PRESS RELEASE
7 November 2013

Quarterly financial information

- **9M 2013 sales up 6.9%, +2.9% in organic growth[1]**
  - Contribution by all Group businesses to organic growth
- **French nuclear output:**
  - 297.6 TWh, +0.9% vs. 9M 2012
  - 2013 nuclear output revised to 405-410 TWh
- **Spark programme:**
  - Around €800m achieved at end-September, ahead of the 2013 initial target of €1bn
  - 2013 target revised upwards by 20% to €1.2bn
- **2013 financial targets reiterated**

Change in EDF Group sales

In millions of euros	9M 2012 restated[2]	9M 2013	%	o/w % forex	o/w % scope	o/w % organic
France	**28,228**	**29,095**	**3.1**	**0.0**	**0.0**	**3.1**
United Kingdom	7,001	6,991	-0.1	-4.9	-0.1	4.9
Italy	6,897	9,509	37.9	0.0	36.2	1.7
Other International	5,642	5,629	-0.2	-1.2	0.0	1.0
Other activities	3,842	3,935	2.4	-0.8	0.2	3.0
International & Other activities	**23,382**	**26,064**	**11.5**	**-1.8**	**10.6**	**2.7**
Total Group	**51,610**	**55,159**	**6.9**	**-0.8**	**4.8**	**2.9**

Henri Proglio, Chairman and Chief Executive Officer said*: "The quarter was marked by sales growth of near 7%, and EDF is reiterating its financial objectives for 2013. The Group has also reached new milestones with regard to its development strategy in the past several weeks. In the United Kingdom, the agreement reached with the British government offers bright perspectives for the French nuclear industry. In addition, the agreement in sight with Dalkia will enable the Group to become a European leader in energy services and strengthen its offer to industrial clients and local authorities. Consequently, EDF, backed by its integrated business model, is consolidating its position as the world's leading energy group and as a player on international energy issues."*

[1] Growth at constant scope and exchange rates
[2] Data for 2012 were restated for the change in the presentation of EDF Energies Nouvelles' Development and Sale of Structured Assets (DSSA) activities

EDF Group sales over the first nine months of 2013 amounted to €55.2 billon up 6.9% compared with the same period in 2012. This is mainly due to a scope effect from the takeover of Edison in May 2012. Organic growth stood at 2.9% on the back of good performance in France, which benefited from both a positive volume effect due to colder weather compared with the same period in 2012 and the increase in regulated tariffs. Growth was also driven by the United Kingdom where sales were lifted by higher achieved prices in the wholesale market and by the Other Activities segment where record commissioning from EDF Énergies Nouvelles in 2012 has resulted in a sharp increase in output this year.

2013 financial objectives

EDF Group is reiterating its financial objectives for 2013:

- Group EBITDA: at least 3% in organic growth excluding Edison
- Edison EBITDA: around €1 billion
- Net financial debt/EBITDA: between 2x and 2.5x
- Payout ratio: 55%-65% of net income excluding non-recurring items

The results of the Spark cost savings plan have exceeded the Group's expectations, with around €800 million in savings already generated as of 30 September 2013 or 80% of the 2013 initial target of €1 billion, which has been revised upwards by 20% to €1.2 billion. As expected, the implementation of the plan was ramped up in the second half, particularly with regard to the optimisation of investments, which account for a little more than half of the programme to end-September. Savings were generated across all of the Group's entities and businesses.

Strategic developments

Agreement reached on the commercial terms for the planned Hinkley Point C nuclear power station

On 21 October 2013, EDF Group and the UK government agreed on the key commercial terms of the investment contract for Hinkley Point C (HPC). The Contract for Difference (CfD), of which strike price is set at £92.5/MWh[3], will last for 35 years from the date of commissioning and will generate a rate of return (IRR[4]) of around 10% for the project, in line with EDF Group's investment criteria. The project is eligible for the UK Guarantees scheme, the government's infrastructure guarantee programme, under terms and conditions to be agreed upon.
Agreement in principle on the scope of the UK Guarantees scheme and on the key terms of the investment contract allows EDF Group to move ahead to secure partners for the project. The share of equity is expected to be 45-50% for EDF, 10% for Areva, 30 to 40% for China General Nuclear Corporation (CGN) and China National Nuclear Corporation (CNNC). Discussions are also taking place with a shortlist of other interested parties who could take up to 15%. Finalisation of these agreements and construction of the plant are subject to a final investment decision, provided certain key steps are completed, including agreement of the full investment contract, finalisation of agreements with industrial partners and a decision from the European Commission on State aid.

[3] £89.5/MWh if Sizewell C goes ahead. There will be a payment from Sizewell C to Hinkley Point C equivalent to £3/MWh upon the final investment decision being made on Sizewell C reflecting the fact that the "first of a kind" costs of EPR reactors are borne by both the Hinkley Point C and Sizewell C sites
[4] Internal Rate of Return of a project is a standard measure of profitability used by investors

Agreement in sight between EDF and Veolia Environnement on Dalkia

As part of the Group's strategy to clarify its industrial partnerships, EDF and Veolia Environnement have entered into advanced discussions aiming to reach an agreement on their joint subsidiary Dalkia, one of the world's leading providers of energy services. On 28 October 2013, the Boards of Directors of EDF and Veolia Environnement met and approved the continuation of these negotiations. The discussions currently underway envisage the acquisition by EDF of the entire assets and activities of the Dalkia group in France, while Veolia Environnement would acquire the entire assets and activities of Dalkia International. In connection with the transaction, Veolia Environnement would make a cash payment of €550 million to EDF to compensate for the difference in value between the stakes owned by the two shareholders in the various entities of the Dalkia group.

The deal is expected to enable EDF Group to significantly develop its presence in energy services. It offers substantial potential for synergies given that the businesses and expertise of EDF and Dalkia complement each other.

For EDF, the transaction is expected to improve the Group's net debt and net debt/EBITDA ratio. The impact in 2014 on net debt should be positive by approximately €1 billion, including roughly €400 million from the transaction and around €600 million from the change in consolidation rules that go into effect on 1 January 2014[5].

Regarding EBITDA, the full-year impact is likely to be limited (negative by less than €100 million), the unfavourable effect from end of proportional consolidation of Dalkia International and Dalkia Investissement being largely offset by the positive effect of the transaction (full consolidation of Dalkia in France).

The transaction is expected to be finalised at the earliest mid-2014.

[5] On 1 January 2014, pursuant to IFRS 11, Dalkia International and Dalkia Investissement will no longer be consolidated on a proportional basis but rather by the equity method

Change in 9M sales

France: sales growth driven by colder weather than in 2012

In millions of euros	**9M 2012**	**9M 2013**	**Δ**	**Organic growth %**
Total France	28,228	29,095	867	3.1

In **France**, 9M 2013 sales amounted to €29.1 billion reflecting organic growth of 3.1%. This growth was due to a positive volume effect of €625 million due to colder weather conditions than during the same period in 2012. Growth was also the result of the regulated tariffs increase for €500 million.
Sales were also driven by electricity sales on the wholesale markets, as the Group was a net seller of 4 TWh in the first nine months of the year, and by the increase in gas sales due to the cold weather.
These factors contributed to offset the drop in sales due to the expiration of several long-term contracts.

At end-September, nuclear output came to 297.6 TWh, up 2.6 TWh (+0.9%) compared with the first nine months of 2012 despite more planned outages. However, the Group's outage extensions were longer than planned notably during the third quarter. The action plan implemented by the Group at the start of the year to manage outage durations have limited extensions compared with 2012 but has not yet fully delivered the expected impact. As such, on the basis of output generated at end-September and given the outage programme schedule until year's end, the Group is now setting a nuclear output target of between 405 and 410 TWh in 2013.

Hydropower output stood at 33.7 TWh at end-September, which was an increase of 7.3 TWh (+27.7%) compared with the first nine months of 2012. This was achieved by good hydro conditions in the first half-year. As the winter approaches, reservoirs are close to their historic averages.

United Kingdom: sales driven by higher prices achieved in the wholesale market

In millions of euros	9M 2012	9M 2013	Δ	Organic growth %
Total United Kingdom	7,001	6,991	-10	4.9

In the **United Kingdom**, sales came out to €7.0 billion, up 4.9% in organic terms. The depreciation of the pound sterling versus the euro during the period led to a negative forex effect of €341 million.
Sales were underpinned by the increase in prices achieved on the wholesale markets compared with the first nine months of 2012. Nuclear output (-0.3 TWh in the first nine months of the year) is in line with the Group's ambition to replicate the strong operational performance of 2012 of 60 TWh despite a busier planned outage programme.
Electricity sales on the wholesale markets increased due to the Group's commitment with the European Commission to sell between 5 and 10 TWh per year on the UK wholesale market over the period 2012-2015. These sales came out to 6.9 TWh, which was a 4.4 TWh increase compared with the first nine months of 2012 and partially offset lower structured sales.

Italy: higher electricity sales on the wholesale market

In millions of euros	9M 2012	9M 2013	Δ	Organic growth %
Total Italy	6,897	9,509	2,612	1.7

The Italy segment includes EDF Fenice and Edison (in which EDF now holds 97.4% of the capital[6]), which has been fully consolidated since EDF took control on 24 May 2012.

In **Italy**, sales climbed 1.7% in organic terms to €9.5 billion. The scope effect linked to the takeover of Edison totalled €2.5 billion. Edison's contribution to sales was €9.2 billion, or organic growth of 2.5%.
Sales in electricity activities were driven by a positive volume effect as sales on the wholesale markets increased amid a difficult environment where demand was down, offsetting a negative price effect.
In hydrocarbon activities, sales to residential and professional clients increased in a context of a decline in demand because of lower consumption of thermoelectric plants.
However, activity continues to be hit by the drop in the price of gas, which continues to weigh heavily on sales and margins.

[6] As well as 99.5% of the voting rights

Other International: small increase in sales without significant effect on margins

In millions of euros	9M 2012	9M 2013	Δ	Organic growth %
Total Other International	5,642	5,629	-13	1.0

The **Other International** segment recorded a slight organic sales increase of 1% to €5.6 billion.
In Belgium, sales at EDF Luminus were up by 0.8% due to higher electricity and gas sales on the wholesale market as a result of their optimisation activities, without a significant impact on margins.
In Austria, sales of gas and electricity were down as market conditions deteriorated.
In Poland, the 5.9% drop in organic sales resulted from lower prices, electricity volumes and lower prices and volumes of environmental certificates.
In the rest of the world, organic sales were up 11.1%, led by the United States in particular, where sales were lifted by higher nuclear output.

Other Activities: good operating performance of EDF Énergies Nouvelles

In millions of euros	9M 2012 restated*	9M 2013	Δ	Organic growth %
Total Other activities	3,842	3,935	93	3.0

**Data restated for the impact of the change in the presentation of EDF Energies Nouvelles' DSSA activities*

Sales on the **Other Activities** segment rose to €3.9 billion, reflecting organic growth of 3%.
EDF Énergies Nouvelles saw its organic sales grow significantly by 33.1% on strong wind output growth (+2 TWh, or +39%) driven by the full-year impact of 2012 commissioning in the United States and Canada. At 30 September 2013, EDF Énergies Nouvelles had 6,349 MW gross installed capacity in addition to 1,493 MW in gross capacity under construction.
EDF Trading's sales rose 5.5% in organic terms on the back of good results from its coal/freight trading business.

OTHER HIGHLIGHTS SUBSEQUENT TO THE 30 JULY 2013 PUBLICATION

France

Inauguration of the fossil-fired plant in Port Est on Reunion Island

On 11 October 2013, EDF Group inaugurated the Port Est fossil-fired plant with a capacity of 210 MW. This plant runs on fuel oil and was built to replace the Port Ouest facility, which was closed in April 2013. It is equipped with innovative technologies and its performance is particularly good from an industrial and environmental perspective: it has next generation diesel motors, which cuts fuel consumption by 15%. Catalytic devices reduce emissions by 85%.

EDF Group invested €500 million for this new electricity generation facility serving the Reunion Island in order to meet the growing structural need for electricity consumption of the people of Reunion.

Ribbon-cutting ceremony at the Saclay institute

On 10 October 2013, Henri Proglio, alongside prime minister Jean-Marc Ayrault and the Ecology, Sustainable development and Energy minister Philippe Martin, laid the first stone of the foundation of EDF Lab in Saclay, the biggest research and development centre in Europe. Located on a 30-acre campus, the site will combine a global R&D centre and the new Campus EDF. It is slated to open in 2015. The R&D teams will strive to develop the technologies of tomorrow and the training centre will equip the company's employees with new skills. The centre will foster ties with academia and training programmes as well as universities and the country's elite colleges.

The EPR vessel arrives at the Flamanville site

On 7 October 2013, the vessel, a major component of the EPR nuclear facility, was delivered to the construction site in Flamanville (Manche) at the end of a trip that started in early September.

This new stage highlights an acceleration in operations in the nuclear island as well as electro-mechanical work on the site. The vessel will be installed in the reactor building in the coming months. Following the installation of the dome on 16 July, 95% of civil engineering on the Flamanville EPR site is now complete.

Exclusive negotiations for Citelum acquisition, a key player in the public lighting market

On 30 September 2013, EDF Group, through its wholly-owned subsidiary EDEV (EDF Développement Environnement), entered into exclusive negotiations with Dalkia France with a view to acquiring 100% of the capital in Citelum, one of the major players in the international public lighting and urban electrical equipment industry. This transaction would help the Group to enhance the services it offers to local authorities and to work together more effectively to safeguard their energy future, a vital key to development. EDF could offer new responses to its local authority clients when it comes to public lighting for the design of eco-neighbourhoods.

Domes for Dunkirk methane plant installed

The last of the three domes of the methane gas facility in Dunkirk was successfully installed on 22 August 2013. In all, three domes were installed at the facility in less than two months. A new milestone has thus been reached for the construction site, which began in April 2012 and is scheduled to be commissioned at end-2015.

Smart grids

EDF opens the first European laboratory dedicated to smart grids

On 13 September 2013, EDF inaugurated the Concept Grid, an experimental platform, which is the only of its kind in the world, that will seek to drive and support the development of traditional electricity grids as they become “smart grids”. Located at the Renardières (77) R&D centre, Concept Grid makes it possible to conduct complex, full-scale stress tests that would be impossible to carry out on the real grid.
The Group also launched the Smart Electric Lyon project, which aims to test, under real conditions, a wide array of solutions based on the latest IT and communication developments. These solutions aim to control electricity consumption, improve the comfort of life at home and increase the performance of companies and local authorities. Solutions started to be tested in 25,000 households in Lyon and in roughly 100 companies and local authorities, at home, work or in their jurisdictions.

EDF Énergies Nouvelles

Acquisition of Longhorn wind energy project (200 MW) in Texas

On 4 November 2013, EDF Energies Nouvelles annouced an agreement between its US subsidiary, EDF Renewable Energy, and Renewable Energy Systems Americas Inc. (RES Americas), a North American renewable energy company, to acquire the 200 MW Longhorn wind energy project in Texas. Construction of the project, currently in late-stage development, is due to begin by the end of the year in order to qualify for the Production Tax Credit (PTC). Located in northern Texas, the Longhorn wind project will take advantage of the Competitive Renewable Energy Zone (CREZ) transmission lines connecting the wind generating capacity of the Texas Panhandle to areas in the state where electricity demand is highest. EDF Renewable Energy has secured a long-term, fixed-price hedge agreement for the expected energy production of the project. The project will be built by RES Americas on behalf of EDF Renewable Energy.

Commissioning of the Lac-Alfred phase 2 wind farm (150 MW) in Québec

On 9 September 2013, EDF Énergies Nouvelles, via its local subsidiary EDF EN Canada, commissionned the second phase of Lac Alfred wind farm, with an installed capacity of 150 MW. This brings Lac-Alfred's total capacity up to 300 MW amongst the largest in Quebec. Lac-Alfred is co-owned by EDF EN Canada and Enbridge Inc. on a 50/50 basis. The electricity generated is purchased by Hydro-Quebec under a 20-year power purchase agreement. The 150 wind turbines (75 for each phase) were supplied by manufacturer REpower. EDF Renewable Services, a local subsidiary of EDF Energies Nouvelles, will operate and maintain the wind farm under an Operations & Maintenance contract.

Commissionning of a 164 MW wind farm in Mexico

On 3 September 2013, EDF Énergies Nouvelles, via its local subsidiary EDF EN Mexico, commissioned the Bii Stinu wind farm, located in a very windy region of Oaxaca in southern Mexico where EDF EN Mexico already operates the La Mata Ventosa wind farm (67.5 MW). This new facility comprises 82 turbines with 2 MW in unit capacity provided by Spanish manufacturer Gamesa.
The wind farm is 50% co-owned by EDF EN Mexico and by Mitsui&Co. Ltd group via its Mexican subsidiary MIT Renewables Mexico. The electricity generated by the facility will be purchased by a set of international and Mexican groups (Arcelor Mittal Steel Lazaro Cardenas, Walmart Mexico, Grupo Modelo, Grupo Herdez and Continental Automotive Guadalajara), which have signed a 15-year power purchase agreement.

Commissionning of a 143 MWc solar plant in California

On 2 September 2013, EDF Renewable Energy, US subsidiary of EDF Énergies Nouvelles, commissionned the 143 MWp Catalina photovoltaic plant. Located in the Mojave Desert of California, the power plant extends over more than 360 hectares south-west of the Tehachapi and Piute mountains. The region, which is very sunny throughout the year, is ideally suited to this large-scale project. The Catalina project comprising more than 1.1 million thin-film solar panels is the largest photovoltaic facility ever built by EDF Energies Nouvelles and ranks as the 8th largest plant worldwide[7] in terms of installed capacity. Under construction since May 2012, the power plant has been gradually commissioned since December 2012. The photovoltaic facility supplies the electricity it generates to San Diego Gas & Electric Company under a 25-year power purchase agreement. EDF Renewable Services, a subsidiary of EDF Renewable Energy, provides operations and maintenance services.

[7] Reference: Bloomberg New Energy Finance

EDF group, one of the leaders in the European energy market, is an integrated energy company active in all areas of the business: generation, transmission, distribution, energy supply and trading. The Group is the leading electricity producer in Europe. In France, it has mainly nuclear and hydropower generation facilities where 95.9% of the electricity output is CO_2-free.
EDF's transmission and distribution subsidiaries in France operate 1,285,000 km of low and medium voltage overhead and underground electricity lines and around 100,000 km of high and very high voltage networks. The Group is involved in supplying energy and services to approximately 28.6 million customers in France. The Group generated consolidated sales of €72.7 billion in 2012, of which 46.2% outside of France. EDF is listed on the Paris Stock Exchange and is a member of the CAC 40 index.

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