PRESS RELEASE
14th December 2016

Board of Directors' meeting held on 14 December 2016

During its meeting held on 14 December 2016, EDF Group's Board of Directors approved the 2017 budget and reviewed the 2018-2020 Medium-Term Plan.
The EDF Group implements its action plan announced on 22 April 2016 and confirms its intention to submit to the Board of Directors by the end of the first quarter of 2017, subject to market conditions, a capital increase project via a market operation for an amount of around €4 billion. The French State committed to participate for €3 billion to this operation.

1. Significant progress on the action plan announced on 22 April 2016

EDF is delivering ahead of schedule its action plan announced on 22 April 2016 in order to continue, despite the adverse market conditions, its development in line with its CAP 2030 strategy:

- The Group continues its efforts on operational expenditures and maintains its objective to reduce them by €1 billion[1] in 2019 compared to 2015;
- Considering the ongoing disposal operations and today's signature of the sale of 49.9% of RTE, EDF is in a position to deliver, as early as 2017, around 70% of its disposal target of at least €10 billion over the 2015-2020 period;
- The working capital improvement plan is progressing with a cumulative contribution target of €1.8 billion over the 2015-2018 period;
- Optimisation of net investments (excluding Linky[2], new developments and disposals) of close to €2 billion in 2018 compared to 2015 is progressing. These investments should reach around €10.5 billion in 2018.

2. 2016 targets confirmed

The Group confirms its EBITDA target of €16.0 – 16.3 billion[3] in 2016. The target relating to the net financial debt / EBITDA ratio remains under 2.5x and the payout ratio of net income excluding non-recurring items[4] – between 55% and 65% – remains unchanged.

3. Outlook

For 2017, considering in particular the decrease in French and UK power prices compared to 2016 and the 2017 ARENH volume subscriptions, the Group sets an EBITDA target of €13.7 – 14.3 billion. The target relating to the net financial debt / EBITDA ratio remains under 2.5 times.
The Group remains focused on delivering its ambition of a positive 2018 cash flow after dividends, excluding Linky[2], new developments and asset disposals. 2018 EBITDA should grow significantly compared to 2017, especially if wholesale power prices are on a positive trend.

[1] At constant scope, exchange rates and pensions discount rates. Excluding change in operational expenditures of services activities.

[2] Linky is a project led by Enedis, independent subsidiary of EDF under the provisions of the French energy code

[3] Including EBITDA impact of around €800 million relating to the adjustment in regulated tariffs for the period from 1 August 2014 to 31 July 2015 following the French State Council's decision of 15 June 2016

[4] Net income excluding non-recurring items, adjusted for the remuneration of hybrid issues accounted for in shareholders' equity

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

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