CONDENSED CONSOLIDATED
HALF-YEAR FINANCIAL STATEMENTS
AT 30 JUNE 2017

Consolidated income statement

(in millions of Euros)	Notes	H1 2017	H1 2016
Sales	5	35,723	36,659
Fuel and energy purchases		(19,345)	(18,764)
Other external expenses		(3,733)	(3,991)
Personnel expenses		(6,286)	(6,333)
Taxes other than income taxes		(2,687)	(2,727)
Other operating income and expenses	6	3,324	4,100
Operating profit before depreciation and amortisation		6,996	8,944
Net changes in fair value on energy and commodity derivatives, excluding trading activities		(196)	(77)
Net depreciation and amortisation		(4,212)	(3,916)
Net increases in provisions for renewal of property, plant and equipment operated under concessions		(41)	(15)
(Impairment)/reversals	7	(32)	(300)
Other income and expenses	8	1,367	(124)
Operating profit		3,882	4,512
Cost of gross financial indebtedness		(879)	(953)
Discount effect	9	(1,283)	(1,367)
Other financial income and expenses	9	1,174	1,096
Financial result		(988)	(1,224)
Income before taxes of consolidated companies		2,894	3,288
Income taxes	10	(712)	(960)
Share in net income of associates and joint ventures	13	(93)	(162)
GROUP NET INCOME		2,089	2,166
EDF net income		2,005	2,081
Net income attributable to non-controlling interests		84	85
Earnings per share (EDF share) in Euros:			
Earnings per share		0.66	0.88
Diluted earnings per share		0.66	0.88

Consolidated statement of comprehensive income

(in millions of Euros)	H1 2017 EDF net income	H1 2017 Net income attributable to non-controlling interests	H1 2017 Total	H1 2016 EDF net income	H1 2016 Net income attributable to non-controlling interests	H1 2016 Total
Group net income	2,005	84	2,089	2,081	85	2,166
Gross change in fair value of available-for-sale financial assets [(1)]	9	-	9	(132)	-	(132)
Related tax effect	(3)	-	(3)	46	-	46
Associates' and joint ventures' share of fair value of available-for-sale financial assets	27	-	27	2	-	2
Change in fair value of available-for-sale financial assets	*33*	*-*	*33*	*(84)*	*-*	*(84)*
Gross change in fair value of hedging instruments [(1)]	1,067	(8)	1,059	904	11	915
Related tax effect	(265)	3	(262)	3	(4)	(1)
Associates' and joint ventures' share of fair value of hedging instruments	4	-	4	(7)	-	(7)
Change in fair value of hedging instruments	*806*	*(5)*	*801*	*900*	*7*	*907*
Translation adjustments - controlled entities	(639)	(126)	(765)	(2,291)	(358)	(2,649)
Translation adjustments – associates and joint ventures	(325)	-	(325)	(101)	-	(101)
Translation adjustments	*(964)*	*(126)*	*(1,090)*	*(2,392)*	*(358)*	*(2,750)*
Gains and losses recorded in equity that will be reclassified subsequently to profit or loss	(125)	(131)	(256)	(1,576)	(351)	(1,927)
Gross change in actuarial gains and losses on post-employment benefits [(2)]	(150)	13	(137)	461	(28)	433
Related tax effect	59	(1)	58	(208)	7	(201)
Associates' and joint ventures' share of change in actuarial gains and losses on post-employment benefits	-	-	-	(320)	-	(320)
Change in actuarial gains and losses on post-employment benefits	*(91)*	*12*	*(79)*	*(67)*	*(21)*	*(88)*
Gains and losses recorded in equity that will not be reclassified subsequently to profit or loss	(91)	12	(79)	(67)	(21)	(88)
Total gains and losses recorded in equity	(216)	(119)	(335)	(1,643)	(372)	(2,015)
CONSOLIDATED COMPREHENSIVE INCOME	1,789	(35)	1,754	438	(287)	151

(1) Gross changes in fair value transferred to income in respect of available-for-sale financial assets and hedging instruments are presented in notes 17.4.1 and 17.4.2.
(2) Gross changes in actuarial gains and losses are presented in note 18.3.1.2.

Consolidated balance sheet

ASSETS *(in millions of Euros)*	Notes	30/06/2017	31/12/2016
Goodwill	11	8,750	8,923
Other intangible assets		7,630	7,450
Property, plant and equipment operated under French public electricity distribution concessions	12	53,682	53,064
Property, plant and equipment operated under concessions for other activities	12	7,604	7,616
Property, plant and equipment used in generation and other tangible assets owned by the Group	12	71,187	70,573
Investments in associates and joint ventures	13	6,995	8,645
Non-current financial assets	14	37,040	35,129
Other non-current receivables	16	2,164	2,268
Deferred tax assets		1,955	1,641
Non-current assets		197,007	195,309
Inventories		13,692	14,101
Trade receivables	15	21,500	23,296
Current financial assets	14	29,381	29,986
Current tax assets		552	183
Other current receivables	16	10,174	10,652
Cash and cash equivalents		3,804	2,893
Current assets		79,103	81,111
Assets classified as held for sale	25	1,781	5,220
TOTAL ASSETS		277,891	281,640

EQUITY AND LIABILITIES *(in millions of Euros)*	Notes	30/06/2017	31/12/2016
Capital	17	1,444	1,055
EDF net income and consolidated reserves		38,308	33,383
Equity (EDF share)		*39,752*	34,438
Equity (non-controlling interests)		7,086	6,924
Total equity		46,838	41,362
Provisions related to nuclear generation - back-end of the nuclear cycle, plant decommissioning and last cores		44,954	44,843
Provisions for decommissioning of non-nuclear facilities		1,516	1,506
Provisions for employee benefits		21,258	21,234
Other provisions		1,970	2,155
Non-current provisions	18.1	*69,698*	*69,738*
Special French public electricity distribution concession liabilities	19	46,013	45,692
Non-current financial liabilities	20.1	51,669	54,276
Other non-current liabilities	21	4,836	4,810
Deferred tax liabilities		2,927	2,272
Non-current liabilities		175,143	176,788
Current provisions	18.1	5,632	5,228
Trade payables		10,983	13,031
Current financial liabilities	20.1	14,486	18,289
Current tax liabilities		164	419
Other current liabilities	21	24,155	24,414
Current liabilities		55,420	61,381
Liabilities related to assets classified as held for sale	25	490	2,109
TOTAL EQUITY AND LIABILITIES		277,891	281,640

Consolidated cash flow statement

(In millions of Euros)	Notes	H1 2017	H1 2016
Operating activities:			
Income before taxes of consolidated companies		2,894	3,288
Impairment/(reversals)		32	300
Accumulated depreciation and amortisation, provisions and changes in fair value		4,420	4,308
Financial income and expenses		429	462
Dividends received from associates and joint ventures		76	210
Capital gains/losses		(2,039)	(447)
Change in working capital		482	(1,720)
Net cash flow from operations		*6,294*	*6,401*
Net financial expenses disbursed		(828)	(800)
Income taxes paid		(827)	638
Net cash flow from operating activities		4,639	6,239
Investing activities:			
Acquisitions of equity investments, net of cash acquired		(115)	(62)
Disposals of equity investments, net of cash transferred [1]		1,822	284
Investments in intangible assets and property, plant and equipment		(6,535)	(6,577)
Net proceeds from sale of intangible assets and property, plant and equipment		487	79
Changes in financial assets		(3,276)	(584)
Net cash flow used in investing activities		(7,617)	(6,860)
Financing activities:			
EDF capital increase		4,005	-
Transactions with non-controlling interests [2]		224	2
Dividends paid by parent company	17.2	(75)	(81)
Dividends paid to non-controlling interests		(102)	(119)
Purchases/sales of treasury shares		-	4
Cash flows with shareholders		*4,052*	*(194)*
Issuance of borrowings		1,870	638
Repayment of borrowings		(2,132)	(1,019)
Payments to bearers of perpetual subordinated bonds	17.3	(394)	(401)
Funding contributions received for assets operated under concessions		66	69
Investment subsidies		344	405
Other cash flows from financing activities		*(246)*	*(308)*
Net cash flow from financing activities		3,806	(502)
Net increase/(decrease) in cash and cash equivalents		828	(1,123)
CASH AND CASH EQUIVALENTS - OPENING BALANCE		2,893	4,182
Net increase/(decrease) in cash and cash equivalents		828	(1,123)
Effect of currency fluctuations		(33)	(99)
Financial income on cash and cash equivalents		11	7
Effect of reclassifications		105	17
CASH AND CASH EQUIVALENTS - CLOSING BALANCE		3,804	2,984

(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 (formerly C25), the company that holds RTE's shares (see note 2.5.1).*

(2) *Contributions via capital increases or capital reductions and acquisitions of additional interests or disposals of interests in controlled companies.*
In 2017, this item includes a receipt of €220 million relating to CGN's payment for the NNB Holding Ltd. and Sizewell C Holding Co capital increases.

Change in consolidated equity

The changes in equity between 1 January and 30 June 2017 are as follows:

(In millions of Euros)	Capital	Treasury shares	Translation adjustments (1)	Impact of fair value adjustment of financial instruments (2)	Other consolidated reserves and net income	**Equity (EDF share)**	Equity (non-controlling interests)	**Total equity**
Equity at 01/01/2017	1,055	(29)	1,637	(1,587)	33,362	34,438	6,924	41,362
Gains and losses recorded in equity	-	-	(964)	839	(91)	(216)	(119)	(335)
Net income	-	-	-	-	2,005	2,005	84	2,089
Consolidated comprehensive income	-	-	(964)	839	1,914	1,789	(35)	1,754
Payments on perpetual subordinated bonds	-	-	-	-	(394)	(394)	-	(394)
Dividends paid	-	-	-	-	(1,100)	(1,100)	(116)	(1,216)
Purchases/sales of treasury shares	-	(1)	-	-		(1)	-	(1)
Capital increase by EDF SA (3)	389	-	-	-	4,640	5,029	-	5,029
Other changes (4)	-	-	-	-	(9)	(9)	313	304
EQUITY AT 30/06/2017	1,444	(30)	673	(748)	38,413	39,752	7,086	46,838

(1) Changes in translation adjustments amount to €(964) million at 30 June 2017, mainly relating to the fall of the pound sterling against the euro.

(2) These changes correspond to the effects of fair value adjustments and amounts transferred to income following changes in the fair value of available-for-sale financial assets, the effects of fair value adjustment of financial instruments hedging cash flows and net foreign investments, and amounts transferred to income in respect of terminated contracts. For details see the statement of consolidated comprehensive income.

(3) In 2017, the changes in capital and other consolidated reserves (issue premium) relate to EDF's capital increase amounting to €4,005 million net of expenses (see note 2.1) and payment of the balance of the scrip dividend for 2016 totalling €1,024 million (see note 17.2).

(4) "Other changes" in equity (non-controlling interests) include the effect of capital increases funded by CGN for NNB Holding Ltd. and Sizewell C Holding Co.

The changes in equity between 1 January and 30 June 2016 are as follows:

(In millions of Euros)	Capital	Treasury shares	Translation adjustments	Impact of fair value adjustment of financial instruments [2]	Other consolidated reserves and net income	**Equity (EDF share)**	Equity (non-controlling interests)	**Total equity**
Equity at 01/01/2016	960	(38)	4,349	(2,353)	31,831	34,749	5,491	40,240
Gains and losses recorded in equity	-	-	(2,392)	816	(67)	(1,643)	(372)	(2,015)
Net income	-	-	-	-	2,081	2,081	85	2,166
Consolidated comprehensive income	-	-	**(2,392)**	**816**	**2,014**	**438**	**(287)**	**151**
Payments on perpetual subordinated bonds	-	-	-	-	(401)	(401)	-	(401)
Dividends paid	-	-	-	-	(1,020)	(1,020)	(141)	(1,161)
Purchases/sales of treasury shares	-	13	-	-	-	13	-	13
Capital increase by EDF SA [1]	47	-	-	-	892	939	-	939
Other changes	-	-	-	-	-	-	(167)	(167)
EQUITY AT 30/06/2016	1,007	(25)	1,957	(1,537)	33,316	34,718	4,896	39,614

(1) The French government chose to receive the balance of the dividend for 2015 in the form of new shares (scrip option). Application of the scrip option for part of the balance of the dividend led to a €47 million increase in the capital with an issue premium of €892 million, corresponding to issuance of 93,112,364 shares.

(2) These changes correspond to the effects of fair value adjustments, amounts transferred to income following changes in the fair value of available-for-sale financial assets, the effects of fair value adjustment of financial instruments hedging cash flows and net foreign investments, and amounts transferred to income in respect of terminated contracts. For details see the statement of consolidated comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Électricité de France (EDF or "the Company") is a French *société anonyme* governed by French Law, and registered in France.

The condensed consolidated financial statements (hereafter called "the consolidated financial statements") reflect the accounting position of the Company and its subsidiaries (which together form the "Group") and the Group's interests in associates, joint arrangements classified as joint operations, and joint ventures for the half-year to 30 June 2017.

The Group is an integrated energy operator engaged in all aspects of the energy business: generation, transmission, distribution, supply, trading and energy services.

The Group's consolidated financial statements at 30 June 2017 were prepared under the responsibility of the Board of Directors and approved by the Directors at the Board meeting held on 27 July 2017.

Note 1 Group accounting policies

1.1 DECLARATION OF CONFORMITY AND GROUP ACCOUNTING POLICIES

Pursuant to European regulation 1606/2002 of 19 July 2002 on the adoption of international accounting standards, the EDF group's consolidated financial statements at 30 June 2017 are prepared under the international accounting standards published by the IASB and approved by the European Union for application at 30 June 2017. These international standards are IAS (International Accounting Standards), IFRS (International Financial Reporting Standards), and SIC and IFRIC interpretations.

The consolidated half-year financial statements comply with standard IAS 34 "Interim financial reporting". They do not therefore include all the information required for full annual financial statements, and are to be read in conjunction with the consolidated financial statements at 31 December 2016.

Apart from the changes indicated in note 1.3, the accounting principles and valuation methods are identical to those applied and described in note 1 to the consolidated financial statements at 31 December 2016.

1.2 CHANGES IN ACCOUNTING STANDARDS

1.2.1 Standards adopted by the European Union

The following two new standards have been adopted by the European Union and will be mandatory for financial years beginning on or after 1 January 2018:

1.2.1.1 IFRS 15 - Revenue from Contracts with Customers

On 29 October 2016, the European Union adopted IFRS 15 "Revenue from Contracts with Customers", which must be applied from 1 January 2018. Subject to approval by the European Union, the associated amendments will be applicable at the same date as the standard itself.

Following the analyses conducted by the Group, the subjects identified so far that may have an impact on Group sales once the standard is applied are the following:

- Recognition of income from energy delivery (the agent/principal distinction):

  In accordance with IAS 18, all Group entities supplying electricity or gas include the service of delivery in their sales revenues.

  IFRS 15 requires analysis of whether or not the energy delivery service is a separate performance obligation within the electricity supply contract. It also sets out the conditions in which an entity operates as principal or agent for the supply of a good or service with third party involvement. If the entity is classified as the principal, it can recognise the sales revenue from the delivery service, including the part of the service executed by a third party. Otherwise, it is classified as an agent, and can only include the amount of commission, if any, in its sales revenues on delivery services.

  In France, electricity delivery services are performed by Enedis, the Group's regulated subsidiary that is the French distribution network operator. As a result the principal-agent analysis under IFRS 15 only affects the presentation of revenues in segment reporting.

  However, gas delivery services in France and electricity and gas delivery services in Italy, the United Kingdom and Belgium are carried out by non-Group entities.

This subject is still being analysed through a review of the contracts and each country's existing regulatory framework. Treating the supplier as an agent in the energy delivery service would lead to a decrease in sales revenues and a correlated decrease in purchases related to the energy delivery service, with no significant impact on operating profit before depreciation and amortisation.

- Among the other subjects analysed by the Group, in certain countries, IFRS 15 could lead to changes in the recognition of market energy purchase and sale transactions that are part of optimisation activities, but this would have no impact on the Group's consolidated operating profit before depreciation and amortisation.
- The Group has identified further subjects for which accounting treatments could change, but the impacts on Group net income would be non-significant. Analyses will continue in response to developments in the contractual framework and the Group's business activity until the standard is applied.

1.2.1.2 IFRS 9 – Financial Instruments

IFRS 9, "Financial Instruments", issued by the IASB in July 2014 and adopted by the European Union on 29 November 2016, will replace IAS 39 "Financial Instruments: Recognition and Measurement" from 1 January 2018. This new standard introduces new principles for classification and measurement of financial instruments, impairment for credit risk on financial assets, and hedge accounting.

Application of IFRS 9 in the Group, and potential impacts

The Group began analyses in 2015 to assess the consequences of application of IFRS 9.

At this stage of the preparations for application of the new standard, which has several phases, estimation of the impact of application is in process.

Phase 1 concerns the classification and measurement of financial assets and liabilities.

Analysis of the business models and contractual features of the Group's financial assets is currently being finalised.

The main potential impacts concern financial assets held in the form of shares in equity or bond investment funds, and to a lesser degree equities held and the directly-managed bond portfolio.

- For shares in equity or bond investment funds that correspond strictly to the definition of puttable financial instruments, application of IFRS 9 will mean that unrealised gains or losses on such assets, which were previously recorded in equity and subsequently transferred to profit and loss upon sale, will now have a direct impact on the Group's net income.
- For equity instruments not held for trading and for which an irrevocable option is made to recognise fair value changes in other components of comprehensive income (OCI), IFRS 9 only allows dividends received to be reported in the income statement. Unrealised gains and losses recognised in OCI while the instrument is held can no longer be included in profit and loss upon derecognition of the instrument. If this irrevocable option is not chosen, application of IFRS 9 results in unrealised gains and losses being

included in profit and loss. The option must be exercised separately for each instrument. The Group has not yet decided which option it will take for all its various instruments.

As well as holding shares in traditional investment funds, to meet the needs of its dedicated asset portfolio, the Group also makes significant investments in exchange-traded funds (ETFs). These funds are listed on regulated Euronext markets, and use passive fund management with the aim of replicating upward or downward movements in an index. Market discussions are still in progress to determine whether these instruments are equity instruments under IAS 32 or puttable debt instruments. The treatment when applying IFRS 9 will depend on the conclusions of these discussions.

- For the directly-held bond portfolio, if the associated cash flows consist solely of payments related to the principal and related interest, the principle is that fair value changes should be recorded in equity and transferred to profit and loss upon sale under a "collect and sell" business model, or recorded at amortised cost under a "collect" model.

Many of the financial assets affected by these changes relate to the portfolio of dedicated assets held to cover future expenses for the back-end of EDF's nuclear cycle in France (which has a total value of €20,116 million at 30 June 2017, see note 14.2.2). The implementation of IFRS 9 will lead to a general increase in volatility in the Group's income statement, yet these dedicated assets are held to cover provisions for the back-end of EDF's nuclear cycle which generate a recurring cost of unwinding the discount that is included in the financial result.

Phase 2 concerns the **impairment model** for financial assets. IFRS 9 introduces a single, prospective model based on expected losses (i.e. the probability that the counterparty will default in a given time horizon). This model applies to financial assets carried at amortised cost, debt securities carried at fair value through other components of comprehensive income, trade receivables and lease receivables. The existing IAS 39 model requires recognition of a provision when a loss is incurred (non-payment or late payments). For financial assets with a low credit risk that do not require recognition of impairment under IAS 39, the new IFRS 9 provisioning model based on expected losses within 12 months could lead to an increase in impairment for credit risk, as all financial assets will be concerned from the inception of operations, which is not the case under IAS 39. Based on the analysis work done and initial estimates, the Group does not expect any material impacts in its consolidated financial statements.

Finally, **phase 3** concerning the **general hedge accounting model** is intended to align hedge accounting more closely with the entity's risk management activities, notably by broadening the list of eligible hedging instruments and relaxing certain rules that were considered too restrictive under IAS 39. The Group is currently studying the potential impacts of these points on its financial risk hedging strategies and documentation. Based on the analysis to date, it does not expect any material impacts in its consolidated financial statements.

At the transition date

The classification and measurement rules and the new impairment model introduced by IFRS 9 are applicable retrospectively via adjustments to the opening balance sheet at the date of first application. The new standard's hedge accounting methods are principally for prospective application.

1.2.2 Standards, amendments and interpretations published by the IASB but not yet adopted by the European Union

The following IASB publications related to the accounting principles applied by the Group have not yet been adopted by the European Union:

- IFRS 16 "Leases";
- IFRS 17 "Insurance Contracts";
- amendments to IFRS 15 "Clarifications to IFRS 15 - Revenue from Contracts with Customers";
- amendments to IFRS 10 and IAS 28 entitled "Sale or contribution of assets between an investor and its associate or joint venture";
- amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealised Losses";
- amendments to IAS 7, as part of the "Disclosure initiative" project;
- amendments to IFRS 2 "Classification and measurement of share-based payment transactions";
- amendments to IAS 40 "Transfers of Investment Property";
- amendments to IFRS 4, "Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' ";

- IFRIC 22, “Foreign Currency Transactions and Advance Consideration”;
- IFRIC 23, “Uncertainty over Income Tax Treatments”.

The potential impact of these standards, amendments and interpretations is currently being evaluated by the Group.

1.2.2.1 IFRS 16 – Leases

Subject to European Union adoption, application of IFRS 16 “Leases” will be mandatory for financial years beginning on or after 1 January 2019. This standard requires all leases other than short-term leases and leases of low-value assets to be recognised in the lessee’s balance sheet in the form of a right-of-use asset, with a corresponding financial liability. Currently, leases classified as “operating leases” are reported as off-balance sheet items.

The EDF Group is identifying the impacts of application of IFRS 16 by sending a questionnaire to all the subsidiaries concerned, to collect information about the features of leases classified as “operating leases” in existence at 31 December 2016.

In parallel to this identification work, a study is being conducted of the discount rates to be used to value the assets and liabilities that will be recognised as a result of the first application of IFRS 16.

1.3 MANAGEMENT JUDGMENTS AND ESTIMATES

The preparation of the financial statements requires the use of judgments, best estimates and assumptions in determining the value of assets and liabilities, income and expenses recorded for the period, considering positive and negative contingencies existing at the closing date. The figures in the Group’s future financial statements could differ from current estimates due to changes in these assumptions or economic conditions.

The principal accounting methods involving use of estimates and judgments are the same as those described in note 1.3.2 to the consolidated financial statements at 31 December 2016.

1.4 VALUATION METHODS SPECIFIC TO INTERIM FINANCIAL STATEMENTS

The following valuation methods specific to interim financial statements have been applied.

1.4.1 Employee benefits

The amount of the obligation corresponding to post-employment benefits and other long-term benefits at 30 June is calculated by projecting the prior year obligation over one half-year, taking into account the benefits paid out and the changes in fund assets, adjusted due to plan modifications where relevant.

The actuarial assumptions used to calculate employee benefits for interim financial statements differ from those used for the previous annual financial statements if significant developments arise for certain parameters, for example the discount rate.

1.4.2 Income taxes

For interim financial statements, income tax (current and deferred) is generally calculated by applying the last known estimated effective tax rate for the current year, for each entity or tax group, to the consolidated companies' pre-tax income.

1.5 SEASONAL NATURE OF THE BUSINESS

Interim sales and operating profit before depreciation and amortisation are affected by significant seasonal factors in the calendar year, principally in France. The variations observed are mainly associated with weather conditions and tariff structures specific to each period.

Note 2 Significant events and transactions of the first half-year of 2017

2.1 CAPITAL INCREASE BY EDF SA

On 30 March 2017, EDF undertook a cash capital increase with preferential subscription rights for existing shareholders.

The total gross amount of the increase (including the issue premium) was €4,018 million, and 632,741,004 new shares were issued at the unit issue price of €6.35. This total amount comprises:

- a €316 million increase in the share capital;
- a €3,702 million gross increase in the issue premium.

Issue expenses (net of taxes) are charged to the issue premium.

In accordance with its commitment, the French State subscribed for an amount of €3 billion or approximately 75% of the capital increase, and after this operation held 83.10% of the Company's share capital. The dilution of the French State's shareholding results in a larger free float, as the proportion of shares in the Company held by the public (including employees) was raised from 14.25% to 16.81% as a result of the capital increase.

2.2 BINDING AGREEMENTS SIGNED WITH STRATEGIC INVESTORS FOR THE ACQUISITION OF AN EQUITY STAKE IN NEW AREVA NP

On 10 July 2017, EDF[1] confirmed the signature of binding agreements with the following companies for the acquisition of an equity stake in NEW NP (or New AREVA NP):

- MITSUBISHI HEAVY INDUSTRIES[2] for a stake of 15% and potentially up to 19.5%, and
- ASSYSTEM for a 5% stake.

The sale price for 100% of the equity value of NEW NP has been confirmed at €2.5 billion excluding potential earn-out provisions and price adjustments, with no transfer of financial debt at the closing date.

These agreements were signed further to:

- the signature on 15 November 2016 of an agreement between AREVA and EDF, setting out the terms of the sale of a 51% to 75% stake in NEW NP giving EDF exclusive control over NEW NP, which was initially a 100% subsidiary of AREVA NP. NEW NP will combine the AREVA Group's industrial activities and activities relating to the design and supply of nuclear reactors and equipment, fuel assembly, and services to the nuclear installed base;
- ensuing discussions with strategic investors that confirmed their interest and submitted bids to acquire an equity stake in NEW NP alongside EDF.

The immunisation mechanisms[3], guarantees and closing conditions set out in the share purchase agreement signed with EDF on 16 November 2016 apply to these minority investors.

1 Together with AREVA, subject to confirmation of approval from its Board of Directors (which was given on 12 July 2017).
2 Subject to approval by its Board of Directors
3 Agreements pertaining to the Olkiluoto-3 EPR project and the resources required to complete the project, as well as certain agreements pertaining to components forged at the Creusot plant, will be retained by AREVA NP, part of AREVA SA.

EDF and these non-Group investors will acquire their respective equity stakes in NEW NP simultaneously. The target of completion by the end of the second half of 2017 has been confirmed for these transactions.

EDF remains open to the possibility of other strategic partners taking equity stakes in NEW NP.

Discussions have also begun between EDF and AREVA on the conditions for the implementation of the European Commission decision requiring AREVA to fully exit NEW NP by the end of AREVA's restructuring plan, which is scheduled for 2019.

2.3 EDF PARTIALLY WAIVES ONE OF THE CONDITIONS PRECEDENT CONTAINED IN THE NEW NP ACQUISITION AGREEMENT

On 12 July 2017, EDF decided to waive the condition precedent specified in the NEW NP acquisition agreement concerning the absence of anomalies on the primary circuit of the Flamanville 3 European Pressurised Reactor (EPR), insofar as it concerned the carbon segregation identified in parts of the reactor vessel.

The decision follows the draft opinion issued on 28 June 2017 by the Board of the French Nuclear Safety Authority (ASN) on the results of the justification programmes for the EPR vessel at Flamanville 3.

Finalisation of the deal, scheduled for the second half of 2017, remains subject to total fulfilment of the condition precedent concerning the absence of anomalies on the primary circuit and the satisfactory completion of quality audits at the Le Creusot, Saint-Marcel and Jeumont plants.

2.4 CLARIFICATIONS ON THE HINKLEY POINT C PROJECT

The HPC project cost and timetable review undertaken after EDF's final investment decision in September 2016 in conjunction with the project company (NNB) concluded that:

- The milestone of the first nuclear safety concrete for the building of Unit 1, scheduled for mid-2019, is confirmed provided that the final design, which is on a tight schedule, is decided by the end of 2018.
- Project completion costs are now estimated at £19.6 billion (in 2015 sterling[1]), £ 1.5 billion (in 2015 sterling) more than previous estimates. This new estimate includes successful operational action plans, in partnership with suppliers. The estimated additional costs[2] result mainly from a better understanding of the design to meet the requirements of the British regulators, the volume and sequencing of work on site and the gradual implementation of supplier contracts. EDF's projected rate of return (IRR) is now estimated at about 8.5% compared to about 9% initially.
- The risk of deferral of the Commercial Operation Date (COD) is estimated at 15 months for Unit 1 and 9 months for Unit 2. This risk would entail an additional potential cost of around £0.7 billion (in 2015 sterling). In such a case, the IRR for EDF would be around 8.2%.

The project company NNB will examine and implement the recommendations of the review in compliance with its rules of governance.

The project management team is working hard to meet the initial delivery objective of late 2025 for Unit 1, and to identify and implement action plans to reduce costs and risks.

2.5 DISPOSAL PLAN

2.5.1 Finalisation of the sale of 49.9% of CTE

On 31 March 2017, EDF finalised the sale to Caisse des Dépôts and CNP Assurances of a 49.9% stake in the electricity transmission entity *Coentreprise de transport d'électricité* (CTE, formerly C25), which has held 100% of RTE since December 2016.

1 Excluding borrowing costs and foreign exchange effects assessed in relation to a reference exchange rate for the project: £1 = €1.23.
2 Net of action plans.

After completion, EDF, Caisse des Dépôts and CNP Assurances were the owners of CTE, respectively holding stakes of 50.1%, 29.9% and 20.0%.

The sale was based on a valuation of €8.2 billion for 100% of RTE.

The new shareholder agreement strengthens RTE's long-term investment strategy, which seeks to optimise the transmission system infrastructure in order to support the energy transition. It also consolidates RTE's public footing and its long-term economic and social model, while keeping its current regulatory status as an independent transmission system operator as defined in the EU Directive.

Impacts on the consolidated financial statements

This operation has an impact of €1,462 million on other income and expenses (€1,289 million on consolidated net income), and contributed to a decrease of approximately €4 billion in the EDF group's net indebtedness.

Previously, the 49.9% share of CTE's balance sheet items due to be sold was classified as assets and liabilities held for sale at 31 December 2016.

Following this operation, EDF's 50.1% investment in CTE, stated at historic value, is accounted for under the equity method and entirely allocated to the dedicated asset portfolio.

2.5.2 Sale of EDF Polska's assets

Following the unilateral put option agreement received on 11 May 2017 and authorisation from its Board of Directors, on 19 May 2017 EDF signed the agreement relating to the disposal of all EDF Polska's businesses (cogeneration and electricity generation) [1] to PGE Polska Grupa Energetyczna SA[2].

The transaction is based on a valuation of approximately 6.1 billion zlotys (nearly €1.4 billion[3]) for 100% of the EDF Polska businesses concerned, representing 4.9 billion zlotys (approximately 1.1 billion euros[3]) after deduction of minority interests. The agreement resulted from negotiations initiated in January 2017 with a consortium of Polish companies.

To complete the sale, a number of regulatory approvals and authorisations will be required, in particular clearance by the Polish competition authorities, approval by the Polish government, and a waiver by the agricultural land agency of its pre-emption right. The closing could take place in the second half of 2017.

In view of the ongoing sales process for EDF Polska's business assets, the assets and liabilities concerned have been classified as assets and liabilities held for sale since 31 December 2016.

2.5.3 Sale of 100% of EDF Démász Zrt.

On 31 January 2017, EDF and ENKSZ finalised the sale of the total capital of EDF Démász. This announcement followed approval of the operation by the Hungarian energy sector regulator and the French Ministry for the Economy.

The transaction values EDF's 100% stake in EDF Démász at approximately €400 million, and has no significant effect on the Group's income statement.

2.5.4 EDF Trading and JERA: Sale of the coal trading business

Following the contractual agreements signed on 21 December 2016 with JERA Trading Singapore (JERA TS), in April 2017 EDF Trading acquired one third of the shares in the new trading company JERA Trading, to which it sold several assets related to its coal business during the first half-year of 2017, with further sales due to take place in the near future.

This operation has no significant effect on the Group income statement at 30 June 2017.

1 This sale concerns the Rybnik power plant, the Krakow, Czechnica, Gdansk, Gdynia, Torun and Wroclaw coal-fired cogeneration plants, and the Zawidawie and Zielona Gora gas-fired cogeneration plants, with combined total installed capacity of 4.4 GWth and 1.4 GWe. It also includes the Czechnica, Torun, Zawidawie and Zielona Gora heat networks. The Wroclaw plant and the Czechnica, Zawidawie and Zielona Gora plants and heat networks are indirectly held via Kogeneracja (50% + 1 share).
2 PGE is 58% owned by the Polish State and is Poland's principal producer of electricity.
3 At 31 December 2016.

2.6 ¥137 BILLION SAMURAI BOND ISSUE

On 20 January 2017, EDF raised ¥137 billion, i.e. around €1.1 billion, through 4 senior bond issues on the Japanese market ("Samurai bonds") with maturities of 10 years and more:

- ¥107.9 billion bond, with a 10-year maturity and a fixed coupon of 1.088%;
- ¥19.6 billion green bond, with a 12-year maturity and a fixed coupon of 1.278%;
- ¥6.4 billion green bond, with a 15-year maturity and a fixed coupon of 1.569%;
- ¥3.1 billion bond, with a 20-year maturity and a fixed coupon of 1.870%.

With the issuance of two green tranches totalling ¥26 billion dedicated to financing its renewable investments, EDF has opened the Samurai green bond market, continuing its active contribution to the development of green bonds as financing instruments for the energy transition.

2.7 REGULATORY CHANGES IN FRANCE

2.7.1 Regulated electricity sales tariffs in France

<u>"Blue" tariffs</u>

In application of the NOME Law on organisation of the French electricity market, the mission of proposing regulated sales tariffs was transferred to France's Energy Regulation Commission *(Commission de Régulation de l'Énergie* or CRE) on 8 December 2015.

On 13 July 2016 the CRE published its decision giving details of the methodologies and options chosen to calculate regulated sales tariffs, using the "stacking" method in accordance with the Decree of 28 October 2014 and the NOME Law.

In view of the tariff change planned for 1 August 2017, the CRE also issued a guideline document on 20 June 2017 that proposed a 1.7% rise in blue tariffs for residential and non-residential customers from 1 August 2017. A meeting with stakeholders about this document was held by the CRE on 28 June 2017. The proposed changes are confirmed by two decisions, the proposal of 6 July 2016 and the decision of 20 July 2017 correcting errors, and the Ministers concerned have up to three months to make any objections to the CRE's proposal.

2.7.2 "TURPE" network access tariffs

TURPE 4

On 2 June 2016 the CRE published its decision for changes from 1 August 2016 in the TURPE distribution tariff, raising it by 1.11%, rounded down to 1.1%. This rise reflected stable inflation (0.03%) and 1.08% for the clearance of the income and expenses adjustment account (CRCP)[1].

TURPE transmission tariffs increased by 1.37%, rounded up to 1.4%, from 1 August 2016, again corresponding to stable inflation (0.03%), -0.81% for the clearance of the CRCP, and 2.15% for the interruptibility service.

TURPE 5

On 17 November 2016, the CRE published its decisions for the TURPE Transmission and TURPE Distribution tariffs for the period 2017-2020, to take effect from 1 August 2017.

The TURPE 5 Transmission tariff is due to increase by 6.76% from 1 August 2017, with subsequent rises on 1 August in the years 2018 to 2020, based on average inflation observed over the previous calendar year (excluding the correcting effects of the CRCP). The TURPE 5 sets the weighted average cost of capital (WACC) at 6.125% for the return on RTE's asset base, compared to 7.25% in TURPE 4.

The TURPE 5 Distribution tariff is due to increase by 2.71% from 1 August 2017, with subsequent rises on 1 August in the years 2018 to 2020, based on average inflation observed over the previous calendar year (excluding the correcting effects of the CRCP). The TURPE 5 continues to use the previous method for calculating cost of

1. A mechanism to measure and offset differences between the actual figures and the forecasts on which tariffs are based.

capital, but modifies the margin on assets to 2.6% (2.5% for TURPE 4) and the return on regulated equity to 4.1% (6.1% for TURPE 4).

The *Journal Officiel* of 28 January 2017 published the three CRE decisions concerning the TURPE 5: the two above decisions on the TURPE 5 Transmission and Distribution tariffs, and the decision of 19 January 2017 issued in response to a request for a further decision. This request came from the Minister for the Environment, Energy and the Sea who is in charge of international relations on climate matters, and in the resulting decision the CRE upheld its initial decision concerning the TURPE 5 Distribution tariff.

On 3 February 2017, EDF made an application to the Council of State for cancellation of the CRE's decisions concerning the TURPE 5 distribution tariff.

Decisions of the Paris Court of Appeal (gas) and the Council of State (electricity)

In a decision dated June 2, 2016, the Paris Court of Appeal ruled that the gas distributor GrDF should "bear, at least partly, the management costs of services provided by suppliers" of gas. It therefore ordered GrDF to conclude an amendment to the distribution network access contract (DAC), to ensure that Direct Énergie and ENI, the plaintiffs in the court case, would receive "fair remuneration commensurate with the cost savings for the Distribution Network Manager". The Court also ordered GrDF to pay retroactive remuneration to Direct Énergie from 21 June 2005, the date the relevant DAC contract was signed. On the grounds of this decision, EDF applied to GrDF for remuneration for services performed on behalf of the gas network operator from the start of its own DAC contract.

This decision concerning the gas industry was followed on 13 July 2016 for the electricity industry by the Council of State's cancellation of the CRE's decision of 10 December 2014 rejecting Engie's application for withdrawal of the CRE's decision of 26 July 2012 on management of customers under a single contract, which introduced an asymmetrical regulation system. The Council of State considered that remuneration paid to suppliers for customer management tasks executed on behalf of the electricity or gas distribution network operators cannot legally be transitional and limited to certain suppliers. On 23 December 2016, Engie brought action on the same grounds against Enedis before the Paris Commercial Court. These proceedings are ongoing.

In its decision of 17 November 2016, the CRE established the principle of remuneration payable to suppliers ("supplier commission") for customer management under a single contract by distribution network operators, but did not set out the calculation methods. A CRE-organised consultation process with stakeholders began during the second quarter of 2017, as announced in the CRE's decision of 19 January 2017. This remuneration will be included in the expenses covered by the TURPE tariff. The CRE intends to issue a decision on this subject by the end of the summer 2017.

2.7.3 Compensation for public energy service charges

Legal and regulatory framework

The financing and compensation mechanism for public energy service charges (*compensation des Charges de Service Public de l'Energie*) results from a reform introduced by France's amended finance law for 2015, published in the *Journal Officiel* on 30 December 2015. Under the new legislative and regulatory framework, the public energy service charges (electricity and gas) are to be compensated via two State budget items included in France's finance laws from 2016 onwards. The initial finance law for 2017 thus makes the following provision regarding charges for the year 2017:

- a special "Energy Transition" budget item of €7 billion, principally to compensate for the additional costs associated with all contracts obliging the operators to purchase renewable energies and biogas, the annual contribution to repayment of the accumulated shortfall in compensation due to EDF, and reimbursement of surplus amounts to industrial operators who were exempt prior to 2016;
- a "Public Energy Service" item of €2.5 billion in the general budget to cover solidarity charges borne by gas and electricity suppliers, costs associated with purchase obligations excluding renewable energies, and the cost of applying the standard national tariffs to zones that are not connected to France's mainland network.

In 2017 this mechanism has two sources of funding:

- The special "Energy Transition" budget item is mainly funded by part of the income from taxes on fuel oils (TICPE), and also by the coal tax (TICC).
- The general budget is funded by the tax on electricity consumption (CSPE) and the tax on natural gas consumption (TICGN).

The CSPE is a tax collected by the State from electricity suppliers. Until 2016 it funded the special "Energy Transition" budget item, but it is now allocated to the State's general budget. The level of the CSPE remains stable compared to 2016, with the full rate for 2017 set at €22.5/MWh, and seven reduced rates ranging from €0.5/MWh to €7.5/MWh depending on criteria of electro-intensiveness, business category and the risk of carbon leaks from installations.

The amended finance law for 2016 changed the scope of the expenses eligible for compensation, incorporating costs related to conclusion and management of purchase obligation contracts from 1 January 2017.

Public service charges borne by EDF

The amount of expenses (excluding the annual contribution to repayment and associated interest) to be compensated for EDF for first-half 2017 is €3,424 million, stable compared to first-half 2016. This stability reflects two opposite effects: the volumes generated for purchase obligations were higher than in first-half 2016, but the unit compensation value was brought down by the rise in market prices. The amounts received in application of the new CSPE system over first-half 2017 (excluding the annual contribution to repayment and associated interest) totalled €3,553 million, higher than in first-half 2016, mainly as a result of the State's decision to defer the €414 million compensation payment to EDF out of the "Energy Transition" budget item from December 2016 to January 2017. The effects of this deferral on funding via the "Energy Transition" budget item for 2017 were adjusted through a budget carryover decision that took effect on 28 March 2017.

A repayment schedule for EDF's receivable corresponding to the accumulated shortfall in compensation, which amounted to €5,780 million at 31 December 2015, was set out in the ministerial decision of 13 May 2016, amended on 2 December 2016. Under this schedule the receivable will be fully repaid by 2020. On 22 December 2016 EDF securitised a portion of this receivable (€1.5 billion) through a State-approved "Dailly law" assignment. Consequently, since 1 January 2017 EDF has received a 73.6% share of payments made by the State in reimbursement of the receivable as set out in the repayment schedule.

At 30 June 2017, EDF had received €362 million in repayment of the principal and €33 million in related interest, or a total of €395 million, in line with the ministerial decision of 13 May 2016 detailing the arrangements for EDF's recovery of the shortfall in compensation.

Finally, in accordance with decree 2016-158 of 18 February 2016 concerning compensation for public energy service charges, the CRE is shortly due to publish a decision recording the public service charges for 2016 and providing a revised forecast of charges for 2017 and a forecast of charges for 2018.

2.7.4 French capacity mechanism

On 8 November 2016, the European Commission concluded that the capacity mechanism proposed by France was compatible with internal market rules on State aid. As a result of this decision the mechanism was able to take effect as of 1 January 2017.

Two auctions of capacity for 2017 were held on the European Power Exchange EPEX SPOT, on 15 December 2016 and 27 April 2017. The volumes traded between obligated capacity purchasers and operators selling capacity amounted to 22.6GW in December 2016 and 0.5GW in April 2017. The equilibrium price determined was €10/kW in December 2016 and €10.42/kW in April 2017. The December price of €10/kW (from the only auction held ahead of the year of delivery) is the "market reference price" of capacity for 2017.

The capacity price is passed on to customers through their contracts with EDF as supplier, or with other suppliers. This price is already included in bills for customers on market-price contracts. For customers on regulated sales tariffs, the cost of capacity has been incorporated into the CRE's most recent tariff proposals (of 6 July 2017).

Further auctions will take place in November and December 2017 to trade capacities for 2018 and 2019.

In 2018, additional auctions will take place concerning capacity for 2017 and 2018 (rebalancing between actors) and later years (2019 to 2022).

2.7.5 Regulated gas sales tariffs in France

By a decision of 19 July 2017 the Council of State cancelled the decree of 16 May 2013 concerning regulated sales tariffs for natural gas, on the grounds that the legal basis underlying this decree is contrary to European Union law (directive 2009/73/EC, interpreted by the CJEU in opinions of 20 April 2010 (C-265/08, *Federutility)* and 7 September 2016 (C-121/15, ANODE) since at the date of the decree concerned, it was no longer possible to use the general economic interest as justification for continuing regulated gas prices.

As an exceptional measure, the Council of State ruled that the past effects of the decree are final and permanent, and consumers cannot therefore challenge effects that have already arisen from the cancelled decree. In its decision, the Council made a distinction between gas and electricity, stating that electricity, "in application of article L. 121-1 of the French Energy Code, is an 'essential product' that must be supplied 'over the whole national territory' ".

2.7.6 Energy savings certificates: fourth period (2018-2020)

Decree 2017-690 of 2 May 2017 issued by the French Ministry for the Environment, Energy and the Sea, published in the *Journal Officiel* on 3 May 2017, sets the obligation levels for the fourth period of energy savings obligations to run from 1 January 2018 to 31 December 2020. The overall level of obligations for this three-year period is substantially increased by the decree: 1,200TWhc for the "standard" obligations and 400TWhc for the obligations that are to benefit households in situations of energy poverty, compared to 700TWhc and 150TWhc respectively for the previous period.

Energy sellers may fulfil their obligation in three ways: by supporting customers in their energy efficiency operations, funding ministry-approved energy savings certificate schemes, and purchasing certificates from eligible actors. Any surplus "stock" of certificates gained in the previous period also contributes to fulfilment of the obligation. If there is a shortfall at the end of the period, obligated actors must pay the Treasury the fine of €15 per MWhc of shortfall laid down in article L221-4 of the Energy Code, approximately five times the current cost of the standard obligation.

The EDF group will make every effort to gradually increase the number of certificates earned from energy-saving efforts with customers in order to meet the objectives set by the State. However, the significant increase in obligations combined with the current lack of depth in the energy savings certificates market, whose future liquidity is uncertain, expose the Group to the risk of a shortfall in certificates for the fourth period.

Note 3 Changes in the scope of consolidation

There was no significant change in the Group's scope of consolidation during the first half of 2017, apart from the partial sale of CTE (the company that holds RTE's shares) and the sale of Démász Zrt, which are presented above in notes 2.5.1 and 2.5.3, and the acquisition by EDF Énergies Nouvelles of Futuren, presented below:

3.1 TAKEOVER OF FUTUREN

On 9 June 2017, EDF Énergies Nouvelles acquired 61.6% of ordinary shares and 96% of OCEANE convertible bonds in Futuren, in application of the agreement signed with Futuren's majority shareholders on 10 May 2017.

The Futuren group is specialised in onshore wind power. It operates in four countries, with 389MW gross capacity of wind power facilities in operation (France, Germany, Italy and Morocco), 21MW under construction (France); 212MW in development (France) and 357MW under management (Germany).

At 30 June 2017, after further acquisitions, the Group held 70.2% of ordinary shares and 97% of OCEANE convertible bonds. The Futuren group is fully consolidated.

After exceeding the legal thresholds of 50% of the capital and voting rights in Futuren, the Group made a simplified public tender offer for all Futuren's remaining shares and OCEANE convertible bonds, valid for the period 6 – 19 July 2017. The purchase terms offered were the same as for the acquisition of the majority shareholders' investments: €1.15 per ordinary share and €9.37 per OCEANE convertible bond (ex coupon).

On 20 July 2017, EDF Énergies Nouvelles announced that this offer had been successful. According to the result published by the French market regulator AMF (*Autorité des Marchés Financiers*) the same date, EDF Énergies Nouvelles now holds 240,855,625 shares[1] making up 87.5% of the capital, and 87.2% of voting rights in Futuren, and 105,601 OCEANE bonds or 62.7% of the bonds outstanding.

Note 4 Segment reporting

Segment reporting presentation complies with IFRS 8, "Operating segments".

Segment reporting is determined before inter-segment eliminations. Inter-segment transactions take place at market prices.

The segments used by the Group are identical to those described in note 6.1 to the consolidated financial statements at 31 December 2016.

4.1 AT 30 JUNE 2017

(In millions of Euros)	France – Generation and Supply	France – Regulated activities	United Kingdom	Italy	Other international	Other activities	Inter-segment eliminations	Total
Income statements:								
External sales	18,051	2,851	4,424	4,960	2,477	2,960	-	35,723
Inter-segment sales	513	5,323	3	8	60	851	(6,758)	-
TOTAL SALES	18,564	8,174	4,427	4,968	2,537	3,811	(6,758)	35,723
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION	2,453	2,400	627	426	275	815	-	6,996
OPERATING PROFIT	2,233	995	120	(33)	155	412	-	3,882

4.2 AT 30 JUNE 2016

The segment reporting at 30 June 2016 has been restated in accordance with the changes in operating segments introduced in the 2016 annual consolidated financial statements (see note 6.1 to the consolidated financial statements for the year ended 31 December 2016).

(In millions of Euros)	France – Generation and Supply	France – Regulated activities	United Kingdom	Italy	Other international	Other activities	Inter-segment eliminations	Total
Income statements:								
External sales	18,122	2,655	4,985	5,551	2,622	2,724	-	36,659
Inter-segment sales	561	5,470	3	10	86	804	(6,934)	-
TOTAL SALES	18,683	8,125	4,988	5,561	2,708	3,528	(6,934)	36,659
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION	3,450	2,791	1,118	328	363	894	-	8,944
OPERATING PROFIT	1,991	1,454	445	(69)	(36)	727	-	4,512

1 After conversion of the 5,916,569 OCEANE bonds held by the EDF Energies Nouvelles group at 5 July.

INCOME STATEMENT

Note 5 Sales

Sales are comprised of:

(in millions of Euros)	H1 2017	H1 2016
Sales of energy and energy-related services	34,555	35,519
Other sales of goods and services	851	837
Trading	317	303
SALES	35,723	36,659

The downturn in first half-year sales observed in 2017 (–2.6%) is principally attributable to lower sales in Italy and the United Kingdom.

In the United Kingdom, sales mainly decreased as a result of the pound sterling's fall in value against the Euro.

In Italy, the decline in sales essentially concerned the hydrocarbon activities due to lower gas prices, and also reflects lower volumes in electricity sales.

In France, sales by the generation and supply activities were practically stable in the first half-year of 2017 against a background of lower generation output, which was due to reactor outages for additional inspections that began in 2016 and low water levels since the beginning of the year.

Note 6 Other operating income and expenses

Other operating income and expenses mainly include the amount received or receivable by EDF under the CSPE (*Contribution au Service Public de l'Électricité* - Contribution to the Public Electricity Service) system which is reflected in the consolidated financial statements by recognition of income of €3,424 million for the first half of 2017 (€3,787 million for the first half of 2016).

Note 7 Impairment / reversals

7.1 AT 30 JUNE 2017

General assumptions and impairment

Impairment tests are conducted at each year-end, and for the half-year financial statements when there is an indication of loss of value.

Market conditions remained relatively stable in Europe over the first half of 2017 and did not generate any additional risks on Group assets.

The Group recognised €(32) million of impairment at 30 June 2017 in respect of certain real estate assets in France.

On 3 July 2017, the Group also announced a new estimate of completion costs for the HPC project (see note 2.4). This new cost estimate does not entail a risk of impairment to EDF Energy goodwill at 30 June 2017. Application of the sensitivity analyses described in the consolidated financial statements for 2016 (note 13.2), simulating several scenarios of deterioration in the cost and timing assumptions used for Hinkley Point C, showed that the recoverable value of EDF Energy still substantially exceeded its book value.

Finally, impairment of €(341) million was booked in respect of associates at 30 June 2017. Details are given in note 13.

7.2 AT 30 JUNE 2016

Impairment amounting to €(300) million was booked in the first half of 2016.

It mainly concerned:

- The Polish thermal plants for an amount of €(197) million in respect of the Electricity CGU;
- and specific assets: other impairment of €(103) million.

Impairment of €(458) million was also booked in respect of associates at 30 June 2016 (see note 13).

Note 8 Other income and expenses

Other income and expenses amount to €1,367 million for the first half of 2017, mainly including a gain of €1,462 million on the sale of 49.9% of the Group's investment in CTE (see note 2.5.1).

In the first half of 2016, they amounted to €(124) million.

Note 9 Financial result

9.1 DISCOUNT EFFECT

The cost of unwinding the discount primarily concerns provisions for the back-end of the nuclear cycle, decommissioning and last cores, and long-term and post-employment employee benefits.

Details of this expense are as follows:

(In millions of Euros)	H1 2017	H1 2016
Provisions for long-term and post-employment employee benefits	(444)	(531)
Provisions for the back-end of the nuclear cycle, decommissioning and last cores (1)	(790)	(794)
Other provisions and advances	(49)	(42)
DISCOUNT EFFECT	(1,283)	(1,367)

(1) Including the effect of discounting the receivable corresponding to amounts reimbursable by the NLF (see note 14.3).

9.2 OTHER FINANCIAL INCOME AND EXPENSES

In the first half of 2017, other financial income and expenses include net gains on disposals of EDF's dedicated assets amounting to €491 million (€256 million in the first half of 2016).

Note 10 Income taxes

Income taxes amount to €(712) million for the first half of 2017, corresponding to an effective tax rate of 24.6% (compared to an expense of €(960) million corresponding to an effective tax rate of 29.2% for the first half of 2016). The lower effective tax rate at 30 June 2017 compared to 30 June 2016 essentially reflects the partial sale of CTE, which took place on 31 March 2017 (see note 2.5.1).

OPERATING ASSETS AND LIABILITIES, EQUITY

Note 11 Goodwill

Goodwill on consolidated entities comprises the following:

(In millions of Euros)	30/06/2017
Net book value at opening date	8,923
Acquisitions	36
Disposals	-
Impairment	-
Translation adjustments	(209)
Other changes	-
NET BOOK VALUE AT CLOSING DATE	8,750
Gross value at closing date	9,522
Accumulated impairment at closing date	(772)

The changes in goodwill in first-half 2017 primarily relate to translation adjustments of €(209) million, largely due to the pound sterling's decrease against the Euro.

Note 12 Property, plant and equipment

The net value of property, plant and equipment breaks down as follows:

(In millions of Euros)	30/06/2017	31/12/2016
Property, plant and equipment	52,074	51,489
Property, plant and equipment in progress	1,608	1,575
PROPERTY, PLANT AND EQUIPMENT OPERATED UNDER FRENCH PUBLIC ELECTRICITY DISTRIBUTION CONCESSIONS	53,682	53,064
Property, plant and equipment	6,092	6,010
Property, plant and equipment in progress	1,512	1,606
PROPERTY, PLANT AND EQUIPMENT OPERATED UNDER CONCESSIONS FOR OTHER ACTIVITIES	7,604	7,616
Property, plant and equipment	45,757	46,350
Property, plant and equipment in progress	25,284	24,059
Finance-leased property, plant and equipment	146	164
PROPERTY, PLANT AND EQUIPMENT USED IN GENERATION AND OTHER TANGIBLE ASSETS OWNED BY THE GROUP	71,187	70,573

At 30 June 2017, property, plant and equipment in progress used in generation owned by the group mainly concern the EPR reactors at Flamanville 3 (€11,133 million including capitalised interim interest amounting to €2,103 million), and Hinkley Point C (€4,272 million including capitalised interim interest amounting to €37 million).

Property, plant and equipment concerning the Dunkirk methane terminal, which began commercial operations in early 2017, have been reclassified and transferred from property, plant and equipment in progress to property, plant and equipment used in generation at the value of €1,158 million.

Changes in property, plant and equipment (including assets in progress) also include a foreign exchange effect of €(713) million for first-half 2017, mainly due to the decline of the pound sterling and the US dollar against the Euro.

The net value of property, plant and equipment, excluding construction in progress and finance-leased assets, breaks down as follows:

(In millions of Euros)	Property, plant and equipment operated under French public electricity distribution concessions	Property, plant and equipment operated under concessions for other activities	Property, plant and equipment used in generation and other tangible assets owned by the Group
Gross values at 30/06/2017	94,838	14,084	117,583
Depreciation and impairment at 30/06/2017	(42,764)	(7,992)	(71,826)
NET VALUES AT 30/06/2017	52,074	6,092	45,757
Net values at 31/12/2016	51,489	6,010	46,350

Network assets account for most of the amounts of property, plant and equipment operated under French public electricity distribution concessions: €88,189 million gross value and €49,339 million net value at 30 June 2017 (€86,959 million gross value and €48,818 million net value at 31 December 2016).

The net value of property, plant and equipment used in generation and other tangible assets owned by the Group breaks down as follows:

(In millions of Euros)	Land and buildings	Networks	Nuclear power plants	Fossil-fired and hydropower plants	Other installations, plant, machinery and equipment and other	Total
NET VALUES AT 30/06/2017	5,861	7	21,772	8,794	9,323	45,757
Net values at 31/12/2016	5,680	8	22,689	8,098	9,875	46,350

Note 13 Investments in associates and joint ventures

Investments in associates and joint ventures are as follows:

		30/06/2017			30/06/2016	31/12/2016	
(In millions of Euros)	Principal activity [(1)]	Ownership %	Share of net equity	Share of net income	Share of net income	Share of net equity	Share of net income
Principal investments in associates							
CTE [(2)]	O	50.10	1,228	153	n/a	n/a	n/a
RTE	T	n/a	n/a	n/a	171	2,558	403
CENG	G	49.99	1,630	(373)	(478)	2,120	(485)
Alpiq [(3)]	G, D, O, T	25.04	653	52	(18)	606	-
Other investments in associates and joint ventures			3,484	75	163	3,361	300
TOTAL			6,995	(93)	(162)	8,645	218

n/a = not applicable

(1) G= generation, D=distribution, T= transmission, O= other

(2) At 30 June 2017, this corresponds to a 50.1% interest in CTE (the joint venture holding RTE's shares) (see note 2.5.1). By convention, the share of net income presented comprises 100% of RTE's net income for the first quarter of 2017 and 50.1% of the CTE sub-consolidation's net income for the second quarter of 2017.

(3) As Alpiq publishes its consolidated financial statements after the Group, the figures above include an estimate of its contribution at 30 June 2017 (including the final results published by Alpiq in March 2017).

Other investments in associates and joint ventures principally comprise the €1,122 million stake in Taishan (TNPJVC) and the €250 million stake in Nam Theun Power Company (NTPC), and investments owned by EDF Énergies Nouvelles, EDF SA and Edison.

In the first half of 2017, €(341) million of the impairment booked on investments in associates and joint ventures concerns the assets of CENG (see note 13.2.3).

For the year 2016, €(481) million of impairment of investments in associates and joint ventures was booked, principally in respect of the assets of CENG (see note 13.2.3).

13.1 COENTREPRISE DE TRANSPORT D'ELECTRICITE (CTE)

13.1.1 CTE – financial indicators

The key financial indicators for the CTE sub-consolidation (on a 100% basis) are as follows:

(In millions of Euros)	30/06/2017 (1)
Non-current assets	16,892
Current assets	1,707
Total assets	18,599
Equity	2,450
Non-current liabilities	12,852
Current liabilities	3,297
Total equity and liabilities	18,599
Sales	2,362
Operating profit before depreciation and amortisation	740
Net income	144
Net indebtedness	11,002
Gains and losses recorded in equity	-
Dividends paid to the EDF group	-

(1) The figures at 30 June 2017 are the figures for the CTE sub-consolidation (CTE is the joint venture that holds the shares in RTE- see note 2.5.1) for first-half 2017. The financial indicators published for RTE in 2016 were presented in note 23.1 to the consolidated financial statements at 31 December 2016.

13.1.2 Operations between the EDF group and CTE

At 30 June 2017 the main operations between the EDF group and CTE are as follows and concern RTE.

Enedis uses RTE's high-voltage and very high-voltage networks to convey energy from its point of generation to the distribution network. This service generated €1,823 million in sales revenues for RTE from Enedis over the first half-year of 2017.

In executing its responsibility to ensure balance in the electricity system, during first-half 2017 RTE also undertook:

- energy purchases and sales with EDF and Enedis, amounting to €87 million and €95 million respectively;
- system service purchases from EDF amounting to €138 million.

13.2 CENG

13.2.1 CENG – financial indicators

The key financial indicators for CENG (on a 100% basis) are as follows:

(In millions of Euros)	30/06/2017	31/12/2016
Non-current assets	8,832	10,164
Current assets	922	1,020
Total assets	9,754	11,184
Equity	3,260	4,240
Non-current liabilities	6,094	6,521
Current liabilities	399	423
Total equity and liabilities	9,754	11,184
Sales	545	1,059
Operating profit before depreciation and amortisation	106	305
Net income (1)	(745)	(971)
Gains and losses recorded in equity	(235)	169
Dividends paid to the Group	-	-

(1) Including 100% of impairment, amounting to €(682) million at 30 June 2017 and €(916) million at 31 December 2016.

13.2.2 Operations between the EDF group and CENG

At 30 June 2017, the main operations between the EDF group and CENG concern the power purchase agreements between CENG and the Group (EDF Trading North America). These agreements provided for delivery to EDF Trading North America of 49.99% of the power output from CENG's three plants at market price.

These electricity sales by CENG to EDF Trading North America represented a volume of 7.5 TWh in first-half 2017.

13.2.3 Impairment

At 30 June 2016, impairment of €(458) million was recorded on the Group's investment in CENG as a result of lower forward prices and long-term electricity prices.

At 30 June 2017, the Group recognised additional impairment of €(341) million.

This impairment results primarily from a further deterioration of the market environment, reflected in lower forward electricity prices and downward revision of long-term price trajectories by external analysts (ABB, IHS, etc), as well as below-forecast capacity remuneration after the results of the latest capacity auctions.

Calculation of the value in use takes into consideration the implementation of New York State's Zero Emission Credit (ZEC) programme of subsidies for nuclear power plants, which provides additional income for the Ginna and Nine Mile Point plants. However, the ZEC programme's long-term existence will depend on the outcome of current legal proceedings.

In addition to the question of the ZEC programme's continuation, there are uncertainties relating to several key assumptions for the valuation of the investment in CENG (e.g. the market environment, legal framework, changes in energy policies, the Group's lack of control over strategy-setting). The calculation of recoverable value for the CENG asset thus includes a specific risk premium.

13.3 ALPIQ

The Alpiq Group is operating in a difficult market environment with notably low wholesale prices. Also, Alpiq has no access to end customers on the non-deregulated Swiss market. This unfavourable context has affected the profitability of its generation capacities in Switzerland, where the proportion of baseload energy is high, and capacities have been penalised by the downward revision of long-term market prices. In March 2016, Alpiq therefore announced implementation of structural measures in traditional energy generation to reduce exposure to wholesale prices. These measures included selling up to 49% of its hydropower portfolio, and making divestments to streamline that portfolio.

When it published its 2016 annual financial statements on 6 March 2017, Alpiq stated that its strategic change plan was in process, with divestments of non-strategic assets undertaken in 2016. It has not yet finished opening up its hydropower portfolio to co-investors to the maximum 49%. Alpiq has stated that any sale transactions would have to meet three criteria of price, contractual terms and transaction security.

In legislative developments, a referendum in Switzerland on 21 May 2017 approved the energy law aiming to phase out nuclear power and increase clean energies. The "Energy Strategy 2050" bill provides for progressive replacement of electricity produced by the country's five nuclear power plants by renewable energies. Switzerland has said it will not build any more new nuclear power plants, but that existing plants can remain in operation as long as they are guaranteed to be safe. This energy law had already been approved by the Swiss Parliament in September 2016. It is the end product of a long process, as Switzerland first announced its decision to abandon nuclear power and stop developing new nuclear plants in 2011.

Currently, since the publication of Alpiq's 2016 annual results in March 2017, the Group is not aware of any factors indicating a risk of further impairment of its investment in Alpiq at 30 June 2017.

The Group will continue to closely monitor the effective implementation of Alpiq's large-scale strategic plan. Should the Alpiq group recognise impairment in its consolidated financial statements for first-half 2017, due to be published on 28 August 2017, the EDF group would reflect that in its annual 2017 financial statements.

Note 14 Current and non-current financial assets

14.1 BREAKDOWN BETWEEN CURRENT AND NON-CURRENT FINANCIAL ASSETS

Current and non-current financial assets break down as follows:

	30/06/2017			31/12/2016		
(in millions of Euros)	Current	Non-current	Total	Current	Non-current	Total
Financial assets carried at fair value with changes in fair value included in income	2,888	-	**2,888**	3,813	-	**3,813**
Available-for-sale financial assets	23,972	21,008	**44,980**	22,402	17,888	**40,290**
Positive fair value of hedging derivatives	754	3,106	**3,860**	2,157	3,899	**6,056**
Loans and financial receivables	1,767	12,926	**14,693**	1,614	13,342	**14,956**
CURRENT AND NON-CURRENT FINANCIAL ASSETS[1]	29,381	37,040	66,421	29,986	35,129	65,115

(1) Including impairment of €(557) million at 30 June 2017 (€(566) million at 31 December 2016).

14.2 DETAILS OF FINANCIAL ASSETS

14.2.1 Financial assets carried at fair value with changes in fair value included in income

(In millions of Euros)	30/06/2017	31/12/2016
Positive fair value of trading derivatives	2,888	3,813
FINANCIAL ASSETS CARRIED AT FAIR VALUE WITH CHANGES IN FAIR VALUE INCLUDED IN INCOME	2,888	3,813

Financial assets carried at fair value with changes in fair value included in income mainly concern EDF Trading.

14.2.2 Available-for-sale financial assets

(In millions of Euros)	30/06/2017			31/12/2016		
	Equities [(1)]	Debt securities	Total	Equities [(1)]	Debt securities	Total
EDF dedicated assets	10,445	9,671	20,116	9,201	7,766	16,967
Liquid assets	5,831	17,944	23,775	4,507	17,759	22,266
Other securities	985	104	1,089	944	113	1,057
AVAILABLE-FOR-SALE FINANCIAL ASSETS	17,261	27,719	44,980	14,652	25,638	40,290

(1) Equities or Undertakings for Collective Investments in Transferable Securities (UCITS).

Available-for-sale financial assets classified as level 3 - non-observable data - mainly correspond to shares in unconsolidated companies. At 31 December 2016 they amounted to €596 million and no variation was recorded in the first half of 2017.

EDF's dedicated assets include diversified investments in bonds and equities recorded as "Available-for-sale financial assets". Detailed information on EDF's dedicated assets is given in note 23. The general management policy for dedicated assets is presented in note 47 to the consolidated financial statements at 31 December 2016.

14.3 LOANS AND FINANCIAL RECEIVABLES

Loans and financial receivables are recorded at amortised cost.

(In millions of Euros)	30/06/2017	31/12/2016
Loans and financial receivables - amounts receivable from the NLF	8,637	8,743
Loans and financial receivables – CSPE [(1)]	3,822	4,185
Loans and financial receivables - other	2,234	2,028
LOANS AND FINANCIAL RECEIVABLES	14,693	14,956

(1) Including €3,822 million allocated to dedicated assets at 30 June 2017 (€4,185 million at 31 December 2016).

At 30 June 2017, loans and financial receivables mainly include:

- amounts representing reimbursements receivable from the NLF and the British government for coverage of long-term nuclear obligations, totalling €8,637 million at 30 June 2017 (€8,743 million at 31 December 2016), discounted at the same rate as the provisions they finance;
- the receivable corresponding to the accumulated shortfall in the Contribution to the Public Electricity Service (CSPE) at 31 December 2015 and the costs of bearing that shortfall, less the portion assigned on 22 December 2016 (see note 3.6 to the consolidated financial statements at 31 December 2016). Reimbursements received during 2017 amounted to €395 million, in line with the schedule published in the ministerial orders of 13 May 2016 and 2 December 2016, made in application of Article R 121-31 of the French Energy Code.

Note 15 Trade receivables

Details of net trade receivables are as follows:

(In millions of Euros)	30/06/2017	31/12/2016
Trade receivables, gross value – excluding EDF Trading	19,756	21,022
Trade receivables, gross value – EDF Trading	2,801	3,331
Impairment	(1,057)	(1,057)
TRADE RECEIVABLES, NET VALUE	21,500	23,296

Most trade receivables mature within one year.

Note 16 Other receivables

At 30 June 2017, other receivables included a receivable corresponding to the shortfall in the CSPE, amounting to €1,554 million (€1,647 million at 31 December 2016). The rest of the CSPE receivable is included in Loans and financial receivables (see note 14.3).

Note 17 Equity

17.1 SHARE CAPITAL

At 30 June 2017, EDF's share capital amounts to €1,443,677,137 comprising 2,887,354,274 fully subscribed and paid-up shares with nominal value of €0.50, owned 83.40% by the French State, 15.25% by the public (institutional and private investors) and 1.25% by current and retired Group employees, with 0.10% held by EDF as treasury shares.

In March 2017, the capital increase with preferential subscription rights led to a €316 million increase in the share capital and an issue premium of €3,689 million net of expenses, following the issuance of 632,741,004 new shares (see note 2.1).

In June 2017, payment of the interim dividend for 2016 in the form of a scrip dividend led to a €73 million increase in the share capital and an issue premium of €951 million following issuance of 145,476,587 new shares. The legal formalities for this operation were finalised in June 2017.

Under Article L. 111-67 of the French Energy Code, the French State must hold more than 70% of the capital of EDF at all times.

17.2 DIVIDENDS

The General Shareholders' Meeting of 18 May 2017 decided to distribute an ordinary dividend of €0.90 per share in respect of 2016, offering shareholders the choice of payment in cash or shares (scrip option).

In application of article 24 of the Company's articles of association, shareholders who had held their shares continuously for at least 2 years at the year-end and still held them at the dividend distribution date benefit from a 10% bonus on their dividends. The number of shares carrying an entitlement to the bonus dividend cannot exceed 0.5% of the Company's capital per shareholder. The bonus dividend amounts to €0.99 per share.

As interim dividends of €0.50 per share had been paid in the form of new shares or cash on 31 October 2016, the balance payable for 2016 amounted to €0.40 per share benefiting from the ordinary dividend and €0.49 per share benefiting from the bonus dividend. The balance of the dividend was paid out on 30 June 2017.

The French government opted for the scrip dividend for the balance of 2016 dividends payable.

The amount of the cash dividend paid to shareholders who did not opt for the scrip dividend for 2016 amounts to €75 million.

17.3 PERPETUAL SUBORDINATED BONDS

At 30 June 2017, perpetual subordinated bonds are carried in equity at the amount of €10,095 million (net of transaction costs).

Interest paid by EDF to the bearers of perpetual subordinated bonds issued in January 2013 and January 2014 totalled €394 million in the first half of 2017 and €582 million in the year 2016. The resulting cash payout is reflected in a corresponding reduction in Group equity.

For the second half of 2017, EDF paid interest of around €174 million to the bearers of perpetual subordinated bonds in July 2017.

17.4 CHANGES IN THE FAIR VALUE OF FINANCIAL INSTRUMENTS

17.4.1 Available-for-sale financial assets

Changes in the fair value of available-for-sale financial assets were recorded in equity (EDF share) over the period as follows :

	H1 2017		H1 2016	
(In millions of Euros)	Gross changes in fair value recorded in equity (1)	Gross changes in fair value transferred to income (2)	Gross changes in fair value recorded in equity (1)	Gross changes in fair value transferred to income (2)
EDF dedicated assets	304	308	45	215
Liquid assets	63	53	34	(2)
Other assets	3	-	2	-
AVAILABLE-FOR-SALE FINANCIAL ASSETS (3)	370	361	81	213

(1) + / ( ): increase / (decrease) in equity (EDF share).
(2) + / ( ): increase / (decrease) in income (EDF share).
(3) Excluding associates and joint ventures.

In first-half 2017, gross changes in fair value principally concern EDF (€7 million, including €(4) million for dedicated assets).

In first-half 2016, gross changes in fair value principally concerned EDF (€(134) million, including €(170) million for dedicated assets).

17.4.2 Hedging instruments

Changes during the period in the fair value of hedging instruments included in equity (EDF share) are detailed below:

	H1 2017			H1 2016		
(In millions of Euros)	Gross changes in fair value recorded in equity [(1)]	Gross changes in fair value transferred to income - Recycling [(2)]	Gross changes in fair value charged to income - Ineffectiveness	Gross changes in fair value recorded in equity [(1)]	Gross changes in fair value transferred to income - Recycling [(2)]	Gross changes in fair value charged to income - Ineffectiveness
Interest rate hedging	24	(9)	-	(18)	-	-
Exchange rate hedging	(975)	(927)	4	(154)	(61)	(11)
Net foreign investment hedging	317	(26)	-	1,177	-	-
Commodity hedging	(202)	(941)	(3)	382	544	25
HEDGING INSTRUMENTS [(3)]	(836)	(1,903)	1	1,387	483	14

(1) + / ( ): increase / (decrease) in equity (EDF share).
(2) + / ( ): increase / (decrease) in income (EDF share).
(3) Excluding associates and joint ventures.

Note 18 Provisions

18.1 BREAKDOWN BETWEEN CURRENT AND NON-CURRENT PROVISIONS

The breakdown between current and non-current provisions is as follows :

		30/06/2017			31/12/2016		
(In millions of Euros)	Notes	Current	Non-current	Total	Current	Non-current	Total
Provisions for the back-end of the nuclear cycle	18.2	1,406	20,739	22,145	1,463	20,823	22,286
Provisions for decommissioning and last cores	18.2	253	24,215	24,468	208	24,020	24,228
Provisions related to nuclear generation	18.2	1,659	44,954	46,613	1,671	44,843	46,514
Provisions for decommissioning of non-nuclear facilities		106	1,516	1,622	63	1,506	1,569
Provisions for employee benefits	18.3	1,138	21,258	22,396	1,100	21,234	22,334
Other provisions	18.4	2,729	1,970	4,699	2,394	2,155	4,549
TOTAL PROVISIONS		5,632	69,698	75,330	5,228	69,738	74,966

18.2 PROVISIONS RELATED TO NUCLEAR GENERATION - BACK-END OF THE NUCLEAR CYCLE, PLANT DECOMMISSIONING AND LAST CORES

In the first half of 2017, the movement in provisions for back-end nuclear cycle, provisions for decommissioning and provisions for last cores breaks down as follows:

(In millions of Euros)	31/12/2016	Increases	Decreases	Discount effect	Translation adjustments	Other movements	30/06/2017
Provisions for spent nuclear fuel management	12,429	261	(530)	282	(45)	(82)	12,315
Provisions for long-term radioactive waste management	9,857	16	(223)	210	(24)	(6)	9,830
Provisions for the back-end of the nuclear cycle	**22,286**	**277**	**(753)**	**492**	**(69)**	**(88)**	**22,145**
Provisions for nuclear plant decommissioning	20,568	1	(69)	481	(167)	1	20,815
Provisions for last cores	3,660	-	-	81	(36)	(52)	3,653
Provisions for decommissioning and last cores	**24,228**	**1**	**(69)**	**562**	**(203)**	**(51)**	**24,468**
PROVISIONS RELATED TO NUCLEAR GENERATION	46,514	278	(822)	1,054	(272)	(139)	46,613

There was no significant change during the first half of 2017 in the breakdown by company of provisions related to nuclear generation (see note 29 to the consolidated financial statements at 31 December 2016).

18.2.1 Nuclear provisions in France

The measurement of provisions for the back-end of the nuclear cycle, nuclear plant decommissioning and last cores is sensitive to assumptions concerning costs, inflation rate, long-term discount rate, and disbursement schedules. A revised estimate is established at each closing date to ensure that the amounts accrued correspond to the best estimate of the costs eventually to be borne by the Group.

The regulatory framework for nuclear provisions in France and the main calculation methods used for provisions are described in note 29.1 to the consolidated financial statements at 31 December 2016.

Discount rate

The methods for calculating the discount rate are identical to those used at 31 December 2016, and are described in note 29.1.5.1 to the 2016 consolidated financial statements.

The discount rate is unchanged at 4.2% at 30 June 2017, assuming inflation of 1.5%, also unchanged.

Regulatory discount rate limit

The discount rate applied must also comply with two regulatory limits. Since the ministerial order of 24 March 2015, the discount rate must be lower than:

- a regulatory maximum "equal to the arithmetic average over the 120 most recent months of the constant 30-year rate (TEC 30 years), observed on the last date of the period concerned, plus one point";
- and the expected rate of return on assets covering the liability (dedicated assets).

The ceiling rate based on the TEC 30-year rate is 4.2% at 30 June 2017 (4.3% at 31 December 2016).

In a letter dated 10 February 2017, the Minister for the Economy and Finance and the Minister for the Environment, Energy and the Sea announced their decision to change the calculation formula for the regulatory limit on discount rates with effect from 2017. This decision will be set out in an amendment to the ministerial order of 21 March 2007, itself modified by the order of 24 March 2015. This amendment comes after joint work by the nuclear operators and public authorities to establish a formula for a maximum discount rate, taking into account the long time horizons of nuclear liabilities and prudential objectives for secure financing of long-term nuclear expenses.

Under the new formula, the regulatory limit will gradually migrate from its level at 31 December 2016 (4.3%) until by 2026 it is equal to the average constant 30-year rate (TEC 30 years) over the four most recent years, plus 100 base points.

Sensitivity to assumptions concerning costs, inflation rate, long-term discount rate, and disbursement schedules can be measured based on comparison of the gross amount estimated under year-end economic conditions with the present value of the amount.

(In millions of Euros)	30/06/2017 Costs based on economic conditions at 30 June	30/06/2017 Amounts in provisions at present value	31/12/2016 Costs based on economic conditions at 31 December	31/12/2016 Amounts in provisions at present value
Spent fuel management	18,852	10,661	18,460	10,658
Long-term radioactive waste management [1]	29,733	8,934	29,631	8,966
BACK-END NUCLEAR CYCLE EXPENSES	48,585	19,595	48,091	19,624
Decommissioning provisions for nuclear power plants	26,752	14,354	26,616	14,122
Provisions for last cores	4,302	2,305	4,344	2,287
DECOMMISSIONING AND LAST CORE EXPENSES	31,054	16,659	30,960	16,409

(1) Including provisions for retrieval and conditioning of waste.

18.2.2 EDF Energy's nuclear provisions

The specific regulatory and contractual framework related to provisions for the back-end of the nuclear cycle and decommissioning of EDF Energy's power plants is described in note 29.2 to the consolidated financial statements at 31 December 2016.

18.3 EMPLOYEE BENEFITS

18.3.1 EDF group

(In millions of Euros)	30/06/2017	31/12/2016
Provisions for employee benefits - current portion	1,138	1,100
Provisions for employee benefits - non-current portion	21,258	21,234
PROVISIONS FOR EMPLOYEE BENEFITS	22,396	22,334

18.3.1.1 Breakdown of the change in the net liability

(In millions of Euros)	Obligations	Fund assets	Net liability
Balance at 31/12/2016 (1)	42,683	(20,917)	21,766
Net expense for first-half 2017	1,001	(237)	764
Actuarial gains and losses	75	62	137
Employer's contributions to funds	-	(141)	(141)
Employees' contributions to funds	6	(6)	-
Benefits paid	(900)	150	(750)
Translation adjustments	(238)	249	11
Changes in scope of consolidation	-	-	-
Other movements	4	(1)	3
BALANCE AT 30/06/2017	42,631	(20,841)	21,790
Including:			
Provision for employee benefits			22,396
Non-current financial assets			(606)

(1) The net liability at 31 December 2016 comprised €22,334 million for the provision for employee benefits and €(568) million of non-current financial liabilities, giving a net amount of €21,766 million.

Actuarial gains and losses on obligations amount to €75 million for the first half of 2017, essentially comprising €74 million in the United Kingdom associated with changes in the discount rate (see note 18.3.2).

Actuarial gains and losses on fund assets amount to €62 million for the first half of 2017 and reflect the performance by fund assets, notably driven by the rising value of long-term obligations.

18.3.1.2 Post-employment and long-term employee benefit expenses

(In millions of Euros)	H1 2017	H1 2016
Current service cost	(508)	(458)
Past service cost	-	42
Actuarial gains and losses – long-term benefits	(49)	(115)
Net expenses recorded as operating expenses	(557)	(531)
Interest expense (discount effect)	(444)	(531)
Return on fund assets	237	281
Net interest expense included in financial result	(207)	(250)
EMPLOYEE BENEFIT EXPENSES RECORDED IN THE INCOME STATEMENT	(764)	(781)
Actuarial gains and losses – post-employment benefits	(75)	(1,749)
Actuarial gains and losses – fund assets	(62)	2,182
Actuarial gains and losses	(137)	433
Translation adjustments	(11)	30
GAINS AND LOSSES ON EMPLOYEE BENEFITS RECORDED IN EQUITY	(148)	463

There was no significant change during the first half of 2017 in the breakdown of the net employee benefit liability by geographical area (see note 31.1.3 to the consolidated financial statements at 31 December 2016).

18.3.2 Actuarial assumptions

The methods for determining actuarial assumptions are unchanged from 31 December 2016.

The main actuarial assumptions used in valuing employee benefits in France are as follows:

(In %)	30/06/2017	31/12/2016
Discount rate/rate of return on assets	1.90%	1.90%
Inflation rate	1.50%	1.50%
Wage increase rate (1)	1.70%	1.70%

(1) For an entire career, excluding inflation.

The main actuarial assumptions used in valuing employee benefits in the United Kingdom are as follows:

(In %)	30/06/2017	31/12/2016
Discount rate/rate of return on assets	2.71%	2.76%
Inflation rate	3.05%	3.05%
Wage increase rate	2.45%	2.45%

18.4 OTHER PROVISIONS AND CONTINGENT LIABILITIES

18.4.1 Other provisions

(In millions of Euros)	31/12/2016	Increases	Decreases		Changes in scope	Other Changes	30/06/2017
			Utilisations	Reversals			
Provisions for contingencies related to subsidiaries and investments	1,037	50	(50)	-	1	5	1,043
Provisions for tax liabilities	518	41	(10)	-	-	(9)	540
Provisions for litigation	532	18	(9)	(5)	-	3	539
Provisions for onerous contracts	342	-	(100)	(2)	-	4	244
Provisions related to environmental schemes (1)	834	628	(351)	(2)	-	29	1,138
Other provisions for risks and liabilities (2)	1,286	216	(246)	(70)	8	1	1,195
TOTAL	4,549	953	(766)	(79)	9	33	4,699

(1) Provisions related to environmental schemes include provisions for greenhouse gas emission rights and renewable energy certificates.
(2) These provisions cover various contingencies and expenses related to operations (employers' matching contributions to employee profit sharing, contractual maintenance obligations, etc). No individual provision is significant.

18.4.2 Contingent liabilities

No change was observed during the first half of 2017 in the Group's contingent liabilities as presented in note 45 to the 2016 consolidated financial statements, and section 2.4 of the 2016 Reference Document filed on 6 March 2017.

Note 19 Special French public electricity distribution concession liabilities

Special concession liabilities for existing assets and assets to be replaced break down as follows:

(In millions of Euros)	30/06/2017	31/12/2016
Value in kind of assets	47,014	46,497
Unamortised financing by the operator	(23,682)	(23,160)
Rights in existing assets - net value	23,332	23,337
Amortisation of financing by the grantor	12,963	12,613
Provisions for renewal	9,718	9,742
Rights in assets to be replaced	22,681	22,355
SPECIAL FRENCH PUBLIC ELECTRICITY DISTRIBUTION CONCESSION LIABILITIES	46,013	45,692

The valuation methods for special concession liabilities are identical to those presented in the consolidated financial statements at 31 December 2016, particularly note 1.3.24, which describes the impact of an alternative calculation method.

Note 20 Current and non-current financial liabilities

20.1 BREAKDOWN BETWEEN CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Current and non-current financial liabilities break down as follows:

	30/06/2017			31/12/2016		
(in millions of Euros)	Non-current	Current	Total	Non-current	Current	Total
Loans and other financial liabilities	50,688	10,321	61,009	52,992	12,203	65,195
Negative fair value of derivatives held for trading	-	2,948	2,948	-	4,485	4,485
Negative fair value of hedging derivatives	981	1,217	2,198	1,284	1,601	2,885
FINANCIAL LIABILITIES	51,669	14,486	66,155	54,276	18,289	72,565

20.2 LOANS AND OTHER FINANCIAL LIABILITIES

20.2.1 Changes in loans and other financial liabilities

(In millions of Euros)	Bonds	Loans from financial institutions	Other financial liabilities	Loans related to finance-leased assets	Accrued Interest	Total
Balances at 31/12/2016	51,864	4,180	7,380	420	1,351	65,195
Increases	1,444	147	488	-	36	2,115
Decreases	(1,914)	(115)	(610)	(27)	(190)	(2,856)
Translation adjustments	(423)	(48)	(118)	-	(2)	(591)
Changes in scope of consolidation	2	(1,230)	(10)	1	-	(1,237)
Changes in fair value	(1,455)	-	(178)	6	-	(1,627)
Other changes	-	135	(119)	-	(6)	10
BALANCES AT 30/06/2017	49,518	3,069	6,833	400	1,189	61,009

20.2.2 Maturity of loans and other financial liabilities

(In millions of Euros)	Bonds	Loans from financial institutions	Other financial liabilities	Loans related to finance-leased assets	Accrued Interest	Total
Less than one year	2,620	367	6,333	51	950	**10,321**
From one to five years	12,779	661	34	163	63	**13,700**
More than five years	34,119	2,041	466	186	176	**36,988**
LOANS AND OTHER FINANCIAL LIABILITIES AT 30/06/2017	49,518	3,069	6,833	400	1,189	61,009

20.2.3 Credit lines

At 30 June 2017, the Group has unused credit lines with various banks totalling €12,038 million (€11,709 million at 31 December 2016).

	30/06/2017				31/12/2016
		Maturity			
(In millions of Euros)	Total	< 1 year	1-5 years	> 5 years	Total
CONFIRMED CREDIT LINES	12,038	2,476	9,562	-	11, 709

20.2.4 Fair value of loans and other financial liabilities

	30/06/2017		31/12/2016	
(In millions of Euros)	Fair value	Net book value	Fair value	Net book value
LOANS AND OTHER FINANCIAL LIABILITIES	67,272	61,009	70,682	65,195

20.3 NET INDEBTEDNESS

(In millions of Euros)	Notes	30/06/2017	31/12/2016
Loans and other financial liabilities	20.2.1	61,009	65,195
Derivatives used to hedge liabilities		(2,200)	(3,965)
Cash and cash equivalents		(3,804)	(2,893)
Available-for-sale financial assets - Liquid assets	14.2.2	(23,775)	(22,266)
Net indebtedness of assets held for sale (1)		38	1,354
NET INDEBTEDNESS		31,268	37,425

(1) At 31 December 2016, net financial indebtedness of assets held for sale principally concerns CTE (the company that holds the shares of RTE).

Note 21 Other liabilities

Details of other liabilities are as follows:

(In millions of Euros)	30/06/2017	31/12/2016
Advances and progress payments received	8,169	7,793
Liabilities related to property, plant and equipment	2,725	3,247
Tax liabilities	7,629	7,098
Social charges	4,006	4,010
Deferred income on long-term contracts	3,472	3,438
Other deferred income	669	729
Other	2,321	2,909
OTHER LIABILITIES	28,991	29,224
Non-current portion	4,836	4,810
Current portion	24,155	24,414

21.1 ADVANCES AND PROGRESS PAYMENTS RECEIVED

At 30 June 2017, advances and progress payments received include monthly standing order payments by EDF's residential and business customers amounting to €7,286 million (€6,828 million at 31 December 2016).

21.2 TAX LIABILITIES

At 30 June 2017, tax liabilities mainly include an amount of €1,657 million for the CSPE income to be collected by EDF on energy supplied but not yet billed (€1,633 million at 31 December 2016).

21.3 DEFERRED INCOME ON LONG-TERM CONTRACTS

EDF's deferred income on long-term contracts at 30 June 2017 comprises €1,799 million of partner advances made to EDF under the nuclear plant financing plans (€1,822 million at 31 December 2016).

Note 22 Off-balance sheet commitments

This note presents off-balance sheet commitments given and received by the Group at 30 June 2017. The amounts of commitments correspond to non-discounted contractual values.

22.1 COMMITMENTS GIVEN

(In millions of Euros)	Notes	30/06/2017	31/12/2016
Operating commitments given [1]	22.1.1.2	11,595	10,260
Investment commitments given	22.1.2	21,411	18,605
Financing commitments given	22.1.3	5,504	5,535

(1) Excluding fuel and energy purchases and operating lease commitments as lessee.

In almost all cases, these are reciprocal commitments, and the third parties concerned are under a contractual obligation to supply the Group with assets or services related to operating, investment and financing activities.

22.1.1 Operating commitments given

22.1.1.1 Fuel and energy purchase commitments

Commitments to purchase commodities, energy and nuclear fuel (other than gas purchases) amounted to €32,669 million at 31 December 2016, and there was no significant change during the first half of 2017.

22.1.1.2 Operating contract performance commitments given

At 30 June 2017, these commitments mature as follows:

	30/06/2017				31/12/2016
	Total	Maturity			Total
(In millions of Euros)		< 1 year	1-5 years	> 5 years	
Operating guarantees given	6,148	3,237	1,657	1,254	5,883
Operating purchase commitments [1]	5,324	3,324	1,600	400	4,212
Other operating commitments	123	61	48	14	165
OPERATING CONTRACT PERFORMANCE COMMITMENTS GIVEN [2]	11,595	6,622	3,305	1,668	10,260

(1) *Excluding fuel and energy.*
(2) *Including commitments given by controlled entities to joint ventures, amounting to €1,159 million at 30 June 2017 (€1,121 million at 31 December 2016).*

In the course of its business, the Group provides contract performance guarantees, generally through the intermediary of banks.

Operating guarantees at 30 June 2017 mainly consist of guarantees given by EDF, Edison and EDF Énergies Nouvelles in connection with its development projects.

22.1.1.3 Operating lease commitments at lessee

Operating lease commitments as lessee amounted to €3,631 million at 31 December 2016, and there was no significant change during the first half of 2017.

22.1.2 Investment commitments given

At 30 June 2017, details of investment commitments are as follows:

	30/06/2017				31/12/2016
	Total	Maturity			Total
(In millions of Euros)		< 1 year	1-5 years	> 5 years	
Commitments related to acquisition of tangible and intangible assets	19,813	8,081	9,668	2,064	17,351
Commitments related to acquisition of financial assets	725	606	117	2	406
Other commitments related to investments	873	299	574	-	848
TOTAL INVESTMENT COMMITMENTS GIVEN [1]	21,411	8,986	10,359	2,066	18,605

(1) *Including commitments given by controlled entities to joint ventures, amounting to €498 million at 30 June 2017 (€548 million at 31 December 2016).*

The rise in commitments related to acquisition of tangible and intangible assets mainly results from the signature of a new contract with AREVA NP, in connection with the Hinkley Point C power plant by EDF Energy.

The increase in commitments related to acquisition of financial assets principally reflects :

- the acquisition of Imtech, completed on 6 July 2017. Imtech is a leading engineering services company and provider of technical services to construction, industrial, commercial and public sector clients in the United Kingdom and Ireland;

and a binding offer from the consortium consisting of Allianz (60%), EDF Invest (20%) and the investment fund DIF (20%), in April 2017, for 5% of the capital of Autostrade per l'Italia, one of Europe's largest motorway concession operators. This transaction was completed on 26 July 2017. The stake in Autostrade per l'Italia acquired by the consortium was raised from the initially planned 5% to 6.94% through the exercise of a call option granted by Atlantia.

22.1.3 Financing commitments given

Financing commitments given by the Group at 30 June 2017 comprise the following :

	30/06/2017				31/12/2016
	Total	Maturity			Total
(In millions of Euros)		< 1 year	1-5 years	> 5 years	
Security interests in real property	**4,549**	146	757	3,646	4,637
Guarantees related to borrowings	**690**	263	270	157	644
Other financing commitments	**265**	249	11	5	254
TOTAL FINANCING COMMITMENTS GIVEN (1)	5,504	658	1,038	3,808	5,535

(1) Including commitments given by controlled entities to joint ventures, amounting to €806 million at 30 June 2017 (€673 million at 31 December 2016). These financing commitments to joint ventures mainly concern EDF Énergies Nouvelles.

22.2 COMMITMENTS RECEIVED

The table below shows off-balance sheet commitments received by the Group that have been valued at 30 June 2017.

(In millions of Euros)	Notes	30/06/2017	31/12/2016
Operating commitments received (1)		2,505	2,519
Investment commitments received	22.2.1	1,268	3,663
Financing commitments received		34	24

(1) Excluding commitments related to credit lines, which are described in note 20.2.3, and operating lease commitments as lessor.

22.2.1 Investment commitments received

	30/06/2017				31/12/2016
	Total	Maturity			Total
(In millions of Euros)		< 1 year	1-5 years	> 5 years	
INVESTMENT COMMITMENTS RECEIVED	1,268	1,068	77	123	3,663

At 30 June 2017, most of the investment commitments received relate to the sale of Group assets in Poland (including loans and financial receivables) (see note 2.5.2).
The decrease in these investments over the first half of 2017 reflects the completion of operations initiated before 31 December 2016 as part of the asset disposal plan (see note 2.5.2).

Note 23 EDF's dedicated assets

EDF has built up a portfolio of financial assets dedicated to secure financing of long-term nuclear obligations, in particular decommissioning of its power plants and long-term management of radioactive waste.

The key features of this portfolio, the principles governing its management and the applicable regulations are presented in note 47 to the financial statements at 31 December 2016.

23.1 VALUATION OF EDF'S DEDICATED ASSETS

Dedicated assets are included in the EDF group's consolidated financial statements at the following values:

		30/06/2017		31/12/2016	
(In millions of Euros)	Consolidated Balance sheet presentation	Book value	Realisable value	Book value	Realisable value
Equities		9,016	9,016	8,010	8,010
Debt instruments		7,949	7,949	6,866	6,866
Cash portfolio		1,720	1,720	900	900
Dedicated assets – equities and debt instruments	Available-for-sale financial assets	*18,685*	*18,685*	*15,776*	*15,776*
Derivatives	Fair value of derivatives	69	69	(18)	(18)
Other	Available-for-sale financial assets	2	2	-	-
Diversified equity and bond investments		18,756	18,756	15,758	15,758
CSPE receivable (1)	Loans and financial receivables	3,822	3,902	4,185	4,288
Derivatives	Fair value of derivatives	-	-	(2)	(2)
CSPE receivable after derivatives		3,822	3,902	4,183	4,286
CTE (2)	Investments in associates	1,228	2,705	1,852	3,905
Other associates	Investments in associates	476	544	487	537
Other assets	Available-for-sale financial assets	1,429	1,429	1,191	1,191
Unlisted assets (EDF Invest)		3,133	4,678	3,530	5,633
TOTAL DEDICATED ASSETS (3)		25,711	27,336	23,471	25,677

(1) *The receivable consisting of accumulated shortfalls in compensation at 31 December 2015, less the portion assigned on 22 December 2016 and reimbursements received in 2017, in line with the repayment schedule. The fair value of the CSPE receivable is estimated based on market rates.*

(2) *In 2017, the Group's investment of 50.1 % of CTE (formerly C25), the company that holds 100% of the shares in RTE. In 2016, 75.93% of the Group's investment in CTE.*
The CTE shares are included at their equity value in the consolidated financial statements (book value in the table). The realisable value shown in this table is based on the sale transaction price of 31 March 2017 (see note 2.5.1).

(3) *Limiting the value of certain investments in compliance with Article 16 of Decree 2007-243 concerning calculation of the regulatory realisable value of dedicated assets, has no effect at 30 June 2017. By limiting the value of certain investments in compliance with Article 16 of Decree 2007-243 concerning calculation of the amount of the regulatory realisable value of dedicated assets, the regulatory realisable value was reduced to €24,312 million at 31 December 2016.*

23.2 COVERAGE OF LONG-TERM NUCLEAR OBLIGATIONS

At 30 June 2017, provisions were 111.3% covered by dedicated assets under the regulatory calculations. The regulatory limit on the realisable value of certain investments (decree 2007-243) has no effect at 30 June 2017.

At 31 December 2016, provisions were 99.8% covered by dedicated assets applying the regulatory calculations. Without application of the regulatory limits set by Decree 2007-243, the provision coverage rate was 105.4%.

An allocation of €1,095 million was made to dedicated assets during the first half of 2017 in compliance with the ministerial letter of 10 February 2017, to cover long-term nuclear obligations (no allocations to dedicated assets were made in 2016).

The Group's long-term nuclear obligations in France concerned by the regulations for dedicated assets are included in the EDF group's consolidated financial statements at the following values:

(in millions of Euros)	30/06/2017	31/12/2016
Provisions for spent fuel management – portion unrelated to the operating cycle as defined in the regulations	836	820
Provisions for long-term radioactive waste management	8,935	8,966
Provisions for nuclear plant decommissioning	14,354	14,122
Provisions for last cores - portion for future long-term radioactive waste management	440	450
PRESENT COST OF LONG-TERM NUCLEAR OBLIGATIONS	24,565	24,358

23.3 CHANGES IN DEDICATED ASSETS IN 2017

On 31 March 2017, EDF finalised the sale of a 49.9% stake in CTE, the company which has held 100% of the shares of RTE since December 2016. Since completion, EDF's entire investment in CTE, i.e. 50.1%, has been allocated to dedicated assets (see note 2.5.1).

EDF Invest continued to build up its portfolio of infrastructures, real estate property and investment funds over the first half of 2017. Alongside Beni Stabili, the Italian subsidiary of Foncière des Régions, and Predica, it acquired a non-controlling interest in Central Sicaf, which manages a portfolio of offices and technical premises that are all leased to Telecom Italia and were previously owned 100% by Beni Stabili.

On 17 July 2017, EDF Invest announced that it was to invest, together with KKR Infrastructure, in the Dutch carpark operator Q-Park NV. Q-Park is one of Europe's largest carpark operators, with more than 870,000 parking spaces on over 6,300 sites across 10 countries in North Europe. This transaction should be completed during the second half-year.

A total of €491 million of net gains on disposals of dedicated assets was recorded in the financial result (€256 million in first-half 2016).

The difference between the fair value and acquisition cost of diversified bond and equity investments included in equity was a positive €1,980 million before taxes at 30 June 2017 (€1,984 million at 31 December 2016).

Note 24 Related parties

There have been no significant changes since 31 December 2016 in the types of transaction undertaken with related parties. In particular, the Group has significant ongoing relationships with public-sector enterprises, primarily the AREVA group for the supply, transmission and reprocessing of nuclear fuel and maintenance of nuclear plants. The AREVA group is also a supplier to the EPR (European Pressurised Reactor) project, contributing to the formation of commitments on fixed asset orders.

The principal operations with CTE and CENG are presented in notes 13.1 and 13.2 respectively.

Note 25 Assets held for sale and related liabilities

(in millions of Euros)	30/06/2017	31/12/2016
ASSETS HELD FOR SALE	1,781	5,220
LIABILITIES RELATED TO ASSETS HELD FOR SALE	490	2,109

At 30 June 2017 assets held for sale and related liabilities mainly concern the sale of EDF Polska's assets (see note 2.5.2).

Note 26 Subsequent events

Developments after 30 June concerning the partially waiver of one of the conditions precedent contained in the NEW NP acquisition agreement and the binding agreements signed with strategic investors for the acquisition of an equity stake in NEW NP are described respectively in notes 2.2 and 2.3.

26.1 PLAN DE CESSIONS

EDF is continuing to implement its disposal plan: in July 2017 it signed agreements for asset sales by Edison, and on 5 July 2017 it signed agreements for the sale of Group real estate assets in France.