart cities sector, EDF has signed a collaboration agreement with the public sector company Engineering Projects India (EPI), the goal of which is to support the development of Indian cities participating in India's national programme "100 Smart Cities in India".

### Ministerial Order related to the cost of the Cigéo storage project and impacts on the Group's consolidated financial statements

On 15 January 2016, the Ministry of Ecology, Sustainable Development and Energy issued a Ministerial Order related to the cost associated with the implementation of long-term management solutions of long-lived medium and high-level radioactive waste regarding the Cigéo storage project. The cost set by this order is €25 billion<sup>22</sup> and substitutes for the estimation of the reference cost of €20.8 billion, which EDF Group used in its consolidated financial statements at the end of December 2014 and at the end of June 2015. Taking into account this cost resulted in an increase of €820 million in the provisions for long-term radioactive waste management for future expenses relating to the deep storage project Cigéo at 31 December 2015. This increase in provisions had a negative impact on the Group share of 2015 net income, of €509 million net of tax.

### Summary of the audit report on the decommissioning costs of EDF's nuclear fleet

On 15 January 2016, the Directorate General for Energy and Climate (DGEC) released the summary of the audit report that it funded, on the costs of dismantling the EDF nuclear fleet in operation. The audit was conducted by specialised firms and covers approximately one year, from 2014 to 2015. Management specifies that although the estimated cost of dismantling nuclear reactors is still a complex exercise due to the relatively limited feedback, the perspectives of the technical evolution and the postponement of costs, overall the audit reinforces EDF's estimation of the cost of dismantling its nuclear fleet in operation.

### Commissioning and acquisitions of EDF Énergies Nouvelles

From 12 November 2015 to 6 January 2016, EDF Énergies Nouvelles announced the commissioning of several projects. In the **United States**, EDF Énergies Nouvelles commissioned the 250MW Roosevelt wind farm in New Mexico, and the 150MW Slate Creek wind farm in Kansas. The Pilot Hill wind farm in Illinois, with 175MW of installed capacity, was also commissioned.

---

<sup>22</sup> Under the 2011 economic conditions

In **Canada**, EDF Énergies Nouvelles commissioned the Mont-Rothery wind farm. This 74MW wind farm is the seventh and last farm of a 1GW wind energy programme that Hydro-Québec Distribution awarded to EDF EN Canada. The second tranche of the Rivière-du-Moulin wind farm (200MW) was also commissioned. With 350MW of total installed capacity, the Rivière-du-Moulin wind farm has become the most powerful of EDF Énergies Nouvelles' wind farms in the world.

In **Poland**, the 58MW Rzepin wind farm was commissioned. After Linowo (48MW), Rzepin is the second wind facility that EDF Énergies Nouvelles has commissioned in Poland since it entered the country in 2012.

In **South Africa**, EDF Énergies Nouvelles commissioned the 24.6MW Waainek wind farm, via its South African subsidiary InnoWind. In line with the tender specifications, a portion of the revenues generated from the sale of electricity will be used to encourage local entrepreneurship and support the local economy.

In **France**, EDF Énergies Nouvelles acquired two wind farms with a total capacity of 44MW, located in the departments of Meuse (Trois-Sources) and Doubs (Lomont), in operation since 2007 and 2008 respectively. Following this acquisition, EDF Group reached the 1GW milestone for installed onshore wind power capacity in France.

In **Scotland**, EDF Énergies Nouvelles announced the acquisition of the Dorenell wind farm project. This large-scale project, which will have a capacity of at least 177MW, will eventually be the largest onshore wind farm built by the Group in the United Kingdom. The wind farm may eventually have more than 200MW in installed capacity, provided that it gains two extension permits.

### Industrial commissioning of the first unit of the Fuzhou thermal power plant in China

On 29 December 2015, the first tranche of the Fuzhou thermal power plant was commissioned 6 months earlier than initially scheduled. The 1,000MW Chinese production unit also holds the world record for the shortest construction time for a high-efficiency (supercritical) thermal power plant project, 22 months and 6 days. The plant shall secure both a high yield (43% as opposed to 35% for a conventional coal-fired plant), and will have a limited environmental impact, with a significant reduction in carbon, nitrogen oxide and sulphur oxide emissions compared to a conventional coal-fired plant without smoke processing. This success was due to the excellent working relationship between EDF and its partner electricity company China Datang Corporation. The second unit (1,000MW) is slated for commissioning at the end of March 2016.

### EDF completes the sale of its stakes in BE Zrt and ESTAG

On 10 December 2015, EDF International (EDF I) and EP Energy, a.s., through its subsidiary company EP Hungary, completed the transaction for the sale of EDF's majority stake in Hungary-based Budapesti Erőmű Zrt. EP Energy acquired more than 95% of the shares in a company that owns three gas-fired cogeneration (combined heat & power) plants: Kelenföld (with an installed capacity of 188MWe and 395MWth), Újpest (105MWe and 421 MWth) and Kispest (113MWe and 366MWth). These cogeneration plants meet almost 60% of the demand for heat in Budapest and generate approximately 3% of Hungarian electricity.

EDF and Macquarie European Infrastructure Fund IV (MEIF4) completed on 21 December 2015 the transaction for the sale of EDF's minority stake of 25% in Energie Steiermark AG to MEIF4. EDF announced on 10 July 2015 it had entered into an agreement with MEIF4. The closing of these two transactions, which were announced mid 2015, followed the fulfilment of all condition precedents.

### EDF Énergies Nouvelles sells to Google the electricity generated from a future wind farm in the United States

On 3 December 2015, EDF Énergies Nouvelles announced that its North American subsidiary, EDF Renewable Energy, entered into a long-term Power Purchase Agreement (PPA) with Google Inc. The electricity will be produced by the Great Western wind farm (201MW) located in Oklahoma. The farm is expected to generate electricity for Google's data centre by December 2016.

---

### Successful arbitration of the Libyan gas contract for Edison

On 27 November 2015, the court of arbitration constituted from the International Chamber of Commerce notified Edison and ENI of its decision on revising the long-term Libyan gas contract price. This decision resulted in a positive impact of €855 million on the gross operating surplus of EDF Group for the 2015 financial year.

### EDF Énergies Nouvelles wins 117MW of wind energy projects in Brazil

Following an auction by the Brazilian government, EDF Énergies Nouvelles, via its local subsidiary EDF EN do Brasil, announced on 26 November 2015 that it won a new 20-year Power Purchase Agreement (PPA) with the country's Power Trading Chamber (CCEE). The construction of this 117MW project will start in 2017, with a view to supplying electricity by the end of 2018.

### Result of the interim dividend payment in shares option for 2015

On 4 November 2015, the Board of Directors of EDF declared an interim dividend of €0.57 per share for the 2015 financial year. This amounted to €1,058,682,286 paid out in new shares or in cash, on 18 December 2015. The French government elected to receive the interim dividend in shares. The payment of part of this interim dividend in shares resulted in an increase of €30,065,280 in the share capital, corresponding to the issuance of 60,130,559 shares, with a share premium of €876,102,245 and a balancing cash adjustment of €462,740. The interim dividend in cash paid to shareholders who did not elect the option of paying the interim dividend in shares for 2015 amounted to €152,052,022.

## APPENDICES

### Consolidated income statement

<i>(in millions of Euros)</i>	2015	2014 <sup>(1)</sup>
Sales	75,006	73,383
Fuel and energy purchases	(38,775)	(37,213)
Other external expenses	(9,526)	(9,181)
Personnel expenses	(12,529)	(11,785)
Taxes other than income taxes	(3,641)	(3,593)
Other operating income and expenses	7,066	5,668
<b>Operating profit before depreciation and amortisation</b>	<b>17,601</b>	<b>17,279</b>
Net changes in fair value on Energy and Commodity derivatives, excluding trading activities	175	203
Net depreciation and amortisation	(9,009)	(7,940)
Net increases in provisions for renewal of property, plant and equipment operated under concessions	(102)	(157)
(Impairment)/reversals	(3,500)	(1,189)
Other income and expenses	(885)	(212)
<b>Operating profit</b>	<b>4,280</b>	<b>7,984</b>
Cost of gross financial indebtedness	(1,994)	(2,243)
Discount effect	(2,812)	(2,996)
Other financial income and expenses	2,218	2,688
<b>Financial result</b>	<b>(2,588)</b>	<b>(2,551)</b>
<b>Income before taxes of consolidated companies</b>	<b>1,692</b>	<b>5,433</b>
Income taxes	(483)	(1,839)
Share in net income of associates and joint ventures	192	179
<b>GROUP NET INCOME</b>	<b>1,401</b>	<b>3,773</b>
<b>EDF net income</b>	<b>1,187</b>	<b>3,701</b>
<b>Net income attributable to non-controlling interests</b>	<b>214</b>	<b>72</b>
<b>Earnings per share (EDF share) in euros:</b>		
Earnings per share	0.32	1.78
Diluted earnings per share	0.32	1.78

(2) 509M€ of net power sales on the wholesale electricity markets (excluding trading activities) relating to the year ended 31 December 2014 have been reclassified from energy purchases to sales

## Consolidated balance sheets

### ASSETS

<b>ASSETS</b> <i>(In millions of Euros)</i>	<b>31/12/2015</b>	31/12/2014 <sup>(1)</sup>
Goodwill	10,236	9,694
Other intangible assets	8,889	8,884
Property, plant and equipment operated under French public electricity distribution concessions	51,600	50,257
Property, plant and equipment operated under concessions for other activities	7,645	7,851
Property, plant and equipment used in generation and other tangible assets owned by the Group	71,069	69,392
Investments in associates and joint ventures	11,525	10,983
Non-current financial assets	35,238	33,485
Other non-current receivables	1,830	2,024
Deferred tax assets	2,713	2,590
<b>Non-current assets</b>	<b>200,745</b>	<b>195,160</b>
Inventories	14,714	14,747
Trade receivables	22,259	23,176
Current financial assets	27,019	20,752
Current tax assets	1,215	600
Other current receivables	8,807	8,793
Cash and cash equivalents	4,182	4,701
<b>Current assets</b>	<b>78,196</b>	<b>72,769</b>
<b>Assets classified as held for sale</b>	<b>-</b>	<b>18</b>
<b>TOTAL ASSETS</b>	<b>278,941</b>	<b>267,947</b>

(1) The figures published for 2014 have been restated for the impact of retrospective application of IFRIC 21

## Consolidated balance sheets

### LIABILITIES

<b>EQUITY AND LIABILITIES</b> <i>(In millions of Euros)</i>	<b>31/12/2015</b>	<b>31/12/2014 <sup>(1)</sup></b>
Capital	960	930
EDF net income and consolidated reserves	33,789	34,316
<b>Equity (EDF's share)</b>	<b>34,749</b>	<b>35,246</b>
Equity (non-controlling interests)	5,491	5,419
<b>Total equity</b>	<b>40,240</b>	<b>40,665</b>
Provisions related to nuclear generation – Back-end nuclear cycle, plant decommissioning and last cores	44,825	42,398
Provisions for decommissioning of non-nuclear facilities	1,447	1,297
Provisions for employee benefits	21,511	23,060
Other provisions	2,190	1,841
<b>Non-current provisions</b>	<b>69,973</b>	<b>68,596</b>
Special French public electricity distribution concession liabilities	45,082	44,346
Non-current financial liabilities	54,159	47,274
Other non-current liabilities	5,126	4,956
Deferred tax liabilities	4,122	4,315
<b>Non-current liabilities</b>	<b>178,462</b>	<b>169,487</b>
Current provisions	5,354	5,254
Trade payables	13,284	14,864
Current financial liabilities	17,473	14,184
Current tax liabilities	506	441
Other current liabilities	23,622	23,052
<b>Current liabilities</b>	<b>60,239</b>	<b>57,795</b>
<b>Liabilities related to assets classified as held for sale</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>278,941</b>	<b>267,947</b>

(1) The figures published for 2014 have been restated for the impact of retrospective application of IFRIC 21

## Consolidated cash flow statements

<i>(in millions of Euros)</i>	<b>2015</b>	2014
<b>Operating activities:</b>		
<b>Income before taxes of consolidated companies</b>	<b>1,692</b>	<b>5,433</b>
Impairment / (reversals)	3,500	1,189
Accumulated depreciation and amortisation, provisions and changes in fair value	11,392	8,981
Financial income and expenses	951	1,068
Dividends received from associates and joint ventures	322	672
Capital gains/losses	(1,593)	(1,311)
Change in working capital	132	(1,041)
<b>Net cash flow from operations</b>	<b>16,396</b>	<b>14,991</b>
Net financial expenses disbursed	(1,252)	(1,752)
Income taxes paid	(1,508)	(2,614)
Decision of the European Commission of 22 July 2015 <sup>(1)</sup>	(906)	-
<b>Net cash flow from operating activities</b>	<b>12,730</b>	<b>10,625</b>
<b>Investing activities</b>		
Acquisitions / disposals of equity investments, net of cash (acquired/transferred)	586	1,308
Investments in intangible assets and property, plant and equipment	(14,789)	(13,721)
Net proceeds from sale of intangible assets and property, plant and equipment	964	314
Change in financial assets	(5,600)	(294)
<b>Net cash flow used in investing activities</b>	<b>(18,839)</b>	<b>(12,393)</b>
<b>Financing activities:</b>		
Transactions with non-controlling interests <sup>(2)</sup>	64	355
Dividends paid by parent company	(1,420)	(2,327)
Dividends paid to non-controlling interests	(326)	(229)
Purchases/sales of treasury shares	(14)	2
<b>Cash flows with shareholders</b>	<b>(1,696)</b>	<b>(2,199)</b>
Issuance of borrowings	9,422	6,894
Repayment of borrowings	(2,336)	(7,470)
Issuance of perpetual subordinated bonds	-	3,970
Payments to bearers of perpetual subordinated bonds	(591)	(388)
Funding contributions received for assets operated under concessions	152	177
Investment subsidies	623	239
<b>Other cash flows from financing activities</b>	<b>7,270</b>	<b>3,422</b>
<b>Net cash flow used in financing activities</b>	<b>5,574</b>	<b>1,223</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(535)</b>	<b>(545)</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>4,701</b>	<b>5,096</b>
Net increase/(decrease) in cash and cash equivalents	(535)	(545)
Effect of currency fluctuations	(36)	113
Financial income on cash and cash equivalents	13	17
Effect of reclassifications	39	20
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>4,182</b>	<b>4,701</b>

(1) On 22 July 2015 the European Commission issued a new decision classifying the tax treatment of provisions established between 1987 and 1996 for renewal of the General Network facilities ("RAG") as state aid that is incompatible with European Union rules

(2) Contributions via capital increases or reductions and acquisitions of additional interests in controlled companies



A key player in energy transition, the EDF Group is an integrated electricity company, active in all areas of the business: generation, transmission, distribution, energy supply and trading, energy services. A global leader in low-carbon energies, the Group has developed a diversified generation mix based on nuclear power, hydropower, new renewable energies and thermal energy. The Group is involved in supplying energy and services to approximately 37.6 million customers, of which 27.8 million in France. The Group generated consolidated sales of €75 billion in 2015, of which 47.2% outside of France. EDF is listed on the Paris Stock Exchange.

### **Disclaimer**

*This press release does not constitute an offer to sell securities in the United States or any other jurisdiction. No reliance should be placed on the accuracy, completeness or correctness of the information or opinions contained in this press release, and none of the EDF representatives shall bear any liability for any loss arising from any use of this press release or its contents. The present document may contain forward-looking statements and targets concerning the Group's strategy, financial position or results. EDF considers that these forward-looking statements and targets are based on reasonable assumptions, which can however be inaccurate and are subject to numerous risks and uncertainties. There is no certainty that the forecast events will take place or that the expected results will actually be achieved. Important factors that could cause actual results, performance or achievements of the Group to differ materially from those contemplated in this document include in particular the successful implementation of EDF strategic, financial and operational initiatives based on its current business model as an integrated operator, changes in the competitive and regulatory framework of the energy markets, as well as risk and uncertainties relating to the Group's activities, its international scope, the climatic environment, the volatility of raw materials prices and currency exchange rates, technological changes, changes in the general economic situation. Detailed information regarding these uncertainties and potential risks are available in the reference document (Document de référence) of EDF filed with the Autorité des marchés financiers on 14 April 2015, which is available on the AMF's website at [www.amf-france.org](http://www.amf-france.org) and on EDF's website at [www.edf.com](http://www.edf.com). EDF does not undertake nor does it have any obligation to update forward-looking information contained in this presentation to reflect any unexpected events or circumstances arising after the date of this presentation.*

Print only what you need.

EDF SA  
22-30, avenue de Wagram  
75382 Paris cedex 08  
Capital of 960,069,513.50 Euros  
552 081 317 R.C.S. Paris

[www.edf.fr](http://www.edf.fr)

### **CONTACTS**

**Press: +33 (0)1 40 42 44 19**

**Analysts and investors: +33 (0)1 40 42 40 38**