PRESS RELEASE
6 November 2014

Quarterly Financial Information at 30 September 2014

- **9M 2014 sales: €52.3 billion, down 1.3% in organic terms[1]**
  - First 9 months of the year marked by adverse weather conditions in Europe
  - Positive impact of the 2012 tariff revision at €921 million

- **Strong performance of the French nuclear fleet, upgraded outlook for full year output**
  - 9M 2014 nuclear output up 2.5% year on year on the back of enhanced management of the duration of planned outages
  - 2014 nuclear output expected at the upper-end of the 410-415 TWh range

- **Key priorities for the Group:**
  - Hinkley Point C: on 8 October 2014, the European Commission approved the commercial and funding guarantee agreements
  - Regulated tariffs in France: cost stacking methodology applied as at 1 November 2014
  - ARENH formula: expected publication of the decree, allowing for a revaluation in July 2015

- **2014 targets confirmed**

- **Ongoing update of the medium-term plan allowing for a positive cash flow after dividends[2] in 2018**

Henri Proglio, Chairman and CEO of EDF, said: *"The third quarter of 2014 underscored the effectiveness of the measures undertaken to manage planned outages of our nuclear plants. Thanks to the dedication of our teams, nuclear output was up 2.5% in France over the first nine months, partially offsetting the impact of adverse weather conditions on sales. Despite such challenging economic and weather conditions, EDF boasted a solid Q3 performance and confirms its targets for 2014."*

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[1] Constant scope and forex, including the impact of the tariff catch-up

[2] Excluding Linky

Change in EDF Group sales

In € million	9M 2013 restated[3]	9M 2014	%	% forex	% scope	% organic
France	**29,095**	**29,123**	**0.1**	**-**	**-0.4**	**0.5**
United Kingdom	6,991	7,318	4.7	5.6	-0.1	-0.8
Italy	9,366	9,192	-1.9	-	0.5	-2.4
Other International	4,497	3,958	-12.0	-1.0	-	-11.0
Other Activities	2,167	2,740	26.4	0.9	26.3	-0.8
International and Other Activities	**23,021**	**23,208**	**0.8**	**1.6**	**2.7**	**-3.4**
Group total	**52,116**	**52,331**	**0.4**	**0.7**	**1.0**	**-1.3**

EDF Group sales over the first nine months of 2014 amounted to €52.3 billion, up slightly by 0.4% over the same period in 2013. Sales at constant scope and forex, i.e. restated notably for the impacts of the consolidation of Dalkia's operations in France and for the evolution of the pound sterling, were down 1.3% due to weather conditions that negatively affected electricity volumes and sales prices in Europe.

In France, adverse weather conditions were partially offset by the nuclear fleet's robust operating performance and the adjustment linked to the revision of 2012 regulated electricity sales tariffs.
Meanwhile, UK sales were undermined by a downturn in nuclear output and demand.
Adverse weather conditions in Italy led to a drop in gas sales.
Sales in the Other International segment continued to be adversely affected by the challenging economic environment and unfavourable weather conditions in Belgium and Poland.

2014 outlook

EDF Group confirms its financial targets for 2014, which excludes the effect of the 2012 tariff revision:

- **Group EBITDA excluding Edison:** organic growth of at least 3%
- **Edison EBITDA:** more than €600 million in 2014 before effects of gas contract renegotiations
- **Net financial debt/EBITDA:** between 2x and 2.5x
- **Pay-out ratio of net income excluding non-recurring items[4]:** 55% to 65%

2018 vision

At the start of 2014, the Group set an ambition of generating positive cash flow after dividends (excluding Linky) by 2018. Work is currently ongoing to update the medium-term plan to reflect regulatory and economic developments and to allow for delivering on the ambition.

[3] 2013 data have been restated for the impact of IFRS 10 and 11.

[4] Net income excluding non-recurring items adjusted for interest payments on hybrid bonds booked as equity.

Progress on Group priorities

Approval of the Hinkley Point C power plant agreements by the European Commission

On 8 October 2014, the European Commission approved the agreements between EDF Group and the UK government for the construction of a new power station at Hinkley Point C in Somerset. This decision resulted from an extensive and detailed review of the agreements conducted over a 12-month period by the European Commission, in accordance with EU rules on government aid mechanisms. Obtaining the green light from the European Commission is a major step forward for the Hinkley Point C project, which comes on the heels of: the issuance of the building permit and licences concerning the nuclear site, the approval of the EPR reactor’s design by the UK regulator, and the approval of the commercial terms of the project in October 2013. The remaining steps prior to the final investment decision include in particular: the signing of agreements with the project’s strategic and financial partners, the approval by the European Commission and the UK government of the provisions governing the waste transfer contract, the establishment of the funding guarantee in line with the “Infrastructure UK” programme, and the finalisation of the Contract for Difference (CfD) as well as the agreements with the main suppliers.

New cost stacking tariff methodology

The reform of the method used to calculate regulated electricity sales tariffs was enacted by a decree published on 28 October 2014, which implemented, in accordance with Article L. 337-6 of the French Energy Code, the cost stacking methodology, i.e. the sum of the cost of regulated access to historical nuclear electricity, the cost of supply for the complementary purchases on wholesale power markets (which includes the capacity guarantee), electricity networks and commercial costs, plus a normal rate of return. The decree also reaffirms the cost coverage principle. This new calculation method took effect on 1 November 2014 with the publication of the decree of 30 October 2014 on regulated sales tariffs. At its meeting of 30 October 2014 during which it stated its opinion of the draft decree, the French energy regulator (CRE) indicated that average tariff changes introduced by the decree amounted to +2.5% for “blue” residential tariffs, -0.7% for “blue” professional tariffs, +2.5% for “yellow” tariffs and +3.7% for “green” tariffs.

ARENH formula decree

On 4 November 2014, the French Ministry for Ecology, Sustainable Development and Energy and the French Ministry for the Economy, Industry and Digital Affairs announced that the price of regulated access to historical nuclear electricity (ARENH) is maintained at its current level, i.e. €42 per MWh as of 1 January 2015. As a result, the revaluation of the ARENH price, which will be based on the decree to reform the regulated sale price of historical nuclear electricity, has been pushed back to 1 July 2015. The draft decree is currently under review by the European Commission.

Energy transition

Energy transition bill adopted by the French National Assembly on first reading

On 14 October 2014, the French National Assembly adopted the *energy transition for green growth* bill on its first reading. This bill sets medium and long-term targets in terms of greenhouse gas emission reductions, reduced energy consumption, and changes in the French energy mix including reduced consumption of fossil fuels, a decrease in the share of nuclear in electricity generation, and a higher percentage of renewable energy. The bill also introduces a new governance structure for climate and energy policies. The legislative process will move forward with the Senate's review of the bill in early 2015.

EDF innovates in the development of funding solutions for the energy transition

On 29 October 2014, EDF Group and Amundi, Europe's No. 1 asset manager, announced the establishment of a partnership for the creation of a joint asset management company. The company's purpose will be to raise funds with institutional and retail investors and to manage third-party funds earmarked for energy transition projects. EDF and Amundi aim to provide the market with new categories of funds dedicated to renewable energy generation (wind power, PV, small hydropower stations, etc.) and B2B energy savings (particularly for electricity-intensive industries). The partners have set a fund-raising goal of €1.5 billion.

Change in 9M 2014 sales

France: adverse weather conditions offset by a solid operating performance and the 2012 tariffs revision

In € million	9M 2013	9M 2014	Δ	% organic
Total France	29,095	29,123	28	0.5

In **France**, sales for the first nine months of 2014 came to €29.1 billion, up 0.5% in organic terms from 9M 2013. This evolution can be attributed firstly to persistently negative weather conditions in the third quarter, on the heels of what were already mild conditions in the first half. The negative weather effect amounted to €1,620 million, given the exceptionally positive 2013 comparison base, resulting in a 20.5 TWh drop in electricity volumes sold to end customers. Sales for the 9 months include additional invoicing of €908 million linked to the 2012 tariff revision. Revenues were also boosted by a positive price effect of €512 million on the back of the regulated tariff hike in August 2013 and by the rise in volumes sold on the wholesale markets (the Group was a net seller of 22 TWh over the period).

Hydropower output stood at 30.2 TWh, slightly above historic averages but down 10.4% versus 9M 2013 due to the particularly high comparison base of 2013. At end-October, hydropower reserves were slightly above their historic averages.

Nuclear output for the first nine months of 2014 came to 305.1 TWh, up 7.5 TWh or +2.5% versus 9M 2013, as a result of the action plan aimed at managing the duration of extended outages. The initiatives carried out under this plan saw the average duration of outage extensions cut in half compared to 2013.
The Group reiterates its full-year nuclear output guidance of 410 TWh to 415 TWh and currently targets the upper end of this range.

United Kingdom: organic sales decline due to mild weather and lower nuclear output

In € million	**9M 2013**	**9M 2014**	**Δ**	**% organic**
Total UK	6,991	7,318	327	-0.8

In the **United Kingdom**, 9M 2014 sales fell 0.8% in organic terms to €7.3 billion. The positive foreign exchange effect totalled €389 million, stemming from the depreciation of the euro against the pound sterling.

UK sales benefited from a 2.8% increase in the number of B2C gas and electricity product accounts, compared to 9M 2013, which raises up total product accounts to 5.6 millions.

These positive impacts partially offset the drop in gas sales caused by mild weather conditions at the beginning of the year combined with the 0.5 TWh decline in nuclear output, which was impacted by the unplanned outage of the Heysham 1 and Hartlepool power stations. All boiler inspections at Heysham 1 and Hartlepool have now been successfully completed with no further defect identified. Today as a result, EDF Energy was able to provide the market with an update on the expected return to service dates of the four reactors which are now set between mid November and the end of the year, subject to the approval of the safety case submitted to the Office for Nuclear Regulation. On that basis, the UK nuclear fleet is in a position to deliver a 2014 output circa 57 TWh.

Italy: electricity and gas sales volumes negatively impacted by weather conditions

In € million	**9M 2013 restated***	**9M 2014**	**Δ**	**% organic**
Total Italy	9,366	9,192	-174	-2.4

The Italian sector is comprised mainly of EDF Fenice and Edison.
** Data adjusted for impact of IFRS 10 and 11*

In **Italy**, 9M 2014 sales amounted to €9.2 billion, down 2.4% in organic terms from 9M 2013.

In hydrocarbon activities, weather had a significant impact on volumes of gas sold to residential customers and to power plants.

Electricity sales were up thanks to strong growth in volumes sold on wholesale markets and to end customers. These positive effects helped to offset the decline in electricity prices.

Other International: adverse weather conditions in Continental Europe

In € million	9M 2013 restated*	9M 2014	Δ	% organic
Total Other International	4,497	3,958	-539	-11.0

**Data adjusted for impact of IFRS 10 and 11*

Sales in the **Other International** segment for the first nine months of 2014 came to nearly €4 billion, down 11% in organic terms.

In Belgium, sales were down 15.1% in organic terms as a result of lower gas volumes sold, with consumption on the decline due to mild weather at the start of the year. This decline was also attributable to fierce competition on electricity prices.

In Poland, sales were hurt by a drop in electricity prices on the wholesale markets, coupled with weather conditions that sparked a decline in heat volumes sold.

Sales in Brazil picked up under the cumulated effect of higher wholesale prices and increased output valued on the wholesale markets.

Other Activities: first consolidation of Dalkia's operations in France

In € million	9M 2013 restated*	9M 2014	Δ	% organic
Total Other Activities	2,167	2,740	573	-0.8

** Data adjusted for impact of IFRS 10 and 11*

Sales in the **Other Activities** segment were €2.7 billion for the first nine months of 2014, down 0.8% in organic terms. The consolidation of Dalkia as from 25 July 2014 generated a scope effect of €512 million.

Sales by EDF Énergies Nouvelles declined 3.3% in organic terms. The 5.4% output gain was more than offset by negative price effects.

EDF Trading's gross margin rose 12.5% in organic terms, given a fairly low 2013 comparison base. Trading margins continued to slide under the weight of low volatility and depressed prices in Europe.

Électricité de Strasbourg's sales were hurt by the decline in gas and power volumes sold due to adverse weather conditions.

Other highlights subsequent to the 31 July 2014 release

Agreement closing among Edison, EDF Énergies Nouvelles and F2i: a new renewable energy hub launched

On 6 November 2014, F2i, Edison and EDF Energies Nouvelles announced that they finalized the transfer of shares among the companies to create Italy's third largest operator in the renewable energy sector with around 600 MW of installed capacity thus contributing to the growth and consolidation of the sector. Edison and EDF Energies Nouvelles will contribute their expertise in the management and optimization of electric power production. Shareholders of this new company are F2i, with a 70% interest, and a holding company owned by Edison and EDF Energies Nouvelles, with the remaining 30% (Edison holds an 83% interest in the holding company and EDF Energies Nouvelles 17%). It was also set up a management company, which is part of the EDF Group, for Operation & Maintenance services to the new energy hub. In accordance with the international accounting principles in effect as of January 1, 2014 and the agreed governance, Edison will consolidate the new company on a line-by-line basis, with a positive impact on the Group's net financial position and leverage ratio.

EDF Énergies Nouvelles continues to expand in France

On 23 October 2014, EDF Énergies Nouvelles announced the commissioning of the Seuil de Bapaume and La Plaine de l'Escrebieux wind farms in the Nord Pas-de-Calais region, with combined capacity of 27 MW.
On 28 August 2014, EDF Énergies Nouvelles announced the commissioning of three wind farms with total capacity of 34.7 MW in the Languedoc-Roussillon region, where the Group operates nearly 30% of its national wind power assets.

Shareholders' Meeting of 21 November 2014

The EDF Board of Directors, which met on 16 October 2014 under the chairmanship of Henri Proglio, Chairman and Chief Executive Officer, decided to convene a Combined Shareholders' Meeting on Friday 21 November 2014 to propose the appointment or re-appointment of Oliver Appert, Philippe Crouzet, Bruno Lafont, Bruno Léchevin, Marie-Christine Lepetit, Jean-Bernard Levy, Colette Lewiner, Gérard Magnin, Christian Masset, Laurence Parisot and Philippe Varin as Directors. The Minister of Finance and Public Accounts and the Minister for the Economy, Industry and Digital Affairs indicated that the Commissioner of State Holdings, Régis Turrini, would be designated as the representative of the French government. The shareholders will also be asked to amend EDF's articles of association to reflect the legislative and regulatory changes arising in particular from Ministerial Order No. 2014-948 of 20 August 2014 on governance and capital transactions in State-owned companies and from Ministerial Order No. 2014-863 of 31 July 2014 on corporate law.

Publication of the CRE report on regulated sales tariffs

On 15 October 2014, the French energy regulator (CRE) published a report on regulated electricity sales tariffs, presenting an analysis of the actual and projected electricity supply costs incurred by EDF, an analysis of the new cost stacking methodology, and an assessment of the impact of the transition to the stacking methodology on EDF's projected financial situation.

Energy transition bill adopted by the French National Assembly on first reading

On 14 October 2014, the French National Assembly adopted the energy transition for green growth bill on its first reading. The bill, sponsored by the Ministry for Ecology, calls for the share of nuclear power in France's electricity mix to be reduced from 75% to 50% by 2025, and for energy consumption in 2050 to be halved relative to the 2012 level, with an initial reduction of 20% by 2030.

ANODE's "accelerated" appeal to suspend the decree cancelling the 5% increase in regulated sales tariffs at 1 August 2014 is rejected

On 12 September 2014, the Appeals Judge for the Council of State rejected the appeal, submitted by ANODE, requesting the "accelerated" suspension of the Decree of 28 July 2014 in which the French Ministers of Energy and the Economy eliminated the 5% average increase in the "blue" regulated tariff provided for in the previous decree of 26 July 2013. The Appeals Judge ruled that the urgency criterion specific to the appeal proceeding had not been met. A decision on the merits of the appeal is pending.

Arbitration concluded between Edison and Promgas concerning the review of the price of the long-term gas supply contract

On 29 August 2014, the Court of the Stockholm Chamber of Commerce handed down its ruling on the reduction of the price of the long-term gas supply contract from Russia between Edison and Promgas. The ruling will generate an estimated positive EBITDA impact of €80 million on Edison's 2014 financial statements.

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 CO2-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 28.5 million customers in France. The Group generated consolidated sales of €75.6 billion in 2013, of which 46.8% outside of France. EDF is listed on the Paris Stock Exchange and is a member of the CAC 40 index.

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