Half-year Financial Report

June 30, 2015

AREVA

General comments

This financial report contains statements on the objectives, prospects and growth areas for the AREVA group. This information is not meant as a presentation of past performance data and should not be interpreted as a guarantee that events or data set forth herein are assured or that objectives will be met. The statements of prospects in this financial report also address known and unknown risks, uncertainties and other factors that may, if they happen, have the effect that future income, performance and achievements of the AREVA group might be significantly different from the objectives set and put forward. Those factors may include, in particular, changes in international, economic or market conditions, as well as risk factors presented in section 2.1. AREVA has no obligation to update the information on prospects contained in this document, subject to the ongoing disclosure obligations applicable to companies whose stock is admitted to trading on regulated markets.

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1 Person responsible

1.1 Person responsible for the half-year report

Mr. Philippe Knoche, Chief Executive Officer of AREVA

1.2 Certification of the half-year report by the person responsible

"I certify, to the best of my knowledge, that the condensed financial statements for the first half of 2015 are prepared in accordance with applicable accounting standards and give a true and fair view of the net worth, financial position and income of the company and all the companies included in consolidation, and that the half-year financial report herewith presents a fair view of the major events that occurred during the first six months of the fiscal year, of their effect on the financial statements and of the main transactions between related parties, and gives a description of the main risks and uncertainties for the remaining six months of the financial year."

Paris, July 29, 2015

Mr. Philippe Knoche

Chief Executive Officer of AREVA

2 Half-year business report

2.1 Significant events

2.1.1 Highlights of the period

The information provided in this section concerns the group as a whole. Highlights concerning commercial operations are presented in the business review in section 2.8.

The first half of 2015 was marked by two major events:

- measures were announced on March 4, 2015 during the publication of the financial statements for 2014;
- directions concerning the transformation of the French nuclear industry were announced by the President of the French Republic on June 3, 2015, and discussions were subsequently initiated for their implementation.

Measures announced on March 4, 2015

With the publication of the group's financial results for 2014 showing a net loss of 4.8 billion euros and negative equity, AREVA announced several actions:

- Development of a strategic road map with three objectives:
  - Refocus on core nuclear processes,
  - Redefine the partnership with EDF
  - Reinforce the development of the group's presence in China;
- Implementation of a competitiveness plan targeting 1 billion euros in savings by 2017;
- Establishment of social dialogue;
- Preparation of a financing plan for 2015-2017 by the time the half-year financial statements are published;
- The 2015 financial outlook for the group: reduction in organic revenue of up to 5% in organic sales revenue and net cash flow excluding the impact of the competitiveness plan of between -1.3 and -1.7 billion euros.

Radical reform of the French nuclear industry

The radical reform of the French nuclear industry includes in particular the following points:

- Combining the design, project management and marketing operations for new reactors of EDF and AREVA in a specialized company;
- Subject to the signature of a global strategic partnership agreement with AREVA, EDF would become the majority shareholder of the joint AREVA NP subsidiary, which brings together the industrial operations of reactor construction, fuel assembly and services to the installed base. AREVA will retain a strategic interest in the company through a shareholders' agreement.
- This plan should also allow discussions between EDF and AREVA aimed at reducing the risks of large projects in progress carried out by AREVA NP, in the interests of all participants in the French nuclear industry.
- Capital increase of AREVA to which the State will contribute.

AREVA has begun implementing the strategic roadmap it announced on March 4, 2015. Concerning the redefinition of the partnership with EDF:

- AREVA and EDF are working on the terms of their cooperation in order to optimize the performance of the French reactor fleet, the development of the French nuclear industry, and its global influence (strategic cooperation agreement).
- AREVA and EDF continue their discussions with a view to the sale of at least 75% of AREVA NP to EDF. Following a two-month period of discussion, AREVA and EDF signed a preliminary memorandum of understanding on July 29 presenting the principal terms and conditions of the plan in order to finalize

definitive agreements, once the opinions of the social authorities of AREVA and EDF have been received. The objective of the parties is to carry out this transaction in 2016 once the regulatory authorizations have been received [and the other conditions precedent of the transaction have been lifted.

- AREVA would keep a strategic interest in AREVA NP of at the most 25%, with which governance rights would be associated suited to AREVA's status as a strategic minority shareholder.
- In addition, at EDF's request, finalization of the transaction would remain subject in particular to (i) the favorable outcome of verifications in progress concerning the compliance of the Flamanville 3 reactor vessel and (ii) the definition of procedures to protect EDF from any risk related to the OL3 project.
- A joint entity for the design, project management and marketing of new reactors, combining in particular the nuclear engineering skills of AREVA NP and EDF, will be created.

Establishment of social dialogue

Negotiations with the labor unions on the social components of the competitiveness plan began on May 7, 2015. The group announced an objective of reducing payroll expenses by 18% worldwide (15% in France) in three main action areas:

- Items of compensation
- Organization of working hours
- Workforce adjustments: elimination of 5,000 to 6,000 jobs, including 3,000 to 4,000 in France.

Following the announcements of May 7 of this year indicating a job reduction objective of 5,000 to 6,000 jobs throughout the group by the end of 2017 (including 3,000 to 4,000 in France), two major dialogues were initiated with the labor unions in France and in Germany. In France, on May 12, negotiations were opened on a "social contract for transition 2015-2017". A first agreement on method concerning employment management and organization of the social dialogue for the 2015-2017 period was signed with two labor unions on July 23. However, three labor unions exercised their right to object on July 27. The agreement on employment management procedures, which has been under negotiation since the month of June, should enable AREVA to begin a voluntary departure process in six of its companies in France at the start of October.

Other significant events

Concerning business strategy and capital expenditures

Group

- On February 23, in view of the financial information that had been circulated in the media, AREVA made it clear that the 2014 financial statements would not be approved by the Board of Directors until March 3, 2015. The unaudited preliminary financial information examined on February 18, 2015 by the Audit and Ethics Committee showed a preliminary estimate of negative net consolidated income attributable to owners of the parent for 2014 of around -4.9 billion euros.
- On April 14, following the AREVA GmbH Supervisory Board meeting, AREVA announced that it was opening discussions between management and labor on a plan to transfer operations from the Offenbach site (700 employees) to the Erlangen and Karlstein sites by mid-2016. This plan aims to optimize AREVA's industrial footprint in Germany while improving cooperation between local teams and achieving structural savings. The management of AREVA GmbH will also examine alternative proposals to be presented by the labor partners.
- On May 7, AREVA announced the opening of negotiations with the labor unions on the social components of its competitiveness plan. The group is aiming for a reduction of its payroll expenses of some 15% in France and 18% for the group. Achieving this objective will rely on several levers: employment, compensation, the organization of production, and working hours.
- On June 29, AREVA announced that it had begun the process of selling its Canberra subsidiary, which specializes in nuclear measurement systems and instrumentation.

Governance

- On January 8, AREVA SA's Extraordinary General Meeting of Shareholders decided to transform the company's governance from that of a corporation with a Supervisory Board and an Executive Board into a corporation with a Board of Directors. On that same day, the newly appointed Board of Directors decided to split the positions of Chairman of the Board and Chief Executive Officer. Philippe Varin was appointed Chairman of the Board of Directors and Philippe Knoche was appointed Chief Executive Officer of AREVA.

Nuclear

- On January 30, during the visit to China of Manuel Valls, Prime Minister of France, AREVA and CNNC signed a memorandum of understanding to establish a joint venture in nuclear logistics and transportation. Under the agreement, AREVA will bring know-how, experience and skills to the deployment of a used fuel transportation and logistics system in China. This agreement will facilitate the group's access to this fast-growing market.
- On February 18, AREVA announced the suspension of the design certification process for the US EPR reactor.
- On April 10, on the occasion of the visit to France of Narendra Modi, Prime Minister of India, AREVA signed two industrial agreements with Indian partners, signaling progress on the Jaitapur EPR project.
- On June 30, on the occasion of the visit to France of the Prime Minister of China, AREVA signed three agreements with CNNC, CGN and EDF in application of the joint statement of the Prime Ministers of France and China on increasing Franco-Chinese cooperation on civilian nuclear energy.

Renewable Energies

- On March 9, AREVA and Gamesa signed final agreements and closed the deal to create Adwen, a joint venture in the field of offshore wind.

In the industrial field (progress on projects, inaugurations)

- On April 7, AREVA and EDF informed the nuclear safety authority ASN (Autorité de sûreté nucléaire) of a new testing campaign starting in April 2015 for qualification of the Flamanville EPR vessel closure head and bottom head. This campaign follows chemical and mechanical tests carried out on a representative piece of the closure and bottom heads.
- On April 21, AREVA announced the continuation of its quality analyses at the Creusot forge. It is conducting supplementary studies which at this stage confirm the quality of the forgings, and is adding an external review to its internal review to bring the quality system of the plant to the highest standards.
- On June 26, AREVA announced that it had decided to temporarily reduce its activities at the Angra 3 nuclear reactor of ETN in Brazil. This temporary reduction is due to a delay in the financing of the remainder of the activities to be carried out to complete the project. As soon as ETN has firmed up a long-term financing solution, AREVA will resume all of its project-related activities.

2.1.2 Progress on the transformation plan

Operational performance

AREVA's objective is to return to operational performance comparable to that of its main competitors in various global markets. To do this, the group announced on March 4 of this year the launch of a competitiveness plan with the objective of reducing its annual cost basis by 1 billion euros by 2017 in relation to 2014. Supplementing the cost reductions, measures were taken to strengthen the control of large projects.

- Competitiveness plan: 1 billion euros in operating gains in relation to 2014, including 500 million euros net of inflation for the new AREVA consolidation scope (after the sale of AREVA NP) by the end of 2017 (full effect starting in 2018). The plan rests on four pillars: control of payroll and compensation trends, productivity improvement, purchasing selectivity and commercial strategy. For the new AREVA consolidation scope, 85% of the actions to reach the objective have been identified at this time.

  Starting in the first quarter of 2015, AREVA implemented a series of proactive measures to control payroll.

  - In the social area, a number of arrangements were made to reduce personnel costs throughout the group, both in France and internationally, in the framework of strong dialogue with the labor unions:
    - in-depth revision of all collective compensation arrangements (annual compensation policy, optional collective profit-sharing, matching contributions to the company savings plan, compensation, etc.) and adaptation to the situation and to the group's objectives for recovery;
    - reduction of a thousand jobs at the group level during the first half of 2015;
    - reduction of all of the group's overhead expenses (travel, commercial representation, etc.).

    Following the announcements of May 7 of this year indicating a job reduction objective of 5,000 to 6,000 jobs throughout the group by the end of 2017 (including 3,000 to 4,000 in France), two major dialogues were initiated with the labor unions in France and in Germany.

    In France, on May 12, negotiations were opened on a "social contract for transition 2015-2017". A first agreement on method concerning employment management and organization of the social dialogue for the 2015-2017 period was signed with two labor unions on July 23. However, three labor unions exercised their right to object on July 27. The agreement on employment management procedures, which has been under negotiation since the month of June, should enable AREVA to begin the negotiation of a voluntary departure process in six of its companies in France at the start of October.
  - In the purchasing area, action plans have been launched in several areas:
    - renegotiation of contracts and umbrella agreements (data and telephone networks, electricity, computer services, umbrella agreements for multiple technical fields);
    - strengthened control of purchase orders, whether for operating expenditure or capital expenditure, to reduce expenses and align them with actual needs;
    - optimization of inventories at the main sites.
  - Concerning commercial strategy:
    - A plan concerning new sales opportunities is also being deployed; it allows the group to increase its activity and contributes to its performance improvement through offers suited to the needs of its customers. This is the case for example in the Dismantling & Services operations.
    - In addition, AREVA and EDF have established the bases of an agreement with respect to the signature of commercial agreements on:
      - the supply of conversion services for the 2019-2030 period;
      - the supplementary supply of enrichment services for the 2019-2030 period;

    - the supply of treatment and recycling services for the 2016-2030 period.

    The two companies have also established the terms of supplementary natural uranium supply for the 2021-2030 period. This confirms the importance to AREVA's customers of securing long-term strategic access to uranium cycle operations and thus gives the group additional visibility on its operations.

- Strengthened management of large projects: the group is setting up best international engineering and project management practices (Systems Engineering and Earned Value Management, based on the ANSI 748 standard), strengthening the project chain of command, and functioning in integrated platforms that bring together all of the disciplines needed to meet the objectives under the leadership of the project.
  - Olkiluoto 3:
    - AREVA and TVO have observed substantial improvements in project execution. The AREVA and TVO teams have strengthened their cooperation to complete the project in accordance with the revised schedule and to enable a transition towards startup in the best possible safety conditions.
    - Following the test sequences on the Operational platform (TXP) of OL3 Instrumentation & Control at AREVA testbay in Erlangen (Germany), the AREVA-Siemens Consortium received on July 28, 2015 the final approval of testing completion by the Finnish Nuclear Safety Authority STUK. The next step is to ship the relevant cabinets to OL3 site in Finland. These cabinets will be shipped to the site by August 31 of this year. Meanwhile, the work on the critical path of the project continues, as defined in September 2014, to achieve full power operation in December 2018.
    - AREVA is working with TVO in cooperation in order to further strengthen joint performance on the project.
  - Flamanville 3: With EDF's agreement, AREVA submitted a test program to the regulators designed to demonstrate equipment compliance with the new safety requirements. In accordance with the regulations, this program was submitted to ASN for validation and is currently under review. In connection with a hearing before the Senate on June 16, 2015, the Chairman of ASN stated that the safety authority would not take a position on the safety of the reactor vessel before the first quarter of 2016.
  - Jules Horowitz Research Reactor: an agreement was signed by the CEA, AREVA and AREVA TA concerning the funding of identified and probable excess costs. Under the terms of this agreement, AREVA agrees in particular to bear 178 million euros (at 2013 economic conditions) in excess costs and contingencies beyond the losses recorded in the financial statements for the year ended December 31, 2012, up to the date of project completion.

    In exchange, AREVA's financial exposure is capped at the amounts of exposure in the agreement up to the date of project completion. Excluded from the cap are excess costs of AREVA TA resulting from its own negligence and excess costs of AREVA TA related to the management of overall testing.

    This tripartite agreement was signed by AREVA on July 3, by AREVA TA on July 6, and by the CEA on July 20. The Board of Directors of AREVA SA authorized it on April 29, 2015, and the regulated agreement was approved by the Annual General Meeting of May 21, 2015.

Strategic roadmap

AREVA has begun implementing the strategic roadmap it announced on March 4, 2015. Beyond keeping safety and security as priorities for the group and for its customers, the roadmap applies to three aspects: refocusing on core nuclear processes, redefining the partnership with EDF and strengthening the development of the presence in China.

Concerning the refocusing on core nuclear processes:

- final agreements with Gamesa for the creation of the Adwen joint venture;
- start of the process to dispose of Canberra, the nuclear measurements subsidiary.

Concerning the strengthened growth of the presence in China:

- agreement on transportation and nuclear logistics signed with CNNC;
- agreements to increase Franco-Chinese cooperation on civilian nuclear energy signed on June 30, 2015 with CNNC, CGN and EDF, including a memorandum of understanding with CNNC marking a new milestone in the Chinese project for a used fuel treatment and recycling plant. The agreement officializes the end of technical discussions, defines the schedule for commercial negotiations and recognizes the commitment of both groups to finalizing these negotiations at the soonest possible date.

Concerning the redefinition of the partnership with EDF:

- AREVA and EDF are working on the terms of their cooperation in order to optimize the performance of the French reactor fleet, the development of the French nuclear industry, and its global influence (strategic cooperation agreement).
- AREVA and EDF continue their discussions with a view to the sale of at least 75% of AREVA NP to EDF. Following a two-month period of discussion, AREVA and EDF signed a memorandum of understanding on July 29 presenting the principal terms and conditions of the plan in order to finalize definitive agreements, once the opinions of the social authorities of AREVA and EDF have been received. The objective of the parties is to carry out this transaction in 2016 once the regulatory authorizations have been received and the other conditions precedent of the transaction have been lifted.
- AREVA would keep a strategic interest in AREVA NP limited to 25%, with which governance rights would be associated suited to AREVA's status as a strategic minority shareholder.
- In addition, at EDF's request, finalization of the transaction would remain subject in particular to (i) the favorable outcome of verifications in progress concerning the compliance of the Flamanville 3 reactor vessel and (ii) the definition of procedures to protect EDF from any risk related to the OL3 project.
- A joint entity for the design, project management and marketing of new reactors, combining in particular the nuclear engineering skills of AREVA NP and EDF, will be created.

Financing plan

The objective of the financing plan is to give the company the means to implement its transformation plan and to present a financial profile enabling it to finance all of the company's needs in the mid-term.

<u>Financing requirements of the company for the 2015-2017 period:</u>

An ad hoc committee was set up by the Board of Directors on June 5 composed of a majority of independent directors. Its mission is to study the different components of the financing plan and to ensure that it is in line with the needs of the company. The ad hoc committee is assisted by legal and financial counsel and will continue its work until implementation of the financing plan.

The ad hoc committee's work confirmed a financing requirement of approximately 7 billion euros for the 2015-2017 period, as follows:

- negative net cash flow from company operations, before debt service, of approximately 3.8 billion euros;
- interest on debt (after the effects of the capital increase) of approximately 0.7 billion euros;
- bank and bond repayments in the amount of 2.5 billion euros.

The net cash flow from company operations before debt service includes cost reductions by the company, with the two main levers being;

- implementation of the competitiveness plan targeting 500 million euros in gains on an annual basis, net of inflation, for the new AREVA consolidation scope (after sale of AREVA NP) by the end of 2017 (full effect starting in 2018);
- strong selectivity in CAPEX, with a reduction of approximately 40% in relation to the previous period (2012-2014).

Sources of liquidity for the 2015-2017 period:

To cover the financing requirement of approximately 7 billion euros for the 2015-2017 period, AREVA has identified several equity financing sources (independent of the use of lines of credit), the cumulative impact of which is estimated at approximately 1.2 billion euros:

- optimization of a minimum cash pooling threshold to a level sufficient to meet intra-annual changes in cash;
- optimized cash management including:
  - practices for improving the working capital requirement, such as factoring and monetization of tax receivables (e.g. research and employment competitiveness tax credits, CIR/CICE);
  - establishment of weekly cash forecasts over a rolling four-month period for all of the group's entities in order to manage the group's cash closely and identify any new opportunity for improvement along the way;
- continued efforts to raise financing for industrial assets: AREVA has launched feasibility studies to validate the assumptions necessary to continue financing assets. At this date, several opportunities have been identified and will be the subject of detailed reviews with a view to potential realization by the end of 2016.

In addition, AREVA will implement an asset sale program of approximately 2.4 billion euros:

- plan to sell at least 75% of the AREVA NP entity to EDF for an amount estimated at 2.0 billion euros at the date of the operation completion (hypothesis at 75%), corresponding to an indicative value for 100% of its equity of 2.7 billion euros (excluding OL3). EDF and AREVA agreed that the cash treatment for the interim period between January 1, 2015 and the date of completion would be subject to a later agreement taking into account initiated measures and forecasts which will be introduced by the AREVA NP new management.
- other asset sales, with a target of approximately 0.4 billion euros.

In all, the combination of equity financing and the asset sale program aims to cover the company's needs over the 2015-2017 period in a target amount estimated at 3.6 billion euros, giving a residual financing requirement of 3.4 billion euros over the 2015-2017 period. This requirement will be covered by additional measures of liquidity and capital reinforcement level.

In particular, in view of the period of time that would be necessary before being able to (i) carry out the sale of AREVA NP and (ii) undertake the capital increase, AREVA confirms its intention of using all or part of its lines of credit to ensure its financing during the transition period (lines of credit for which the maturities were given above).

In addition, within the framework defined on June 3 of this year, AREVA is examining methods for interim financing and in particular the coverage of the reimbursement date for the bond tranche of 975 million euros maturing in September 2016.

Capital increase:

To give AREVA, in addition to the measures of the financing plan, a financial profile enabling it to refinance all of the company's needs in the mid-term, a significant capital increase will be necessary.

The size of the capital increase will be given by mid-September at the latest particularly with regard to the other levers of group's financing plan.

The capital increase should be carried out in 2016 and will be open to all shareholders; in compliance with European regulations, the State, as described in the press release on June 3 of this year, as a majority shareholder of AREVA, will take part in this transaction.

2.1.3 Related party transactions

Details of the main transactions with related parties are given in note 16 to the consolidated financial statements in this half-year report.

2.1.4 Risk factors

The significant risks and uncertainties that the group faces are described in Section 4, "Risk factors", of the 2014 Reference Document filed with the French financial market regulator AMF (*Autorité des marchés financiers*) on March 31, 2015 and available on latter's website (www.amf-france.org.) as well as on AREVA's website (www.areva.com). This description of the main risks remains valid as of the date of publication of this report for the evaluation of major risks and uncertainties that could affect the group at the end of the current financial year. No significant risks or uncertainties are anticipated other than those presented in the Reference Document.

Concerning the status of liquidity and going concern:

At June 30, 2015, the group had:

- available net cash[1] of 425 million euros (versus 1.062 billion euros at December 31, 2014) and positive gross cash of 1.3 billion euros (versus 1.7 billion euros at December 31, 2014). Gross cash was kept at the level of 1.3 billion euros through a combination of optimization activities initiated during the first half (optimized cash management, implementation of the competitiveness plan, factoring transactions and the sale of tax credit receivables for research and employment competitiveness);
- an unused balance of confirmed bilateral lines of credit maturing in 2016 et 2017 in the amounts of 50 million euros and 795 million euros respectively, in addition to an unused 1.25-billion-euro syndicated line of credit maturing in January 2018. As announced during the presentation of annual results on March 4, 2015, AREVA is considering drawing on its credit lines during the second half of 2015.

At June 30, 2015, current financial debt, which reconciles gross cash of 1.3 billion euros and available net cash in the amount of 425 million euros, totaled 869 million euros. It consists mainly of:

- derivatives in the amount of 235 million euros;
- interest on bond issues in the amount of 111 million euros;
- commercial paper in the amount of 21 million euros, payable in January 2016;
- the first installment of a loan granted by the European Investment Bank in the amount of 200 million euros, payable in December 2015;
- the second installment of a loan granted by the European Investment Bank in the amount of 200 million euros, payable in January 2016;
- payments due on the installment loan included in the structured financing for the Georges Besse II plant in the amount of 26 million euros (13 million euros in the second half of 2015 and 13 million euros in the first half of 2016).

[1] Available net cash: Cash and cash equivalents less current borrowings

Beyond 12 months, and up to 36 months, significant debt installments are associated with the bond issues expiring in September 2016 and October 2017 in the residual nominal amounts of approximately 975 million euros and 800 million euros respectively.

The group's ability to operate as a going concern is thus assured for the next 12 months. Beyond that period, it is ensured by implementing the measures provided in its financing plan, detailed in chapter 2.1.2 Progress of the transformation plan.

2.2 Summary data

2.2.1 Financial indicators

In accordance with IFRS 5, the statement of income and the statement of cash flows for the first half of 2014 and the full year of 2014 were restated to present pro forma information using a consolidation scope comparable to that of the first half of 2015; net income from operations which are the subject of requests for proposals or whose disposal is under negotiation is presented on a separate line, "net income from discontinued operations".

The following operations meet the criteria of IFRS 5 for classification as "discontinued operations" at June 30, 2015:

- AREVA NP
- Nuclear Measurements
- Solar Energy
- Wind Energy: Adwen's results are recognized using the equity method as from March 9, 2015. The results from January 1 to March 8, 2015 and income from deconsolidation are presented in "net income from discontinued operations". In addition, the impacts of execution of the guaranties granted by AREVA to Adwen are presented under that same heading.

In millions of euros	**H1 2015**	**H1 2014 pro forma**	***Change 2015/2014***
Backlog	32,300	32,233	*+€67m*
Revenue	1,930	1,817	*+6.3% LFL*
EBITDA	**306**	**243**	*+€63m*
In percentage of sales revenue	*15.9%*	*13.4%*	*+2.5 pts.*
Free operating cash flow	460	(57)	*+€517m*
Operating income	7	(212)	*+€219m*
Net income attributable to owners of the parent from discontinued operations[1]	(144)	(479)	*+€335m*
Consolidated net income	(206)	(694)	*+€488m*
Earnings per share	-€0.54	-€1.81	*+€1.27*
Net cash flow from company operations	(211)	(266)	*+€55m*
	6/30/2015	**12/31/ 2014**	
Net debt (+) / cash (-)	(6,019)	(5,809)	-€211m

The results of the first half of 2015 are marked by:

- a stable backlog compared with the first half of 2014, at 32.3 billion euros;
- a 6.3% increase in revenue at constant consolidation scope and exchange rate, to 1.930 billion euros;
- an EBITDA of 306 million euros, an increase of 63 million euros compared with the first half of 2014;
- an operating income of 7 million euros, an increase of 219 million euros compared with the first half of 2014;
- an operating cash flow of 460 million euros, a sharp increase in relation to the first half of 2014, when it was -57 million euros;
- a net cash flow from company operations of -211 million euros, an increase in relation to the first half of 2014;
- a net income attributable to owners of the parent of -206 million euros, a strong increase of 488 million euros compared with the first half of 2014.

2.2.2 Definition of financial indicators

> Operating working capital requirement (Operating WCR)

Operating WCR represents all of the current assets and liabilities related directly to operations. It includes the following items:

- inventories and work-in-process;
- trade accounts receivable and related accounts;
- non-interest-bearing advances;
- other accounts receivable, accrued income and prepaid expenses;
- minus: trade accounts payable and related accounts, trade advances and prepayments received (excluding interest-bearing advances), other operating liabilities, accrued expenses, and deferred income;

[1] Operations of AREVA NP, the Nuclear Measurements business and the Solar Energy business

Note: Operating WCR does not include non-operating receivables and payables such as income tax liabilities, amounts receivable on the sale of non-current assets, and liabilities in respect of the purchase of non-current assets.

> Backlog

The backlog is valued based on economic conditions at the end of the period. It includes firm orders and excludes unconfirmed options. Orders in hedged foreign currencies are valued at the rate hedged; unhedged orders are valued at the rate in effect on the last day of the period. The backlog reported for long-term contracts recognized under the percentage of completion method and partially performed as of the reporting date is equal to the difference between (a) the projected sales revenue from the contract at completion and (b) the sales revenue already recognized for this particular contract. Accordingly, the backlog takes into account escalation and price revision assumptions used by the group to determine the projected revenue at completion.

> Net cash flow from company operations

Net cash flow from company operations is equal to the sum of the following items:

- operating cash flow;
- cash flow from end-of-lifecycle operations;
- change in non-operating receivables and liabilities;
- financial income;
- tax on financial income;
- dividends paid to minority shareholders of consolidated subsidiaries;
- net cash flow from discontinued operations and cash flow from the disposal of those operations;
- acquisitions and disposals of current financial assets not classified in cash or cash equivalents;
- financing of joint ventures and associates through shareholder advances, long-term loans and capital increases.

Net cash flow thus corresponds to the change in net debt, except for transactions with AREVA shareholders, and currency translation adjustments.

> Operating cash flow (OCF)

Operating cash flow (OCF) represents the cash flow generated by operating activities before income tax. It is equal to the sum of the following items:

- EBITDA;
- plus losses or minus gains included in operating income on sales of property, plant and equipment (PP&E) and intangible assets;
- plus the decrease or minus the increase in operating working capital requirement between the beginning and the end of the period (excluding reclassifications, currency translation adjustments and changes in consolidation scope);
- minus acquisitions of property, plant and equipment (PPE) and intangible assets, net of changes in accounts payable related to fixed assets;
- plus sales of PPE and intangible assets included in operating income, net of changes in receivables on the sale of fixed assets;
- plus prepayments received from customers during the period on non-current assets;
- plus acquisitions (or disposals) of consolidated companies (excluding equity associates), net of the cash acquired.

> Net debt

Net debt is defined as the sum of current and non-current borrowings, minus cash, cash equivalents and bank deposits constituted for margin calls for derivatives ("collateral").

> Earnings before interest, taxes, depreciation and amortization (EBITDA)

EBITDA is equal to operating income after depreciation, depletion, amortization and provisions, net of reversals. EBITDA is restated to exclude the cost of end-of-lifecycle operations performed in nuclear facilities during the year (facility dismantling, waste retrieval and packaging). It should be noted that the cash flows linked to end-of-lifecycle operations are presented separately.

> Cash flows from end-of-lifecycle operations

This indicator encompasses all of the cash flows linked to end-of-lifecycle operations and to assets earmarked to cover those operations. It is equal to the sum of the following items:

- income from the portfolio of earmarked assets;
- cash from the sale of earmarked assets;
- full and final payments received for facility dismantling;
- minus acquisitions of earmarked assets;
- minus cash spent during the year on end-of-lifecycle operations;
- minus full and final payments paid for facility dismantling.

2.3 Summary data by business segment

First half 2015 (contributions to the group)

(in millions of euros)	**Mining**	**Front End**	**Back End**	**Corporate and other operations**	**Total**
Income					
Revenue	738	347	732	114	1,930
Operating income	139	(23)	(16)	(94)	7
Percentage of revenue	*18.8%*	*ns*	*ns*	*ns*	*0.3%*
Cash flow					
EBITDA	242	119	87	(142)	306
Percentage of revenue	*32.8%*	*34.4%*	*11.9%*	*ns*	*15.9%*
Change in operating WCR	123	(221)	388	196	485
Net operating Capex	(124)	(111)	(85)	(7)	(328)
Free operating cash flow	236	(213)	391	47	460

First half 2014 (contributions to the group) – pro forma

(in millions of euros)	**Mining**	**Front End**	**Back End**	**Corporate and other operations**	**Total**
Income					
Revenue	457	400	695	264	1,817
Operating income	60	(72)	(83)	(118)	(212)
Percentage of revenue	*13.2%*	*ns*	*ns*	*ns*	*ns*
Cash flow					
EBITDA	159	92	63	(70)	243
Percentage of revenue	*34.8%*	*23.0%*	*9.0%*	*ns*	*13.4%*
Change in operating WCR	(61)	(183)	77	291	124
Net operating Capex	(220)	(137)	(56)	(6)	(420)
Free operating cash flow	(122)	(228)	83	210	(57)

2.4 Backlog

The group had 32.3 billion euros in backlog at June 30, 2015, compared with 32.8 billion euros at December 31, 2014. This represents seven years of revenue. More than 1 billion euros in orders were taken in the first half of 2015, compared to 5.1 billion euros in the first half of 2014, when the treatment and recycling agreement with EDF was added to the backlog.

2.5 Statement of Income

(in millions of euros)	**H1 2015**	**H1 2014 pro forma**	**2014 pro forma**
Revenue	**1,930**	**1,817**	**4,321**
Gross margin	248	183	83
Research and development expenses	(55)	(52)	(135)
Marketing and sales expenses	(30)	(34)	(69)
General and administrative expenses	(97)	(134)	(230)
Other operating expenses	(76)	(199)	(1,128)
Other operating income	17	24	35
Operating income	**7**	**(212)**	**(1,443)**
Net financial income	(46)	(28)	(306)
Income tax	(15)	10	(587)
Share in net income of joint ventures and associates	(11)	(7)	(14)
Net income from continuing operations	(65)	(237)	(2,349)
Net income from discontinued operations	(146)	(489)	(2,496)
Net income for the period	(211)	(726)	(4,845)
Minority interests	(5)	(32)	(11)
Consolidated net income	**(206)**	**(694)**	**(4,834)**
Comprehensive income	69	(932)	(5,190)

2.5.1 Revenue

(in millions of euros)	**H1 2015**	**H1 2014 pro forma**	***Change 2015/2014***
Contribution to consolidated revenue	**1,930**	**1,817**	***+6.2%***
Mining	738	457	*+61.3%*
Front End	347	400	*-13.3%*
Back End	732	695	*+5.2%*
Corporate and other operations	114	264	*-57.0%*

The group had consolidated revenue of 1.930 billion euros in the first half of 2015, an increase of 6.2% compared with the first half of 2014 (+6.3% like for like). Foreign exchange had a positive impact of 57 million euros, principally in the Mining and Back End BGs. The consolidation scope had a negative impact of 58 million euros over the period due to the transfer of Euriware (the information systems subsidiary) to Capgemini in May 2014 and the sales of AREVA TA's CCT (transportation instrumentation and control) and FAL (aviation assembly lines) businesses.

2.5.2 Gross margin

(in millions of euros)	**H1 2015**	**H1 2014 pro forma**	***Change 2015/2014***
Gross margin	248	183	*+35.9%*
In percentage of sales revenue	*12.9%*	*10.1%*	*+2.8 pts.*

The group's gross margin was up sharply: it totaled 248 million euros in the first half of 2015, or 12.9% of revenue, compared with 183 million euros in the first half of 2014, or 10.1% of revenue.

2.5.3 Research and Development

Research and development expenses are capitalized if they meet the capitalization criteria established by IAS 38 and are recognized as research and development expenses if they do not.

In the income statement, research and development expenses appear below gross margin and represent non-capitalizable expenses incurred exclusively by the group; the expenses relating to programs funded wholly or partly by customers, together with projects carried out in partnerships where AREVA has commercial rights of use of the results, are recognized in the cost of sales.

(in millions of euros)	**H1 2015**	**Percentage of sales**	**H1 2014 pro forma**	**Percentage of sales**
Research and development recognized as expenses under gross margin, after RTC[1]	**55**	**2.8%**	**52**	**2.9%**
Of which expenses for mineral exploration and mining studies	18	-	19	-
Research and development recognized as expenses under gross margin, excluding expenses for mining studies and mineral exploration, after RTC[1]	**37**	**1.9%**	**33**	**1.8%**
RTC[1]	17	-	17	-
Research and development recognized as expenses under gross margin, excluding expenses for mining studies and mineral exploration, before RTC[1]	**54**	**2.8%**	**50**	**2.8%**
Capitalized research and development costs	25	1.3%	30	1.6%
Total	**79**	**4.1%**	**80**	**4.4%**
Number of registered patents	38	-		-

(1) Research tax credit

Taking capitalized development costs into account, the group had total research and development costs of 79 million euros in the first half of 2015, versus 80 million euros in the first half of 2014. This represents 4.1% of revenue in the first half, a decrease in relation to the first half of 2014, when it represented 4.4% of revenue. This is attributable to greater selectivity in research and development programs.

2.5.4 Marketing and sales, general and administrative expenses

Marketing and sales, general and administrative expenses totaled 127 million euros in the first half of 2015, down 24.3% compared with the first half of 2014. These expenses represented 6.6% of revenue in the first half of 2015, compared with 9.2% of revenue in the first half of 2014.

2.5.5 Other operating income and expenses

Other operating income and expenses represented a net expense of 59 million euros in the first half of 2015, compared with a net expense of 175 million euros in the first half of 2014. In the first half of 2015, they included in particular an operating expense of 12 million euros related to the Imouraren mining site.

2.5.6 Operating income

The group had a total of 7 million euros in operating income in the first half of 2015, compared with a loss of 212 million euros in the first half of 2014, when impairment for Comurhex II in the amount of 96 million euros and the negative impact of the treatment and recycling agreement signed with EDF in the amount of 95 million euros had been recognized.

No provision was constituted at June 30, 2015 for social measures under negotiation with the labor unions for the corporate and nuclear operations scope of the group in France and Germany because the criteria established in IAS 37 for the recognition of provisions for restructuring and related operations had not been met at that date. Detailed plans by subsidiary and by site will be communicated during the second half of 2015.

2.5.7 Net financial income

(in millions of euros)	H1 2015	H1 2014 pro forma
Net borrowing costs [(expense) / income]	**(90)**	**(74)**
Other financial income and expenses	**44**	**46**
Of which share related to end-of-lifecycle operations	140	117
Of which share not related to end-of-lifecycle operations	(96)	(71)
Net financial income	**(46)**	**(28)**

Net financial income totaled -46 million euros in the first half of 2015, compared with -28 million euros in the first half of 2014. Net borrowing costs came to -90 million euros in the first half of 2015, versus -74 million euros in the first half of 2014.

2.5.8 Income tax

The net tax expense for the first half of 2015 was -15 million euros, compared with net tax income of 10 million euros in the first half of 2014.

2.5.9 Share in net income of associates and joint ventures

(in millions of euros)	H1 2015	H1 2014 pro forma	2014 pro forma
ETC	(1)	(9)	(17)
ADWEN	(10)	-	-
Other joint ventures	(1)	1	3
Associates	1	1	(1)
Total	**(11)**	**(7)**	**(14)**

The share in net income of joint ventures and associates was -11 million euros in the first half of 2015, compared with -7 million euros in the first half of 2014.

2.5.10 Minority interests

The share in consolidated net income to minority interests was -5 million euros in the first half of 2015, an increase in relation to the first half of 2014, when it was -32 million euros.

2.5.11 Consolidated net income

The net loss attributable to owners of the parent was 206 million euros in the first half of 2015, compared with a net loss of 694 million euros in the first half of 2014.

The net loss after tax from discontinued operations totaled 146 million euros in the first half of 2015, compared with a loss of 489 million euros in the first half of 2014, broken down as follows:

- Net income from AREVA NP[1] rose 48 million euros over the period. It includes a provision of 39 million euros on a power plant modernization contract. The first half of 2014 had been impacted by a supplementary provision for losses at completion on another modernization contract in the amount of 90 million euros.
- The Wind Energy business increased by 173 million euros over the period due to the reduction of impairment and provisions. This result includes provisions for losses at completion and contingencies in the amount of 73 million euros. The first half of 2014 had been impacted mainly by provisions for losses at completion and provisions for contingencies in the amount of 232 million euros.

[1] Details on AREVA NP's results may be found in note 6 to the Condensed consolidated half-year financial statements for the period ended June 30, 2015

- The Nuclear Measurements and Solar Energy businesses improved by 122 million euros over the period. The first half of 2014 had been impacted mainly by impairment and provisions for losses at completion for the Solar business.

2.5.12 Comprehensive income attributable to equity owners of the parent

Comprehensive income attributable to owners of the parent was 66 million euros in the first half of 2015, compared with -863 million euros in the first half of 2014. The change is mainly due to the increase in net income attributable to owners of the parent and to the sharp increase in other items of comprehensive income.

2.6 Cash flow and change in net debt

2.6.1 Change in net debt

(in millions of euros)	**H1 2015**
Net debt at beginning of period (December 31, 2014)	**(5,809)**
Free operating cash flow	460
Cash flow from end-of-lifecycle operations	(12)
Cash flow from financing activities	(126)
Net cash flow from company operations held for sale	(380)
Income tax paid	(52)
Impact of the application of IFRS 5	(24)
Impact of currency translation	(122)
Other items	46
At June 30, 2015	
Net debt at end of period	**(6,019)**
Change in net debt over the first half of 2015	**(211)**

The group's net financial debt totaled 6.019 billion euros at June 30, 2015, compared with 5.809 billion euros at December 31, 2014.

Net cash flow from company operations amounted to -211 million euros in the first half of 2015. This amount consists mainly of the following items:

- net cash flow from company operations held for sale in the amount of -380 million euros;
- cash from financing activities in the negative amount of 126 million euros;
- a negative foreign exchange impact of 122 million euros;
- partly offset by positive operating cash flow in the amount of 460 million euros.

In the second half of 2015, the group expects the deterioration of net cash flow from company operations to accelerate, led primarily by the following items:

- a favorable delivery schedule over the first half of the year in the Mining BG and receipt of a large customer payment in the Back End BG;
- a reduction of cash optimization measures deployed in the first half, the favorable impacts of which are not reproducible;
- higher CAPEX in the second half (as anticipated), particularly in the Front End BG;
- deterioration of net cash flow from company operations held for sale related to the schedule for large project operations, particularly for the Olkiluoto 3 project in Finland.

2.6.2 Operating cash flows of the group

(in millions of euros)	**H1 2015**	**H1 2014 pro forma**
EBITDA	**306**	**243**
Percentage of revenue	*15.9%*	*13.4%*
Gains (losses) on disposals of operating assets	(3)	(4)
Change in operating WCR	485	124
Net operating Capex	(328)	(420)
Free operating cash flow	**460**	**(57)**

2.6.3 Operating cash flows by business

	EBITDA		**Change in operating WCR**		**Net operating Capex**		**Operating cash flow**	
(in millions of euros)	**H1 2015**	**H1 2014 pro forma**	**H1 2015**	**H1 2014 pro forma**	**H1 2015**	**H1 2014 pro forma**	**H1 2015**	**H1 2014 pro forma**
Mining	242	159	123	(61)	(124)	(220)	236	(122)
Front End	119	92	(221)	(183)	(111)	(137)	(213)	(228)
Back End	87	63	388	77	(85)	(56)	391	83
Corporate and other operations	(142)	(70)	196	291	(7)	(6)	47	210
Total	**306**	**243**	**485**	**124**	**(328)**	**(420)**	**460**	**(57)**

EBITDA rose in relation to the first half of 2014, going from 243 million euros in the first half of 2014 to 306 million euros in the first half of 2015.

The change in operating WCR contributed 485 million euros in the first half of 2015, compared with 124 million euros in the first half of 2014. In particular, this reflects inventory reductions in the Mining BG and the receipt of a large customer payment in the Back End BG for past services. In addition, cash optimization actions taken at the group level (factoring transactions, monetization of tax credit receivables for research and employment competitiveness) also contributed to this change.

The group's gross operating CAPEX totaled 341 million euros in the first half of 2015, compared with 423 million euros in the first half of 2014. This decrease is in line with the progress in the construction of the Georges Besse II and Comurhex II plants and to the mothballing of the Imouraren mining project in Niger.

Operating cash flow rose 517 million euros compared with the first half of 2014 (460 million euros in the first half of 2015 versus -57 million euros in the first half of 2014).

2.6.4 Cash flows related to end-of-lifecycle operations

In the first half of 2015, cash flows related to end-of-lifecycle operations amounted to -12 million euros, compared with +118 million euros in the first half of 2014.

2.6.5 Other components of the change in net debt

Other components of the change in net debt totaled -659 million euros. For the most part, they consist of net cash flows from the operations of the company held for sale (-380 million euros), cash flows from financing activities (-126 million euros) and the impact of currency translation (-122 million euros).

2.7 Statement of financial position

(in millions of euros)	June 30, 2015	December 31, 2014
Assets	**23,655**	**20,188**
Net goodwill	1,311	3,667
Property, plant and equipment (PP&E) and intangible assets	9,801	10,986
End-of-lifecycle assets (third party share)	181	188
Assets earmarked for end-of-lifecycle operations	6,121	6,015
Investments in joint ventures and associates	93	143
Other non-current financial assets	549	273
Deferred taxes (assets – liabilities)	210	371
Operating working capital requirement	(1,739)	(1,830)
Assets of discontinued operations	7,128	375
Shareholders' equity and liabilities	**23,655**	**20,188**
Equity attributable to owners of the parent	(607)	(673)
Minority interests	385	428
Provisions for end-of-lifecycle operations (third party share)	181	188
Provisions for end-of-lifecycle operations (AREVA share)	6,485	6,797
Other provisions and employee benefits	3,485	5,975
Net debt	6,019	5,809
Liabilities of discontinued operations	6,272	392
Other assets and liabilities	1,435	1,272
Total – Condensed balance sheet	**23,655**	**20,188**

2.7.1 Borrowings, liquidity and share ownership

The group's net financial debt totaled 6.019 billion euros at June 30, 2015, compared with 5.809 billion euros at December 31, 2014. This increase in net debt is chiefly explained by negative net cash flow from company operations held for sale (-380 million euros), the impact of cash from financial transactions (-126 million euros), and a negative currency translation impact (-122 million euros), partly offset by operating cash flow from continuing operations (+460 million euros).

AREVA's bond issues outstanding totaled 5.9 billion euros at June 30, 2015. The group does not have a major debt repayment deadline before September 2016.

Items related to the status of liquidity are presented in chapter 2.1.4 Risk factors.

2.7.2 Equity

Shareholders' equity attributable to owners of the parent increased over the period, going from -673 million euros at December 31, 2014 to -607 million euros at June 30, 2015.

2.7.3 Operating working capital requirement

The group's operating working capital requirement was -1.739 billion euros at June 30, 2015, compared with -1.830 billion euros at December 31, 2014. In relation to June 30, 2014, when it totaled -1.801 billion euros, it fell 62 million euros, benefitting from optimization activities conducted in the group.

2.7.4 Assets and provisions for end-of-lifecycle operations

The change in the balance sheet from December 31, 2014 to June 30, 2015 with regard to assets and liabilities for end-of-lifecycle operations is summarized in the table below.

(in millions of euros)	**June 30, 2015**	**December 31, 2014**
Assets		
End-of-lifecycle assets	6,302	6,203
Third-party share	*181*	*188*
Earmarked financial assets	*6,121*	*6,015*
Shareholders' equity and liabilities		
Provisions for end-of-lifecycle operations	6,666	6,985
Provisions to be funded by AREVA	*6,485*	*6,797*
Provisions to be funded by third parties	*181*	*188*

Provisions for end-of-lifecycle operations at June 30, 2015 totaled 6.666 billion euros, compared with 6.985 billion euros at December 31, 2014.

Assets relating to these end-of-lifecycle operations totaled 6.302 billion euros at June 30, 2015, including 181 million euros in the third party share of end-of-lifecycle assets and 6.121 billion euros of financial assets dedicated by AREVA to these operations (including receivables).

At June 30, 2015, the coverage of activities subject to the French law of June 28, 2006 was 98.9%.

The nature of the commitments and the calculation of the provision are presented in note 8 to the consolidated financial statements.

2.7.5 Other provisions and employee benefits

The amount of other provisions and employee benefits was 3.485 billion euros at June 30, 2015, a decrease in relation to December 31, 2014.

The description of other provisions may be found in note 13 to the consolidated financial statements.

2.8 Review of the Business Groups

2.8.1 Mining

(in millions of euros)	**H1 2015**	**H1 2014 pro forma**	**Change 2015/2014**
Backlog	9,575	9,009	*+6.3%*
Revenue	738	457	*+61.3%*
Operating income	139	60	*+130.1%*
Percentage of revenue	*18.8%*	*13.2%*	*+5.6 pts.*
EBITDA	242	159	*+52.0%*
Percentage of revenue	*32.8%*	*34.8%*	*-2.0 pts.*
Operating cash flow	236	(122)	*+293.9%*

The Mining BG had 9.575 billion euros in backlog at June 30, 2015. In a still uncertain natural uranium context, order uptake was limited to 245 million euros in the first half of 2015, despite the slight increase in spot prices in the natural uranium market (from $35.50 per pound at the end of December 2014 to $36.40 per pound at the end of June 2015).

The Mining BG had revenue of 738 million euros in the first half of 2015, representing a sharp increase of 61.3% compared with the first half of 2014 (+49.9% like for like). Foreign exchange had a positive impact of 35 million euros. This change is attributable to the strong growth in volumes sold over the first half (+52.2%), particularly to Asian and American customers, due to a favorable delivery schedule over the period

Operating income in the Mining BG totaled 139 million euros, versus 60 million euros in the first half of 2014, for an increase of 79 million euros, chiefly due to increased activity over the period.

EBITDA from the Mining BG reflects the business growth over the period.

2.8.2 Front End

NB: Front End includes the Chemistry-Enrichment business following application of IFRS 5 to the fuel business

(in millions of euros)	**H1 2015**	**H1 2014 pro forma**	**Change 2015/2014**
Backlog	12,162	12,683	*-4.1%*
Revenue	347	400	*-13.3%*
Operating income	(23)	(72)	*+68.3%*
Percentage of revenue	*ns*	*ns*	*ns*
EBITDA	119	92	*+29.9%*
Percentage of revenue	*34.4%*	*23.0%*	*+11.4 pts.*
Operating cash flow	(213)	(228)	*+6.8%*

The Front End BG had 12.162 billion euros in backlog at June 30, 2015. The order uptake for the first half of 2015 amounted to 134 million euros.

Revenue in the Front End BG totaled 347 million euros, a decrease of 13.3% year on year (-14.2% like for like). Foreign exchange had a positive impact of 4 million euros. This decrease is attributable to a drop in enrichment volumes sold in France and to an unfavorable schedule for volumes sold internationally.

The Front End BG reported an operating loss of 23 million euros, compared with an operating loss of 72 million euros in the first half of 2014, for increased operating income of 49 million euros. In the first half of 2015, in light of persistently stagnant enrichment market prices, it included a provision in the amount of 86 million euros for a SWU purchase contract, since firm commitments on sales prices made under this contract do not appear to be matched by the market price outlook for the period in question. In the first half of 2014, it included impairment in the amount of 96 million euros for the Comurhex II project.

EBITDA from the Front End BG improved due to higher production volumes at the Tricastin site, including the Georges Besse II plant, together with lower costs

2.8.3 Back End

(in millions of euros)	**H1 2015**	**H1 2014 pro forma**	**Change 2015/2014**
Backlog	9,386	9,621	*-2.5%*
Revenue	732	695	*+5.2%*
Operating income	(16)	(83)	*+81.4%*
Percentage of revenue	*ns*	*ns*	*ns*
EBITDA	87	63	*+39.7%*
Percentage of revenue	*11.9%*	*9.0%*	*+2.9 pts.*
Operating cash flow	391	83	*+371.3%*

The Back End BG had 9.386 billion euros in backlog at June 30, 2015. A total of 450 million euros was added to the backlog in the first half of 2015, due in particular to strong marketing and sales activity in the Dismantling & Services Department in France and to a large contract for cask supply in the Logistics business.

The Back End BG had revenue of 732 million euros, an increase of 5.2% compared with the same period in 2014 (+2.5% like for like). Foreign exchange had a positive impact of 18 million euros. Revenue reflects increased activity on international projects in the United States and the United Kingdom and a higher volume with EDF in the Dismantling & Services businesses, an increase whose effects were partly dimmed by the lower availability of the industrial production sites.

The Back End BG recorded an operating loss of 16 million euros in the first half of 2015, representing increased operating income in relation to the first half of 2014 (-83 million euros), which had reflected the one-time negative impact of the treatment and recycling agreement with EDF.

EBITDA from the Back End BG rose over the period, due in particular to the initial results from the competitiveness plan launched at the end of 2014.

2.8.4 Corporate and other operations

(in millions of euros)	**H1 2015**	**H1 2014 pro forma**	**Change 2015/2014**
Backlog	1,178	921	*+27.9%*
Revenue	114	264	*-57.0%*
Operating income	(94)	(118)	*+20.0%*
Percentage of revenue	*ns*	*ns*	*ns*
EBITDA	(142)	(70)	*-101.9%*
Percentage of revenue	*ns*	*ns*	*ns*
Operating cash flow	47	210	*-77.8%*

Corporate and other operations had 1.178 billion euros in backlog at June 30, 2015. The order uptake for the first half of 2015 amounted to 199 million euros.

Corporate and other operations had revenue of 114 million euros in the first half of 2015, a decrease of 57.0% compared with the first half of 2014 (-45.0% like for like). The consolidation scope had a negative impact of 58 million euros due to the sales of Euriware and of AREVA TA's CCT (transportation instrumentation and control) and FAL (aviation assembly lines) businesses. The change in revenue is due to an accounting adjustment to the revenue generated by the Jules Horowitz research reactor construction project for the CEA; it relates to provisions in 2014 for excess costs in the Propulsion & Research Reactors business.

Corporate and other operations had an operating loss of 94 million euros, versus a loss of 118 million euros in the first half of 2014, for an increase in operating income of 24 million euros, mainly due to a reduction in corporate costs.

EBITDA from Corporate and other operations fell over the period due to the accounting adjustment for the Jules Horowitz research reactor construction project (see above).

2.9 Events subsequent to year end

There were no events subsequent to the end of the period other than those mentioned in note 1.

2.10 Outlook

On March 4, 2015, AREVA set the following objective for 2015 (Data at constant consolidation scope and foreign exchange, excluding the impacts of asset sales, equity-based transactions and refinancing):

- a reduction in organic revenue of up to -5%;
- in a business environment that is slightly down and considering the expenses remaining on the three large projects in a loss situation, net cash flow of from -1.3 to -1.7 billion euros, excluding the competitiveness plan and related deployment costs.

AREVA confirms its 2015 objective of net cash flow from company operations as stated above.

The goal of the group's transformation plan is to enable AREVA to finance all of the company's needs in the mid-term.

3 Statutory Auditors' report on the half-year financial information for the period of January 1 to June 30, 2015

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AREVA

Société anonyme

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Statutory Auditors' review report

on the first half-yearly financial information for 2015

For the period January 1 to June 30, 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of article L.451-1-2 III of the French monetary and financial code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of AREVA, for the period from 1 January to 30 June 2015; and
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of your Board of directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – standard of the IFRS as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the following points set out in the notes to the condensed half-yearly consolidated financial statements:

- Note 1 which describes the context of the closing of the consolidated accounts, the Group AREVA liquidity and the assessment of the going concern principle;
- Note 1 “Highlights of the first half-year”, Note 2 “Accounting principles” and Note 6 “Items related to discontinued operations” which describes the accounting treatment and effects of the contemplated transaction with EDF for the purpose of the disposal of a majority stake of AREVA NP;
- Note 6 “Items related to discontinued operations” which describes the reasons that led Areva to apply paragraph 32 of IAS 11 as from the second half of 2013 and the methods of recognition applicable to the contract to build the Olkiluoto 3 (“OL3”) EPR reactor. In addition, this note specifies the conditions of completion of this contract and the sensitivity of the income at completion to legal risks, as well as to the operational conditions for the end of construction and testing until the reactor is put into service
- Note 8 “end-of-life cycle operations“ which describes the procedures for revision of the provisions for end-of-life cycle operations and their sensitivity to the assumptions used in terms of technical processes, costs, outflows schedules, inflation and discount rates.

II. Specific verification

We have also verified the information presented in the interim management report in respect of the condensed half-yearly financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-yearly financial statements.

Paris-La Défense,

29 July 2015

The Statutory Auditors

French original signed by:

MAZARS		ERNST & YOUNG AUDIT	
Cédric Haaser	Jean-Louis Simon	Aymeric de La Morandière	Jean Bouquot

4 Condensed consolidated financial statements for the period ended June 30, 2015

Consolidated statement of income

(in millions of euros)	Note	1st half 2015	1st half 2014*	Year 2014 *
Revenue		**1 930**	**1 817**	**4 321**
Other income from operations		8	2	5
Cost of sales		(1,690)	(1,636)	(4,243)
Gross margin		**248**	**183**	**83**
Research and development expenses		(55)	(52)	(135)
Marketing and sales expenses		(30)	(34)	(69)
General and administrative expenses		(97)	(134)	(230)
Other operating expenses	*3*	(76)	(199)	(1,128)
Other operating income	*3*	17	24	35
Operating income		**7**	**(212)**	**(1,443)**
Share in net income of joint ventures and associates	*9*	(11)	(7)	(14)
Operating income after share in net income of joint ventures and associates		**(4)**	**(220)**	**(1,457)**
Income from cash and cash equivalents		11	18	32
Gross borrowing costs		(101)	(91)	(217)
Net borrowing costs		**(90)**	**(74)**	**(184)**
Other financial expenses		(200)	(197)	(454)
Other financial income		244	243	333
Other financial income and expenses		**44**	**46**	**(121)**
Net financial income	*4*	**(46)**	**(28)**	**(306)**
Income tax	*5*	**(15)**	**10**	**(587)**
Net income from continuing operations		**(65)**	**(237)**	**(2,349)**
Net income from discontinued operations	*6*	(146)	(489)	(2,496)
Net income		**(211)**	**(726)**	**(4,845)**
Including:				
Group:				
Net income from continuing operations		(62)	(215)	(2,349)
Net income from discontinued operations		(144)	(479)	(2,485)
Consolidated net income		**(206)**	**(694)**	**(4,834)**
Minority interests:				
Net income from continuing operations		(3)	(22)	0
Net income from discontinued operations		(2)	(10)	(11)
Net income attributable to minority interests		**(5)**	**(32)**	**(11)**
Number of shares outstanding		383,204,852	383,204,852	383,204,852
Average number of shares outstanding		383,204,852	383,204,852	383,204,852
Average number of treasury shares		906,852	806,667	857,551
Average number of shares outstanding, excluding treasury shares		382,298,000	382,398,185	382,347,301
Earnings per share from continuing operations (in euros)		-0.16	-0.56	-6.14
Basic earnings per share		-0.54	-1.81	-12.64
Consolidated net income per diluted share [1]		-0.54	-1.81	-12.64

(1) AREVA has not issued any instruments with a dilutive impact on share capital

** In application of IFRS 5, the first half 2014 and fiscal year 2014 financial statements were restated in relation to the data published for the previous year. The impacts of these restatements are detailed in Note 20.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	**1st half 2015**	**1st half 2014***	**Year 2014 ***
Net income	**(211)**	**(726)**	**(4,845)**
Comprehensive income items not recyclable through profit and loss	**174**	**(122)**	**(261)**
Actuarial gains and losses on the employee benefits of consolidated companies	188	(117)	(205)
Income tax related to non-recyclable items	(54)	34	28
Share in other non-recyclable items of comprehensive income from associates and joint ventures, net of tax	(7)	(4)	(16)
Non-recyclable items related to discontinued operations, net of tax	48	(35)	(67)
Comprehensive income items recyclable through profit and loss	**106**	**(84)**	**(85)**
Currency translation adjustments on consolidated companies	104	(41)	57
Change in value of available-for-sale financial assets	144	(57)	(77)
Change in value of cash flow hedges	(51)	(11)	(114)
Income tax related to recyclable items	(41)	22	43
Share in other recyclable items of comprehensive income from associates and joint ventures, net of tax	-	-	(0)
Recyclable items related to discontinued operations, net of tax	(50)	**3**	5
Total other items of comprehensive income (net of income tax)	**280**	**(206)**	**(346)**
Comprehensive income	**69**	**(932)**	**(5,190)**
- Attributable to equity owners of the parent	66	(863)	(5,155)
- Attributable to minority interests	4	(69)	(36)

** In application of IFRS 5, the first half 2014 and fiscal year 2014 financial statements were restated in relation to the data published for the previous year. The impacts of these restatements are detailed in Note 20.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in millions of euros)	Note	June 30, 2015	December 31, 2014
Non-current assets		**18 267**	**21 709**
Goodwill on consolidated companies	7	1,311	3,667
Intangible assets	7	1,838	2,267
Property, plant and equipment	7	7,963	8,719
End-of-lifecycle assets (third party share)	8	181	188
Assets earmarked for end-of-lifecycle operations	8	6,121	6,015
Investments in joint ventures and associates	9	93	143
Other non-current assets	10	549	273
Deferred tax assets	5	210	437
Current assets		**11,680**	**8,211**
Inventories and work-in-process		1,320	2,020
Trade accounts receivable and related accounts		852	2,079
Other operating receivables		851	1,786
Current tax assets		51	85
Other non-operating receivables		94	104
Cash and cash equivalents	11	1,294	1,686
Other current financial assets		90	76
Assets of discontinued operations	6	7,128	375
Total assets		**29,947**	**29,920**

LIABILITIES AND EQUITY

(in millions of euros)	Note	June 30, 2015	December 31, 2014
Equity and minority interests (1)		**(223)**	**(244)**
Share capital		1,456	1,456
Consolidated premiums and reserves		(1,946)	(1,738)
Actuarial gains and losses on employee benefits		(409)	(583)
Deferred unrealized gains and losses on financial instruments		251	204
Currency translation reserves		42	(12)
Equity attributable to owners of the parent		**(607)**	**(673)**
Minority interests		385	428
Non-current liabilities		**15,193**	**16,527**
Employee benefits	12	1,541	2,235
Provisions for end-of-lifecycle operations	8	6,666	6,985
Other non-current provisions	13	274	267
Share in net negative equity of joint ventures and associates	9	84	103
Long-term borrowings	14	6,628	6,870
Deferred tax liabilities	5	-	66
Current liabilities		**14,977**	**13,638**
Current provisions	13	1,670	3,473
Short-term borrowings	14	869	624
Advances and prepayments received		3,237	4,444
Trade accounts payable and related accounts		717	1,824
Other operating liabilities		2,091	2,750
Current tax liabilities		59	58
Other non-operating liabilities		63	73
Liabilities of discontinued operations	6	6,272	392
Total liabilities and equity		**29,947**	**29,920**

(1) Including other items of total comprehensive income related to discontinued operations not recyclable to the statement of income in the amount of (114) million euros and recyclable to the statement of income in the amount of (125) million euros at June 30, 2015.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	1st half 2015	1st half 2014*	2014*
Net income for the period	**(211)**	**(726)**	**(4,845)**
Less: income from discontinued operations	146	489	2,496
Net income from continuing operations	**(65)**	**(237)**	**(2,349)**
(Profit) / loss of joint ventures and associates	11	7	14
Net amortization, depreciation and impairment of PP&E and intangible assets and marketable securities maturing in more than 3 months	302	396	1,281
Goodwill impairment losses	-	-	214
Net increase in (reversal of) provisions	(140)	(79)	400
Net effect of reverse discounting of assets and provisions	127	156	347
Income tax expense (current and deferred)	15	(10)	587
Net interest included in borrowing costs	84	75	165
Loss (gain) on disposals of fixed assets and marketable securities maturing in more than 3 months; change in fair value	(107)	(104)	(147)
Other non-cash items	8	(7)	(18)
Dividends from joint ventures and associates	1	-	2
Cash flow from operations before interest and taxes	**235**	**197**	**496**
Net interest received (paid)	(30)	(13)	(159)
Income tax paid	(52)	(52)	(117)
Cash flow from operations after interest and tax	**153**	**131**	**220**
Change in working capital requirement	491	147	106
NET CASH FROM OPERATING ACTIVITIES	**644**	**278**	**326**
Investment in PP&E and intangible assets	(341)	(423)	(987)
Loans granted and acquisitions of non-current financial assets	(1,667)	(661)	(1,146)
Acquisitions of shares of consolidated companies, net of acquired cash	-	-	-
Disposals of PP&E and intangible assets	13	3	8
Loan repayments and disposals of non-current financial assets	1,619	769	1,241
Disposals of shares of consolidated companies, net of disposed cash	-	-	-
NET CASH USED IN INVESTING ACTIVITIES	**(376)**	**(312)**	**(885)**
Share issues in the parent company and share issues subscribed by minority shareholders in consolidated subsidiaries	-	-	-
Treasury shares sold/(acquired)	(1)	(2)	(2)
Transactions with minority interests	-	-	(8)
Dividends paid to shareholders of the parent company	-	-	-
Dividends paid to minority shareholders of consolidated companies	(47)	-	(30)
Increase in borrowings	(314)	329	156
NET CASH USED IN FINANCING ACTIVITIES	**(362)**	**327**	**116**
(Increase) decrease in securities recognized at fair value through profit and loss	35	8	(2)
Impact of foreign exchange movements	20	9	47
NET CASH FROM DISCONTINUED OPERATIONS	**(255)**	**997**	**370**
CHANGE IN NET CASH	**(293)**	**1,308**	**(26)**
Net cash at the beginning of the year	**1,556**	**1,582**	**1,582**
Cash at the end of the year	1,294	3,070	1,686
Less: short-term bank facilities and non-trade current accounts (credit balances)	(49)	(180)	(122)
Net cash from discontinued operations	17	(1)	(9)
Net cash at the end of the year	**1,263**	**2,890**	**1,556**

** In application of IFRS 5, the first half 2014 and fiscal year 2014 financial statements were restated in relation to the data published for the previous year. The impacts of these restatements are detailed in Note 20.*

"Net Cash" taken into account in establishing the Statement of Cash Flows consists of:

- "cash and cash equivalents" (see Note 11), which includes:
  - cash balances and non-trade current accounts, and
  - risk-free marketable securities initially maturing in less than three months, and money market funds;
- after deduction of short-term bank facilities and non-trade current accounts included in current borrowings (see note 14).

STATEMENT OF CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in millions of euros)	Number of shares outstanding	Share capital	Premiums and consolidated reserves	Actuarial gains and losses on employee benefits	Deferred unrealized gains and losses on financial instruments	Currency translation reserves	**Equity attributable to equity holders of the parent**	Minority interests	**Total equity and minority interests**
January 1, 2014	***382,432,527***	**1,456**	**3,198**	**(317)**	**330**	**(94)**	**4,574**	**408**	**4,982**
Net income for the first half of 2014			(694)				**(694)**	(32)	**(726)**
Other items of comprehensive income				(113)	(43)	(12)	**(169)**	(36)	**(206)**
Comprehensive income			**(694)**	**(113)**	**(43)**	**(12)**	**(863)**	**(69)**	**(932)**
Dividends paid (**)								(29)	**(29)**
Treasury shares sold (acquired)	*(111,062)*		(2)				**(2)**		**(2)**
Other transactions with shareholders			(2)	1		3	**1**	(7)	**(6)**
June 30, 2014	***382,321,465***	**1,456**	**2,500**	**(429)**	**287**	**(104)**	**3,710**	**303**	**4,013**
January 1, 2015	***382,324,869***	**1,456**	**(1,738)**	**(583)**	**204**	**(12)**	**(673)**	**428**	**(244)**
Net income for the first half of 2015			(206)				**(206)**	(5)	**(211)**
Other items of comprehensive income				173	47	54	**272**	8	**280**
Comprehensive income			**(206)**	**173**	**47**	**54**	**66**	**4**	**69**
Dividends paid (**)							**0**	(47)	**(47)**
Treasury shares sold (acquired)	*(31,004)*		(0)				**(0)**		**(0)**
Other transactions with shareholders			(2)	1	(0)	1	**0**	(0)	**0**
June 30, 2015	***382,293,865***	**1,456**	**(1,946)**	**(409)**	**251**	**42**	**(607)**	**385**	**(223)**
(**) Dividend paid per share (in euros):									
in 2014 from 2013 net income			none						
in 2015 from 2014 net income			none						

SEGMENT INFORMATION

DATA BY BUSINESS SEGMENT

1st half 2015

(in millions of euros)	Mining	Front End	Back End	Corporate, other operations and eliminations	**Total Group**
Gross sales revenue	742	355	899	(66)	1,930
Inter-segment sales	(4)	(8)	(167)	179	-
Contribution to consolidated sales	738	347	732	114	1,930
EBITDA	242	119	87	(142)	306
% of gross revenue	*32.6%*	*33.6%*	*9.7%*	*n.a.*	*15.9%*

Revenue in the first half of 2015, excluding billing of corporate costs, earned by the group's entities from entities classified as “discontinued operations” (see notes 1 and 6) totaled 150 million euros. This intragroup revenue was eliminated in consolidation.

1st half 2014*

(in millions of euros)	Mining	Front End	Back End	Corporate, other operations and eliminations	**Total Group**
Gross sales revenue	462	442	828	85	1,817
Inter-segment sales	(4)	(42)	(133)	179	-
Contribution to consolidated sales	457	400	695	264	1,817
EBITDA	159	92	63	(70)	243
% of gross revenue	*34.5%*	*20.8%*	*7.5%*	*n.a.*	*13.4%*

2014*

(in millions of euros)	Mining	Front End	Back End	Corporate, other operations and eliminations	**Total Group**
Gross sales revenue	1,304	1,040	1,838	139	4,321
Inter-segment sales	(7)	(52)	(307)	366	-
Contribution to consolidated sales	1,297	988	1,531	505	4,321
EBITDA	451	245	232	(110)	818
% of gross revenue	*34.6%*	*23.5%*	*12.6%*	*n.a.*	*18.9%*

* In application of IFRS 5, segment information for the first half 2014 and fiscal year 2014 was restated in relation to the data published for the previous year.

Approximately 30% of the group’s consolidated revenue for the three periods presented was received from one customer, the EDF group.

EBITDA is equal to operating income plus amortization, depreciation and operating provisions (including provisions for impairment of working capital items), net of recaptures. EBITDA excludes the cost of end-of-lifecycle operations performed in nuclear facilities during the year (facility dismantling, waste retrieval and packaging).

CONTRIBUTION TO CONSOLIDATED REVENUE BY BUSINESS SEGMENT AND CUSTOMER LOCATION

	1st half 2015				
(in millions of euros)	Mining	Front End	Back End	Other	**Group total**
France	122	126	507	88	**843**
Europe (excluding France)	31	59	84	10	**184**
North & South America	186	103	109	7	**405**
Asia-Pacific	363	49	29	8	**449**
Africa / Middle East	36	9	3	0	**49**
Total	**738**	**347**	**732**	**114**	**1,930**

	1st half 2014*				
(in millions of euros)	Mining	Front End	Back End	Other	**Group total**
France	121	181	474	226	**1,002**
Europe (excluding France)	33	52	105	11	**201**
North & South America	73	125	76	14	**288**
Asia-Pacific	208	36	38	11	**293**
Africa / Middle East	23	6	2	1	**32**
Total	**457**	**400**	**695**	**264**	**1,817**

	2014*				
(in millions of euros)	Mining	Front End	Back End	Other	**Group total**
France	220	313	957	434	**1,925**
Europe (excluding France)	188	170	283	22	**663**
North & South America	260	326	205	23	**815**
Asia-Pacific	598	166	81	22	**868**
Africa / Middle East	30	12	5	3	**50**
Total	**1,297**	**988**	**1,531**	**505**	**4,321**

(*) In application of IFRS 5, revenue information for the first half 2014 and fiscal year 2014 was restated in relation to the data published for the previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2015

All amounts are presented in millions of euros unless otherwise indicated. Certain totals may include rounding differences.

NOTE 1 - CONTEXT OF THE FINANCIAL STATEMENTS

MAJOR EVENTS IN THE FIRST HALF OF THE YEAR

The first half of 2015 was marked by two major events:

- measures were announced on March 4, 2015 during the publication of the financial statements for 2014;
- directions concerning the transformation of the French nuclear industry were announced by the President of the French Republic on June 3, 2015, and discussions were subsequently initiated for their implementation.

With the publication of the group's financial results for 2014 showing a net loss of 4.8 billion euros and negative equity, AREVA announced several actions:

- Development of a strategic road map with three objectives: refocus on core nuclear processes, redefine the partnership with EDF and reinforce the development of the group's presence in China;
- Implementation of a competitiveness plan targeting 1 billion euros in savings by 2017;
- Establishment of social dialogue;
- Preparation of a financing plan for 2015-2017 by the time the half-year financial statements are published;
- The 2015 financial outlook for the group: reduction in organic revenue of up to 5% in organic sales revenue and net cash flow excluding the impact of the competitiveness plan of between -1.3 and -1.7 billion euros.

The radical reform of the French nuclear industry includes in particular the following points:

- Combining the design, project management and marketing operations for new reactors of EDF and AREVA in a specialized company;
- Subject to the signature of a global strategic partnership agreement with AREVA, EDF would become the majority shareholder of the joint AREVA NP subsidiary, which brings together the industrial operations of reactor construction, fuel assembly and services to the installed base. AREVA will retain a strategic interest in the company through a shareholders' agreement.
- This plan should also allow discussions between EDF and AREVA aimed at reducing the risks of large projects in progress carried out by AREVA NP, in the interests of all participants in the French nuclear industry.
- Capital increase of AREVA to which the State will contribute.

AREVA has begun implementing the strategic roadmap it announced on March 4, 2015. Concerning the redefinition of the partnership with EDF:

- AREVA and EDF are working on the terms of their cooperation in order to optimize the performance of the French reactor fleet, the development of the French nuclear industry, and its global influence (strategic cooperation agreement).
- AREVA and EDF continue their discussions with a view to the sale of at least 75% of AREVA NP to EDF. Following a two-month period of discussion, AREVA and EDF signed a preliminary memorandum of understanding on July 29 presenting the principal terms and conditions of the plan in order to finalize definitive agreements, once the opinions of the social authorities of AREVA and EDF have been received. The objective of the parties is to carry out this transaction in 2016 once the regulatory authorizations have been received [and the other conditions precedent of the transaction have been lifted].
- AREVA would keep a strategic interest in AREVA NP limited to 25%, with which governance rights would be associated suited to AREVA's status as a strategic minority shareholder.
- In addition, at EDF's request, finalization of the transaction would remain subject in particular to (i) the favorable outcome of verifications in progress concerning the compliance of the Flamanville 3 reactor vessel and (ii) the definition of procedures to protect EDF from any risk related to the OL3 project.
- A joint entity for the design, project management and marketing of new reactors, combining in particular the nuclear engineering skills of AREVA NP and EDF, will be created.

In this context, AREVA considers that the conditions for implementing IFRS 5 accounting rule related to the discontinued operations of AREVA NP, including the OL3 project, have been met (see note 6).

ESTABLISHMENT OF SOCIAL DIALOGUE

Negotiations with the labor unions on the social components of the competitiveness plan began on May 7, 2015. The group announced an objective of reducing payroll expenses by 18% worldwide (15% in France) in three main action areas:

- Items of compensation
- Organization of working hours
- Workforce adjustments: elimination of 5,000 to 6,000 jobs, including 3,000 to 4,000 in France.

Following the announcements of May 7 of this year indicating a job reduction objective of 5,000 to 6,000 jobs throughout the group by the end of 2017 (including 3,000 to 4,000 in France), two major dialogues were initiated with the labor unions in France and in Germany. In France, on May 12, negotiations were opened on a "social contract for transition 2015-2017". A first agreement on method concerning employment management and organization of the social dialogue for the 2015-2017 period was signed with two labor unions on July 23. However, three labor unions exercised their right to object on July 27. The agreement on employment management procedures, which has been under negotiation since the month of June, should enable AREVA to begin a voluntary departure process in six of its companies in France at the start of October. Detailed plans by subsidiary and by site will be communicated during the second half of 2015.

In view of the postponement to the second half of 2015 of the start of Job Savings Plans procedures in applicable companies, the conditions prescribed by IAS 37 for recognition of a provision for restructuring had not been met at June 30, 2015 in the scope of the corporate and nuclear operations.

LIQUIDITY AND GOING CONCERN

At June 30, 2015, the liquidity risk is covered until the end of 2015 by:

- A positive gross cash position of 1.3 billion euros (versus 1.7 billion euros at December 31, 2014). Gross cash was kept at this level through a combination of optimization activities initiated during the half year (strengthened cash management, implementation of the competitiveness plan, factoring transactions and the sale of tax credit receivables for research and employment competitiveness);
- an unused balance of confirmed bilateral lines of credit maturing in 2016 and 2017 in the amounts of 50 million euros and 795 million euros respectively, in addition to an unused 1.25-billion-euro syndicated line of credit maturing in 2018. As announced during the presentation of annual results on March 4, 2015, AREVA is considering drawing on its credit lines during the second half of 2015.

At June 30, 2015, current financial debt totaled 869 million euros, consisting of:

- derivatives in the amount of 235 million euros;
- interest on bond issues in the amount of 111 million euros;
- commercial paper in the amount of 21 million euros, payable in January 2016;
- the first installment of a loan granted by the European Investment Bank in the amount of 200 million euros, payable in December 2015;
- the second installment of a loan granted by the European Investment Bank in the amount of 200 million euros, payable in January 2016;
- payments due on the installment loan included in the structured financing for the Georges Besse II plant in the amount of 26 million euros (13 million euros in the second half of 2015 and 13 million euros in the first half of 2016).

The group's ability to operate as a going concern is thus assured for the next 12 months.

Beyond 12 months, and up to 36 months, significant debt installments are associated with the bond issues expiring in September 2016 and October 2017 in the residual nominal amounts of 975 million euros and 800 million euros respectively. In that time-frame, business continuity will be ensured by taking the measures set forth in the group's financing plan.

Its objective is to give the company the means to implement its transformation plan and, to present a financial profile enabling it to refinance in the markets on a long-term basis.

<u>Financing requirements of the company for the 2015-2017 period:</u>
An ad hoc committee was set up by the Board of Directors on June 5, composed of a majority of independent directors. Its mission is to study the different components of the financing plan and to ensure that it is in line with the needs of the company. The ad hoc committee is assisted by legal and financial counsel and will continue its work until implementation of the financing plan.

The ad hoc committee's work confirmed a financing requirement of approximately 7 billion euros for the 2015-2017 period.

<u>Sources of liquidity for the 2015-2017 period:</u>
To cover the financing requirement of approximately 7 billion euros for the 2015-2017 period, AREVA has identified several equity financing sources (independent of the use of lines of credit), the cumulative impact of which is estimated at approximately 1.2 billion euros:

- optimization of a minimum cash pooling threshold to a level sufficient to meet intra-annual changes in cash;
- optimized cash management;
- continued efforts to raise financing for industrial assets, potentially with a view to realization before the end of 2016.

In addition, AREVA will implement a program of other asset disposals with an objective of approximately 0.4 billion euros.

The company's residual requirements will be covered by the disposal of AREVA NP and by a capital increase. Concerning the sale of approximately 75% of AREVA NP, AREVA has reached an agreement with EDF on an indicative value for 100% of its equity of 2.7 billion euros at the closing date, excluding OL3. EDF and AREVA agreed that the cash treatment for the interim period between January 1, 2015 and the date of completion would be subject to a later agreement taking into account initiated measures and forecasts which will be introduced by the AREVA NP new management.

In view of the period of time that would be necessary before being able to carry these two transactions, AREVA confirms its intention of using all or part of its lines of credit to ensure its financing during the transition period (for which the maturities were given above).

In addition, within the trends specifiedon June 3 of this year, AREVA is examining methods for interim financing and in particular the reimbursement date for the bond tranche of 975 million euros maturing in September 2016.

<u>Capital increase:</u>
To give AREVA, in addition to financing plan measures, a financial profile enabling it to refinance all the company needs in the mid terms, a significant capital increase will be necessary.

The size of the capital increase will be given on mid-November at the latest in addition to the other measures of the financing plan of the Group. The capital increase should be carried out in 2016 and will be open to all shareholders;

in compliance with European regulations, the State, as a majority shareholder of AREVA, will take part in this transaction, as stated in the press release of June 3.

OTHER KEY EVENTS IN THE FIRST HALF

On March 9, 2015, AREVA and Gamesa signed final agreements to create Adwen, a joint venture in the field of offshore wind. Adwen is held in equal shares by the two companies. The joint venture will design, manufacture, install, commission and maintain offshore wind turbines.

AREVA and EDF reached an agreement in June 2014 on the main financial terms of the treatment and recycling contract for the 2013-2020 period. On May 27, 2015, AREVA and EDF agreed on the application of this agreement to the years 2013-2015. Discussions are ongoing in order to sign a detailed contract for the post-2015 period by the end of this year. Until this new contract is signed, the financial terms and volumes for the 2013-2020 period remain valid until March 2016.

As indicated in the paragraph entitled “Liquidity and going concern”, as part of its efforts to optimize cash management operations, AREVA sold trade and tax credit receivables to financial institutions during the first half year in the amounts of 220 million euros for receivables maturing in less than 60 days and of 70 million euros for receivables maturing in 2018. The sales are final and AREVA has no significant residual interest in these receivables.

NOTE 2 – ACCOUNTING PRINCIPLES

Preparation of the financial statements

The consolidated financial statements at June 30, 2015 approved by the Board of Directors on July 29, 2015 were prepared in accordance with the accounting standard IAS 34 on interim financial data. These condensed financial statements do not contain all of the information to be provided for year-end financial statements prepared in accordance with International Financial Reporting Standards (IFRS). They must be read in conjunction with the consolidated financial statements at December 31, 2014.

Material events for the period are described in the half-year activity report.

Accounting principles

Accounting principles used to prepare the condensed financial statements for the period ended June 30, 2015 are identical to those described in note 1 to the consolidated financial statements for the year ended December 31, 2014, except for IFRIC Interpretation 21 – Levies applicable to fiscal years as from January 1, 2015. The interpretation concerns the taxes due by an entity to a public authority in application of the regulation, other than those entering into the scope of IAS 12 – Income Taxes. IFRIC 21 specifies that the obligating event for a tax consists of the last activity rendering it payable. Adoption of this interpretation has the consequence of modifying the recognition method for certain taxes. In particular, taxes that become payable on a given date, when certain conditions are met, will be recognized in their full amount at that date and may not be spread out over time. The application of this interpretation has a negligible impact on AREVA's financial statements.

Specific methods used to prepare interim financial statements

- AREVA uses the method prescribed by IAS 34 to determine the tax expense for the interim period. This is calculated by applying the estimated average effective tax rate for the year to before-tax income for this period. However, a different tax rate was used for income items subject to a specific tax rate, such as gains on disposals of securities eligible for long-term capital gains tax treatment.

- Interim period expenses regarding retirement obligations and other employee benefits are calculated based on the discount rate determined at the end of the previous year, adjusted to reflect changes in plans and reductions, liquidations and other important non-recurring events. In applying this method to the first half of 2015, AREVA calculated the expense of the cost of services rendered during the period, the expense for discounting reversal of the provision, and the income related to the expected return on plan assets using the discount rate established at December 31, 2014. Changes in actuarial assumptions used to value benefit liabilities at June 30, 2015 are recognized under "Other comprehensive income items", essentially in their full amount. The discount rate used to value these commitments at June 30, 2015 is 2.15% for the Eurozone (versus 1.85% at December 31, 2014) and 3.75% for the dollar zone (compared with 3.75% at December 31, 2014).

Implementation of IFRS 5 rules related to discontinued operations

AREVA implements IFRS 5 with respect to discontinued operations, which represent significant amounts in its financial statements at June 30, 2015.

- The non-group assets and liabilities of these operations at June 30, 2015 are combined under two separate headings of the balance sheet, "assets of discontinued operations" and "liabilities of discontinued operations". The debts and receivables of these operations as concerns the group's other entities continue to be eliminated in consolidation. The comparative statement of financial position is not restated.

- The net income from these operations is presented under a separate heading of the statement of income, “net income from discontinued operations”. The statement of income for the comparative periods presented is restated symmetrically.

- The net cash from these operations is presented under a separate heading of the statement of cash flows, “net cash generated by discontinued operations”. The statement of cash flows for the comparative periods presented is restated symmetrically.

NOTE 3 - OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING EXPENSES

(in millions of euros)	1st half 2015	1st half 2014	2014
Restructuring and early retirement costs	(12)	(1)	1
Goodwill impairment losses	-	-	(214)
Impairment of other assets	(10)	(98)	(710)
Income on disposals of assets other than financial assets	-	-	(21)
Other operating expenses	(54)	(100)	(183)
Total other operating expenses	**(76)**	**(199)**	**(1,128)**

The impairment of goodwill and other assets is described in note 7.

In the first half of 2015, other operating expenses include in particular 12 million euros related to the Imouraren mining site.

In 2014, other operating expenses included:

- costs associated with the deferral of work to open the Imouraren site in the amount of 48 million euros;
- provisions and expenses associated with the streamlining of the group's office sites, mainly in France, in the amount of 41 million euros.

OTHER OPERATING INCOME

(in millions of euros)	1st half 2015	1st half 2014	2014
Income on sales of non-financial assets	3	3	12
Other operating income	13	20	23
Total other operating income	**17**	**24**	**35**

NOTE 4 – NET FINANCIAL INCOME

(in millions of euros)	**1st half 2015**	**1st half 2014**	**2014**
Net borrowing costs	**(90)**	**(74)**	**(184)**
Income from cash and cash equivalents	11	18	32
Gross borrowing costs	(101)	(91)	(217)
Other financial income and expenses	**44**	**46**	**(121)**
Share related to end-of-lifecycle operations	***140***	***117***	***30***
Income from disposal of securities earmarked for end-of-lifecycle operations	97	100	131
Dividends received	123	116	139
Income from receivables and discount reversal on earmarked assets	12	17	27
Impairment of securities	(1)	-	-
Impact of amended schedules	1	-	(40)
Discounting reversal expenses on end-of-lifecycle operations	(92)	(116)	(227)
Share not related to end-of-lifecycle operations	***(96)***	***(71)***	***(151)***
Foreign exchange gain (loss)	(14)	6	13
Income from disposals of securities and change in value of securities held for trading	6	-	4
Income from equity associates	-	-	-
Dividends received	-	-	-
Impairment of financial assets	(1)	(1)	(10)
Interest on contract prepayments	(33)	(36)	(71)
Financial income from pensions and other employee benefits	(17)	(23)	(49)
Other financial expenses	(42)	(21)	(57)
Other financial income	3	4	18
Net financial income	**(46)**	**(28)**	**(306)**

At December 31, 2014 and June 30, 2015, the net gain on sales of securities included in the share related to end-of-lifecycle operations did not include the recapture of lasting impairment allocated to the securities sold.

At June 30, 2015, the net gain on sales of securities included in the share not related to end-of-lifecycle operations includes 29 million euros for the recapture of lasting impairment allocated to securities sold.

NOTE 5 - INCOME TAXES

Income tax expense was 15 million euros in the first half of 2015.

The tax expense for the first half of 2015 was calculated by applying the estimated effective tax rate for the year to earnings before tax of each jurisdiction in tax matters, excluding disposals of securities over the period.

The effective tax rate forecasts for each jurisdiction in France include the value-added business tax (contribution sur la valeur ajoutée des entreprises, CVAE), net of income tax at the normal tax rate.

Changes in deferred taxes for the first half of 2015 in the amount of (95) million euros resulting from changes in the fair value of financial instruments and actuarial differences on employee benefits recognized in retained earnings were recognized directly in equity.

The change in deferred tax assets comes mainly from the reclassification into “assets of discontinued operations”. In view of the taxable income forecasts, the projected effective tax rate for the integrated AREVA SA group does not include any value for deferred tax assets that will be generated in 2015. This position is thus reflected in the tax expenses of the group recognized at June 30, 2015.

NOTE 6 – ITEMS RELATED TO DISCONTINUED OPERATIONS

The following operations meet the criteria of IFRS 5 for classification as assets and liabilities of discontinued operations at June 30, 2015:

- AREVA NP

As indicated in note 1, the President of the French Republic issued a press release on June 3, 2015 related to the redefinition of the French nuclear industry calling in particular for the combination of the design, project management and marketing activities for new reactors of EDF and AREVA in a dedicated company and acquisition of a majority stake in AREVA NP, which brings together the industrial operations of reactor construction, fuel assembly and services to the installed base.

As of the date of the financial statements, AREVA and EDF signed a memorandum of understanding presenting the principal terms and conditions of the project with a view to finalizing definitive agreements. This agreement will include the creation of a joint entity for the design, project management and marketing of new reactors, combining in particular the nuclear engineering skills of AREVA NP and EDF.

The objective of the parties is to carry out this transaction in 2016 once the regulatory authorizations have been received. In addition, without prejudice to the lifting of the customary conditions precedent, the finalization of the transaction remains, at EDF’s request, subject to (i) the favorable outcome of verifications in progress concerning the compliance of the Flamanville 3 reactor vessel and (ii) an agreement on methods of protecting EDF from any risk related to the OL3 project.

The scope of AREVA NP operations classified as “discontinued operations” at June 30, 2015 was determined based on discussions underway between AREVA and EDF. To date, AREVA has integrated the OL3 project in the consolidation scope of AREVA NP operations to be sold to EDF. The final classification of certain insignificant operations or other projects will be set in the second half. Thus, the final consolidation scope to which the provisions of IFRS 5 apply could be different from the consolidation scope selected for the half-year financial statements.

The impacts of the OL3 project on the balance sheet, income statement and cash flow statement of AREVA NP are indicated in the note “Information on contracts – Contract for the construction of the Olkiluoto 3 EPR reactor” hereunder.

- Nuclear Measurements

The transformation plan led by AREVA calls for the group to refocus on nuclear cycle processes. In June 2015, AREVA thus began disposing of its subsidiaries Canberra Industries Inc. and Canberra France S.A.S., which specialize in nuclear measurement instrumentation and systems. AREVA received tentative offers on July 20, 2015. This process will continue in the coming months. The sale should close in the first quarter of 2016.

- Solar Energy

AREVA's solar energy business division had already been classified in "discontinued operations" at June 30 and December 31, 2014. In the first half of 2015, AREVA continued the discussions begun in 2014 with a potential partner which is currently a minority shareholder of AREVA Solar Inc. in order to determine the conditions under which the business could continue with the acquisition of a majority interest in the company by said partner. These discussions are still in progress.

- Wind Energy

AREVA's solar energy business division had already been classified in "discontinued operations" at June 30 and December 31, 2014. On March 9, 2015, AREVA and Gamesa finalized the creation of the Adwen joint venture. Adwen's results are recognized using the equity method as from that date (see note 9). The results from January 1 to March 8, 2015 and income from deconsolidation are presented in "net income from discontinued operations". In addition, the impacts of execution of the guaranties granted by AREVA to Adwen are presented under that same heading.

NET INCOME AND NET CASH FROM DISCONTINUED OPERATIONS

(in millions of euros)	**1st half 2015**	**1st half 2014**	**2014**
Net income from operations held for sale	(88)	(489)	(2,496)
Net income from discontinued operations	(81)	-	-
Net income on disposals*	23	-	-
NET INCOME FROM DISCONTINUED OPERATIONS	**(146)**	**(489)**	**(2,496)**
Net cash from operations held for sale	(205)	997	370
Net cash from discontinued operations	(50)	-	-
NET CASH FROM DISCONTINUED OPERATIONS	**(255)**	**997**	**370**

1st half 2015

(in millions of euros)	Wind Energy	AREVA NP	Other operations	TOTAL
Revenue	**3**	**1,876**	**73**	**1,951**
Operating income	(58)	13	(24)	**(69)**
Share in net income of associates	-	(12)	-	**(12)**
Operating income after share in net income of joint ventures and associates	**(58)**	**1**	**(24)**	**(80)**
Net financial income	-	(65)	(2)	**(67)**
Income tax	-	1	-	**1**
Net income for the period	**(58)**	**(62)**	**(25)**	**(146)**

(in millions of euros)	Wind Energy	AREVA NP	Other operations	TOTAL
Net cash flow from operating activities	(142)	(137)	(22)	**(302)**
Net cash flow from investing activities	(44)	(56)	4	**(96)**
Net cash flow from financing activities	136	(7)	29	**158**
Other changes	-	(10)	(5)	**(15)**
CHANGE IN NET CASH	**(50)**	**(210)**	**6**	**(255)**

1st half 2014

(in millions of euros)	Wind Energy	AREVA NP	Other operations	TOTAL
Revenue	**60**	**1 991**	**79**	**2 131**
Operating income	(229)	(101)	(151)	(481)
Share in net income of associates	-	(1)	-	(1)
Operating income after share in net income of joint ventures and associates	**(229)**	**(101)**	**(151)**	**(481)**
Net financial income	(2)	(41)	(2)	(44)
Income tax	-	31	5	36
Net income for the period	**(231)**	**(110)**	**(147)**	**(489)**

(in millions of euros)	Wind Energy	AREVA NP	Other operations	TOTAL
Net cash flow from operating activities	(171)	131	(12)	(52)
Net cash flow from investing activities	(10)	(87)	(14)	(111)
Net cash flow from financing activities	10	1,183	(33)	1,160
Other changes	-	-	-	-
CHANGE IN NET CASH	**(171)**	**1 227**	**(58)**	**997**

2014

(in millions of euros)	Wind Energy	AREVA NP	Other operations	TOTAL
Revenue	**66**	**3,844**	**170**	**4,081**
Operating income	(474)	(1,225)	(158)	(1,856)
Share in net income of associates	-	(140)	-	(140)
Operating income after share in net income of joint ventures and associates	**(474)**	**(1,365)**	**(158)**	**(1,997)**
Net financial income	(5)	(91)	(6)	(102)
Income tax	17	(408)	(6)	(397)
Net income for the period	**(462)**	**(1,865)**	**(169)**	**(2,496)**

(in millions of euros)	Wind Energy	AREVA NP	Other operations	TOTAL
Net cash flow from operating activities	(258)	(165)	(15)	(438)
Net cash flow from investing activities	(19)	(187)	(24)	(230)
Net cash flow from financing activities	229	839	10	1,077
Other changes	-	(32)	(7)	(38)
CHANGE IN NET CASH	**(48)**	**454**	**(36)**	**370**

ASSETS AND LIABILITIES OF DISCONTINUED OPERATIONS

At June 30, 2015, assets and liabilities of discontinued operations were as follows:

(in millions of euros)	**June 30, 2015**
Non-current assets	**4,274**
Goodwill on consolidated companies	2,433
Property, plant and equipment and intangible assets	1,344
Assets earmarked for end-of-lifecycle operations	144
Investments in joint ventures and associates	117
Other non-current financial assets	54
Deferred tax assets	181
Current assets	**2,855**
Inventories and work-in-process	722
Trade receivables and other operating receivables	2,064
Current tax assets	15
Other non-operating receivables	9
Cash and cash equivalents	39
Other current financial assets	6
TOTAL ASSETS OF DISCONTINUED OPERATIONS	**7,128**

At June 30, 2015, 157 million euros in trade receivables had been disposed of.

(in millions of euros)	June 30, 2015
Non-current liabilities	**827**
Employee benefits	444
Provisions for end-of-lifecycle operations	297
Other non-current provisions	2
Share in net negative equity of joint ventures and associates	29
Long-term borrowings	8
Deferred tax liabilities	47
Current liabilities	**5,444**
Current provisions	1,987
Short-term borrowings	24
Advances and prepayments received	1,511
Trade payables and other operating liabilities	1,899
Current tax liabilities	4
Other non-operating liabilities	19
TOTAL LIABILITIES OF DISCONTINUED OPERATIONS	**6,272**

These amounts include the assets and liabilities of AREVA NP entities held for sale and of the Wind Energy, Solar Energy and Nuclear Measurements Business Units.

INFORMATION ON CONTRACTS

Contract for construction of the Olkiluoto 3 EPR reactor
The construction of the Olkiluoto 3 EPR reactor (the "Project") still gives rise, and has for several years, to constant and significant disagreements with TVO (the "Customer"), mostly because of the manner in which the latter applies the contract and does not comply with its obligations. This situation remains an important disruptive factor in the final stages of reactor construction, testing and commissioning, which require close cooperation with the Customer and gradual turnover of the plant to the latter. A willingness to cooperate on the development of a plan for completing this facility is emerging. In addition to the creation of two-person teams to resolve problems in an efficient manner, this plan includes the establishment of shared platforms to operationally integrate part of the Project team and the TVO team. It was finalized in June 2015 as planned.

On a legal level, the AREVA-Siemens Consortium (the "Consortium") continues to exercise its rights in connection with arbitration proceedings initiated in 2008.

The Consortium's claim for compensation for damages concerns a total amount of 3.5 billion euros. No income has been recognized in respect of this claim. TVO's claim against the Consortium amounts to approximately 2.3 billion euros. No provision has been constituted in respect of this claim. In fact, the Consortium and its counsel still believe that the allegations of intentional gross negligence set out by TVO against the Consortium in its claim remain unfounded. Following a series of hearings of witnesses and experts, the arbitration court is expected to render a decision at the end of 2015 or early 2016 on certain specific issues, without legally qualifying the facts presented or deciding the amounts to be awarded at the parties' requests. The arbitration court's final verdict is not expected until the end of 2017-early 2018.

On the operating level, in the first half of 2015, the Consortium remained focused on the project's critical path in the following areas:

- Finalization of platform testing of the instrumentation and control system, an activity that currently constitutes the project's critical path, has experienced no delays since April 2014.
- Platform testing in Erlangen of the cabinets for the production part (TXP) of the instrumentation and control systems is nearing completion in accordance with the forecasts and the cabinets will be able to be sent to the site no later than September 15, 2015.
- This will make it possible to start the operational testing phases on the scheduled dates, i.e. in May 2016.
- The other platform tests of the instrumentation and control system continue according to plan.

- The Project schedule was updated in April 2015, confirming the principle milestones of the critical path: flushing of the vessel in January 2017, fuel loading in April 2018 and commissioning of the power plant before the end of 2018 following a period of testing, subject to the compliance of TVO and STUK with their own obligations and the schedule associated with them.
- The operating license application (OLA) will be submitted to the customer TVO at the end of 2015 for submittal to STUK in April 2016.
- The electromechanical installation, electricity/instrumentation and control system, and piping activities in particular have resumed in accordance with the schedule and will continue throughout 2015 and until the end of the first half of 2016.
- Mobilization of the installation/assembly teams, all crafts combined, is being carried out in accordance with the applicable schedule.

Since the end of 2013, the project has entered a phase requiring close cooperation between TVO in its capacity as operator and the Consortium, as per the contract, to prepare and execute testing and commissioning activities in a concerted manner. However, AREVA continues to note a lack of commitment on the part of TVO to tackling these final phases of the project.

On an accounting level, since the end of 2013, AREVA considers that it does not have ability to value with sufficient reliability the costs at completion of the reactor testing and commissioning phases until completion of the project, as the valuation remains highly dependent on the degree of the Customer's cooperation and its compliance with its contractual obligations. This cost category is termed "undiscernible".

Except for costs identified above, AREVA is still able to assess the amount of the costs to be incurred to complete the reactor's construction. These types of costs are called "reliable".

With this background, and in accordance with the provisions of paragraph 32 of IAS 11, AREVA stopped recognizing contract revenue and costs based on percentage of completion; it now uses the following recognition methods:

- Revenue recognized for the contract is stabilized at the level reached at June 30, 2013. Additional revenue will be recognized only when a contract billing threshold not contested by the Customer is reached.
- Contract costs are expensed as incurred; only costs in the "reliable" categories that effectively contribute to the reactor's physical completion are charged against the provision for losses at completion for the contract. The amount of "undiscernible" costs recorded directly in expenses, as they did not contribute to the project's progress, was negligible in the first half of 2015.
- Costs at completion are updated for the half-year and year-end closings. For the first half of 2015, the cost at completion is stable compared with that estimated at the closing of the 2014 financial statements. The level of coverage for risks related to the completion of the reactor's physical construction and upcoming testing phases is generally stable, with provisions for contingencies declining 28 million euros (in net change). The loss at completion recognized at June 30, 2015 thus remains unchanged at 4.5 billion euros.

AREVA will revert to the percentage of completion method for the OL3 contract (paragraph 32 of IAS 11) when the group is again able to assess contract costs at completion with sufficient reliability. This will require a clear commitment from TVO, as the future reactor operator, during the power plant's testing and commissioning phases.

The table hereunder shows the contribution of the OL3 project to the balance sheet (excluding working capital requirement), to net income and to the net cash of AREVA NP, classified in "discontinued operations" in accordance with IFRS 5.

(in millions of euros)	**1st half 2015**	**1st half 2014**	**2014**
STATEMENT OF FINANCIAL POSITION			
Provision for loss at completion	1,116	n.a.	1,264
STATEMENT OF INCOME			
Net expenses included in operating income	-	(70)	(717)
STATEMENT OF CASH FLOWS			
Net cash flow from operating activities	(137)	(98)	(207)

Contract to modernize a nuclear power plant
During the first half of 2015, AREVA met several key milestones for this project: finalization of wiring and connections, implementation of the new version of the instrumentation and control system, and significant progress on testing. A schedule review confirmed the end of work in December 2015.
On June 23, 2015, one of the shareholders of the company that operates the power plant announced its intention to permanently shut down the reactor that is the subject of the project. Working closely with its customer, AREVA is continuing the project at the latter's request according to the terms of the contract.
In addition, income at project completion at June 30, 2015 was adjusted downward by 5 million euros to take into account the postponement and the lack of a specific date for resumption of the contract supplement related to work to increase the reactor's power.

FA3 contract
During the first half of 2015, the Institut de Radioprotection et de Sûreté Nucléaire (IRSN) announced a deviation in the results of quality testing on the reactor vessel of Flamanville 3. In order to provide technical proof of the absence of safety or security risks, AREVA prepared a new vessel design report presentation and at the end of May proposed a program of supplementary testing to the nuclear safety authority ASN. A Standing Group of experts will meet at the end of September to review the report before the test program is launched.

In preparing the financial statements for the period ended June 30, 2015, it was considered that:
- these items would bring the discussions underway with ASN and IRSN to a positive conclusion;
- pending the decision of the Standing Group of Experts, the initial schedule for carrying out the hydrotests of the closure head is maintained.

In connection with a hearing before the Senate on May 20, 2015, the Chairman of ASN stated that the safety authority would not take a position on the safety of the reactor vessel before the first quarter of 2016.

The cost of the test program on a sacrificial piece representative of the Flamanville 3 vessel was taken into account in the cost at completion of the project.

Angra 3
AREVA has decided to temporarily reduce its supply of engineering services, components and the instrumentation and control system of the Angra 3 nuclear reactor of Eletrobrás Eletronuclear (ETN) during the second quarter of 2015. This temporary reduction is due to a delay in payment for the activities carried out in the first half of 2015.

However, the expenses incurred during the first half of 2015 were funded by the amounts collected since the start of the project.
AREVA will resume its project-related activities once ETN has paid down its outstanding debt, has firmed up a financing solution, and has provided the necessary information on this subject.

Adwen
Since Adwen could find itself exposed to impacts from projects which have already executed or are being executed, AREVA agreed to provide it with certain guarantees in this regard.

These are first and foremost guarantees relating to the past: deterioration of profit margins on projects in progress to supply turbines to GlobalTech One and Borkum West II. This guarantee was given without a financial cap for a period of five years as from the creation of the joint venture. Guarantees were also given for disputes, litigation and claims relating to operations prior to closing but unrelated to projects under execution, capped at 25 million euros for a period of 18 months. AREVA paid a total of 74 million euros to Adwen for these guarantees between March 9, when the joint venture was created, and June 30, 2015.

Lastly, concerning operations to come as of the date of closing, AREVA will indemnify the joint venture for potential losses related to maintenance contracts for the Alpha Ventus, GlobalTech One and Borkum West II wind farms as well as for the future Wikinger project, up to the limit of 130 million euros and at 85% of this amount for a period of five years as from the commissioning of the turbines (except for Alpha Ventus, which is already in service). Moreover, AREVA will cover 100% of any manufacturing defects for the Wikinger project for five years as from commissioning, in a maximum amount of 70 million euros.

During the first half of 2015, a provision in the amount of 133 million euros was recognized as of the date of Adwen's creation; this amount is included in the income from the disposal of the Wind Energy business. An additional provision of 73 million euros was made after that date; this amount is included in net income from discontinued operations at June 30, 2015. The amount of the guarantees is likely to change as a function of progress on startup and deployment of maintenance contracts.

NOTE 7 – GOODWILL AND PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

GOODWILL

(in millions of euros)	**December 31, 2014**	Increase	Disposals	Assets of discontinued operations	Currency translation adjust-ments and other	Impairment	**June 30, 2015**
Mining	797				66		**863**
Front End	161				-		**161**
Back End	227				1		**228**
Other operations	2,482			(2,433)	10		**59**
TOTAL	**3,667**	**-**	**-**	**(2,433)**	**77**	**-**	**1,311**

NET INTANGIBLE ASSETS

(in millions of euros)	**December 31, 2014**	Increase	Net increase in depreciation / Impairment*	Currency translation adjustments	Assets of discontinued operations	Other changes	**30 June 2015**
Pre-mining expenses	**1,079**	37	(42)	18	-	10	**1,102**
R&D expenses	**370**	25	(24)	3	(293)	-	**80**
Mineral rights	**0**	-	(0)	-	-	-	**0**
Concessions and patents (excluding mines)	**371**	-	(8)	-	(6)	3	**360**
Software	**109**	-	(15)	1	(32)	8	**71**
Intangible assets in progress	**150**	22	(6)	5	(67)	(17)	**87**
Other	**189**	-	(10)	5	(46)	-	**138**
TOTAL	**2,267**	**85**	**(105)**	**32**	**(444)**	**4**	**1,838**

* Including 20 million euros in impairment of intangible assets recognized in the first half of the year

At June 30, 2015, investments in intangible assets primarily concern mineral exploration expenses in Canada, Niger and Kazakhstan.

NET PROPERTY, PLANT AND EQUIPMENT

(in millions of euros)	**December 31, 2014**	Increase	Net increase in depreciation / Impairment*	Currency translation adjustments	Assets of discontinued operations	Other changes	**30 June 2015**
Land	**107**	-	(1)	1	(27)	1	**80**
Buildings	**1,202**	3	(33)	13	(188)	72	**1,069**
Plant, equipment and tooling	**4,764**	10	(202)	27	(397)	567	**4,768**
End-of-lifecycle assets	**345**	-	(9)	1	(56)	15	**296**
Other	**466**	2	(31)	13	(41)	(16)	**392**
In process	**1,836**	331	(1)	5	(176)	(637)	**1,357**
TOTAL	**8,719**	**347**	**(278)**	**59**	**(885)**	**1**	**7,963**

* Including 1 million euros in impairment of property, plant and equipment recognized in the first half of the year

The cost of construction at completion for the first phase of the Comurhex II uranium conversion plant was raised by 66 million euros during the first half of 2015. A review of market conditions and of the supply and demand situation led to the decision to no longer consider the extension of the plant's production capacity from 15,000 metric tons to 21,000 metric tons. Sales prices were also revised to take into account the latest market price trends and contracts under negotiation.

The value in use of property, plant and equipment in progress calculated at June 30, 2015 using a discount rate of 6.5% (compared with 7.0% at December 31, 2014), a euro/US dollar exchange rate of 1.12 corresponding to the rate at June 30, 2015, and unit conversion sales price assumptions resulting from AREVA's mid- and long-term forecasts for supply and demand, came to 84 million euros, i.e. 48 million euros more than their net carrying amount.

The outcome of the impairment test at June 30, 2015 remains sensitive to a number of parameters:

- Using a discount rate of 7.0% instead of 6.5% would lead to a 48-million-euro reduction in the utility value and would lead to the impairment of all ledger assets.
- Using a euro/US dollar exchange rate of 1.20 instead of 1.12 would result in a 194-million-euro reduction in the utility value and would lead to the impairment of all ledger assets.

NOTE 8 – END-OF-LIFECYCLE OPERATIONS

The table below summarizes the AREVA balance sheet accounts affected by the treatment of end-of-lifecycle operations and their financing.

ASSETS *(in millions of euros)*	**June 30, 2015**	**December 31, 2014**	**LIABILITIES AND EQUITY**	**June 30, 2015**	**December 31, 2014**
Assets earmarked for end-of-lifecycle operations	6,302	6,203	Provisions for end-of-lifecycle operations	6,666	6,985
- End-of-lifecycle asset – third party share (1)	*181*	*188*	- funded by third parties (1)	*181*	*188*
- Assets earmarked for end-of-lifecycle operations (2)	*6,121*	*6,015*	- funded by AREVA	*6,485*	*6,797*

[1] : *amount of the provision to be funded by third parties*

[2] : *portfolio of financial assets and receivables earmarked to fund AREVA's share of the total provision*

ASSETS EARMARKED FOR END-OF-LIFECYCLE OPERATIONS

(in millions of euros)	June 30, 2015	December 31, 2014
Receivables related to end-of-lifecycle operations	735	725
Earmarked assets	5,386	5,290
Total	**6,121**	**6,015**

Receivables related to end-of-lifecycle operations correspond in particular to receivables resulting from the signature of a contract in December 2004 under which the CEA agreed to fund a share of facility dismantling costs at the La Hague and Cadarache plants and a share of waste retrieval and packaging costs at the UP2-400 plant.

The portfolio of assets earmarked to fund end-of-lifecycle expenses includes the following:

(in millions of euros)	June 30, 2015	December 31, 2014
At market value		
Publicly traded shares	1,293	1,222
Equity funds	1,208	1,157
Bond and money market mutual funds	2,137	2,119
Unlisted mutual funds	88	76
At amortized cost		
Bonds and bond mutual funds held to maturity	**659**	**716**
Portfolio of securities earmarked for end-of-lifecycle operations	**5,386**	**5,290**
Receivables related to end-of-lifecycle operations	**735**	**725**
TOTAL FINANCIAL ASSETS EARMARKED FOR END-OF-LIFECYCLE OPERATIONS	**6,121**	**6,015**

PROVISIONS FOR END-OF-LIFECYCLE OPERATIONS

(in millions of euros)	June 30, 2015	December 31, 2014
Dismantling of nuclear facilities	4,907	5,212
Waste retrieval and packaging	1,759	1,773
Provisions for end-of-lifecycle operations	**6,666**	**6,985**

The 319-million-euro decrease for the first half of 2015 is mainly due to application of IFRS 5 to the AREVA NP scope (-297 million euros), the use of recaptured provisions (-146 million euros), discounting reversals (+96 million euros) and the start of operations and related impact on estimates (+23 million euros).

In the absence of a new reference estimate, cost assumptions concerning the deep geologic repository ("CIGEO project") remain the same as those used at December 31, 2014.

For purposes of sensitivity analysis, any increase of one billion euros (at 2012 economic conditions) in the amount of the cost estimate for the CIGEO project compared to that used in 2005 (basis of calculation of the provision) would lead to an additional provision estimated by AREVA at between 20 and 25 million euros, based on the method used to determine the existing provision.

The selected discount and inflation rates at June 30, 2015 are unchanged in relation to December 31, 2014, i.e. 4.50% and 1.75% respectively.

The discount rate is selected based on long-term bond yields corresponding to maturities comparable to those of the liabilities in order to take into account long-term rate trends consistent with disbursements in the distant future. The selected discount rate must also comply with a regulatory cap defined by decree and administrative order.

Since amendment of decree no. 2007-243 of March 23, 2007 by decree no. 2015-331 and of the order of March 21, 2007 by the order of March 24, 2015, the regulated rate cap is now indexed to historical averages of 10 years rather than 4 years, as was previously the case. AREVA has adjusted the period for calculation of historical averages to 10 years in its indicators for determining the discount rate. The regulated rate cap at June 30, 2015 was 4.7%.

For example, the discount rate is revised based on changes in national economic conditions, with a lasting medium- and long-term impact, in addition to the potential effects of regulatory caps.

NOTE 9 – INFORMATION ON ASSOCIATES AND JOINT VENTURES

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Carrying amount

(in millions of euros)	**June 30, 2015**	**December 31, 2014**
Joint Ventures		
Adwen	68	-
Other joint ventures	22	64
Total joint ventures	**91**	**64**
Associates		
MNF	-	30
Other associates	3	49
Associates	**3**	**79**
Total	**93**	**143**

MNF is held by AREVA NP and as such was reclassified in discontinued operations.

The change in other joint ventures and other associates is mainly due to the reclassification in discontinued operations.

Adwen combines the offshore wind operations of AREVA and Gamesa. It is held in equal shares by its two shareholders. Since its creation, Adwen has continued work to commission two major projects in the German North Sea: the Borkum West II project, with an installed capacity of 200 MW, and the GlobalTech One project, with an installed capacity of 400 MW.

SHARE IN NEGATIVE NET EQUITY OF JOINT VENTURES AND ASSOCIATES

Liability

(in millions of euros)	**June 30, 2015**	**December 31, 2014**
Joint Ventures		
ATMEA	-	28
ETC	84	75
Total joint ventures	**84**	**103**

ATMEA is held by AREVA NP and as such was reclassified in discontinued operations.

SHARE IN NET EQUITY OF JOINT VENTURES AND ASSOCIATES

(in millions of euros)	**1st half 2015**	**1st half 2014**	**2014**
Joint Ventures			
ETC	(1)	(9)	(17)
Adwen	(10)	-	-
Other joint ventures	(1)	1	3
Total joint ventures	**(12)**	**(8)**	**(13)**
Associates	**1**	**1**	**(1)**
Total	**(11)**	**(7)**	**(14)**

NOTE 10 – OTHER NON-CURRENT ASSETS

(in millions of euros)	**June 30, 2015**	**December 31, 2014**
Available-for-sale securities	63	86
Loans to affiliates	323	82
Derivatives on financing activities	99	21
Other non-current financial assets	56	74
Other non-current non-financial assets	8	8
Total	**549**	**273**

Loans to affiliates mainly concern Adwen.

Available-for-sale securities are as follows:

(in millions of euros)	**June 30, 2015**	**December 31, 2014**
Publicly traded shares (at market value)	-	18
Investment in privately held companies	63	68
Total	**63**	**86**

NOTE 11 – CASH AND CASH EQUIVALENTS

(in millions of euros)	**June 30, 2015**	**December 31, 2014**
Cash and current accounts	280	193
Cash equivalents	1,015	1,493
Net	**1,294**	**1,686**

Cash equivalents consist chiefly of short-term marketable securities and mutual funds.

NOTE 12 – EMPLOYEE BENEFITS

The group uses a discount rate of 2.15% in the Eurozone and of 3.75% in the United States to value liabilities related to employee benefits. The Eurozone rate is up 30 basis points in relation to December 31, 2014; the US rate is unchanged.

After factoring in other changes in assumptions, whether financial, such as career profiles in France, or demographic, as well as experience differences and yields of earmarked assets, “other items of comprehensive income” were adjusted by a net gain of 188 million euros, in accordance with the provisions of amended IAS 19.

NOTE 13 – OTHER PROVISIONS

(in millions of euros)	January 1, 2015	Charge*	Reversal (when risk has materialized)	Reversal (when risk has not materialized)	Discontinued operations	Changes in consolidation scope, foreign exchange and other	June 30, 2015
Restoration of mining sites and mill decommissioning	265	6	(3)	(2)	-	8	274
Provision for site clean-up and reclamation of other industrial sites	2			(2)			-
Other non-current provisions	**267**	**6**	**(3)**	**(4)**	**-**	**8**	**274**
Restructuring and layoff plans	48	41	(6)	-	(61)	-	22
Provisions for ongoing cleanup	152	7	(21)	-	(66)	(10)	62
Provisions for customer warranties	78	20	(3)	(1)	(90)	1	5
Provisions for losses at completion	1,499	383	(294)	(95)	(1,232)	1	262
Accrued costs	974	53	(43)	(1)	(15)	18	986
Other	722	49	(209)	(17)	(215)	4	333
Current provisions	**3,473**	**554**	**(576)**	**(114)**	**(1,680)**	**14**	**1,670**
TOTAL PROVISIONS	**3,740**	**560**	**(581)**	**(116)**	**(1,681)**	**22**	**1,944**

PROVISIONS FOR RESTRUCTURING AND LAYOFF PLANS

As indicated in note 1, “Establishment of social dialogue”, no provision was constituted at June 30, 2015 for social measures under negotiation with the labor unions within the scope of the group’s corporate and nuclear operations in France and Germany because the criteria established in IAS 37 for recognition of provisions for restructuring and related operations had not been met at that date. Detailed plans by subsidiary and by site will be communicated during the second half of 2015.

PROVISIONS FOR LOSSES AT COMPLETION

Contracts for the design and construction of an experimental reactor

AREVA continues to encounter difficulties in the performance of contracts for the design and construction of components for an experimental reactor. These difficulties result from changes requested by the customer, from certain technical specifications, and from the default of certain suppliers.

At the end of February 2015, AREVA and its customer signed a “warrant for final settlement of the RJH project situation” to finalize the financial terms of an agreement on the overall financing of the contracts (project management and supply of the reactor block) up to their completion. The consequences of the warrant were reflected in the financial statements for the year ended December 31, 2014. Discussions by a negotiating group convened to implement this warrant led to the establishment of a tripartite agreement at the end of May between AREVA SA, AREVA TA and the customer based on reciprocal concessions under which AREVA agrees to pay for a share of the estimated excess costs needed to complete its contracts, up to a cap, excluding errors of its own doing and excess costs related specifically to its project management mission for coordination of overall testing. This agreement was signed on July 20, 2015.

Purchase Contract for Separative Work Units (SWU)

In light of the persistently stagnant enrichment market prices, a provision in the amount of 86 million euros was constituted at June 30, 2015 for a SWU purchase contract, since firm commitments on sales prices made under this contract do not appear to be matched by the market price outlook for the period in question.

PROVISIONS FOR CONTRACT COMPLETION

Provisions for contract completion totaled 986 million euros at June 30, 2015. These expenses represent ancillary tasks yet to be performed, in particular waste treatment and storage.

NOTE 14 – BORROWINGS

(in millions of euros)	Non-current borrowings	Current borrow-ings	June 30, 2015	December 31, 2014
Interest-bearing advances	95	-	95	93
Borrowings from lending institutions and commercial paper	605	473	1,079	1,259
Bond issues*	5,911	111	6,022	5,994
Short-term bank facilities and non-trade current accounts (credit balances)	-	49	49	122
Financial derivatives	-	235	235	5
Miscellaneous debt	17	1	18	22
Total Borrowings	**6,628**	**869**	**7,497**	**7,494**
Including leasing obligations	*4*	*2*	*6*	*10*

* after hedging of the interest rate risk

Borrowings from lending institutions and commercial paper at June 30, 2015 include:

- commercial paper outstanding in the amount of 21 million euros;
- borrowings from the European Investment Bank in the total amount of 400 million euros, half contracted in 2008 and half in 2009, maturing in December 2015 and December 2016 respectively;
- a syndicated loan from 10 banks in the amount of 650 million euros contracted in 2014 (630 million euros of which was unpaid at June 30, 2015 and 26 million euros of which is payable during the second half of 2015 and the first half of 2016), maturing in 2014.

BOND ISSUES

Issue date	Balance sheet value (in millions of euros)	Curren-cy	Nominal (in currency millions)	Nominal rate	Maturity
September 23, 2009	983	EUR	964	3.875%	2016
September 23, 2009	1,036	EUR	1,000	4.875%	2024
November 6, 2009	774	EUR	750	4.375%	2019
September 22, 2010	764	EUR	750	3.5%	2021
October 5, 2011	396	EUR	398	4.625%	2017
March 14, 2012	398	EUR	400	4.625%	2017
April 4, 2012	198	EUR	200	TEC10+2.125%	2022
September 4, 2013	528	EUR	500	3.25%	2020
September 20, 2013	58	JPY	8,000	1.156%	2018
March 20, 2014	775	EUR	750	3.125%	2023
Total	**5,911**				

GUARANTEES AND COVENANTS

The 650-million-euro syndicated loan (of which 630 million euros had not been repaid at June 30, 2015) maturing in June 2024 is backed by certain future revenue from the Georges Besse II enrichment plant. It includes security interests in future receivables and bank accounts, and includes a covenant allocating cash flows to debt service which subordinates payments to AREVA SA (dividends and loan repayments) from Société d'enrichissement du Tricastin.

The bonds issued by AREVA and unused bilateral or syndicated lines of credit do not include any covenants regarding AREVA's financial situation, financial ratios, or AREVA credit ratings by third parties.

NOTE 15 - ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

Financial assets by category

ASSETS *(in millions of euros)*	Balance sheet value	Non-financial assets and liabilities	Loans and receiv-ables	Fair value recognized in profit or loss	Assets available for sale	Assets held to maturity	Derivatives	Fair value of financial assets
Non-current assets	**18,267**	**11,607**	**1,111**		**4,789**	**659**	**99**	**6,775**
Goodwill on consolidated companies	1,311	1,311						
Intangible assets	1,838	1,838						
Property, plant and equipment	7,963	7,963						
End-of-lifecycle assets (third party share)	181	181						
Assets earmarked for end-of-lifecycle operations	6,121		735		4,727	659		6,237
Investments in joint ventures and associates	93	93						
Other non-current financial assets	549	10	376		63		99	538
Deferred tax assets	210	210						
Current assets	**11,680**	**9,262**	**1,345**	**1,015**			**59**	**2,419**
Inventories and work-in-process	1,320	1,320						
Trade accounts receivable and related accounts	852	167	685					685
Other operating receivables	851	524	284				43	327
Current tax assets	51	51						
Other non-operating receivables	94	72	22					22
Cash and cash equivalents	1,294		280	1,015				1,295
Other current financial assets	90		74				16	90
Assets of discontinued operations	7,128	7,128						
Total assets	**29,947**	**20,869**	**2,456**	**1,015**	**4,789**	**659**	**159**	**9,194**

The table hereunder shows the breakdown into levels of financial instruments estimated at their fair value by income and equity:

Level 1: Valuation based on quoted market prices in an active market
Level 2: If a market for a financial instrument is not active, valuation based on readily observed market inputs
Level 3: Valuation based on criteria that cannot be readily observed.

(in millions of euros)	Level 1	Level 2	Level 3	TOTAL
Non-current assets	**5,405**	**247**	**13**	**5,664**
Assets earmarked for end-of-lifecycle operations	5,405	97		5,502
Other non-current financial assets		149	13	162
Current assets	**1,015**	**59**		**1,074**
Other operating receivables		43		43
Cash and cash equivalents	1,015			1,015
Other current financial assets		16		16
Total assets	**6,419**	**306**	**13**	**6,738**

Analysis of assets in the level 3 category

(in millions of euros)	Amount at December 31, 2014	Increase	Disposals	Other	Amount at June 30, 2015
Other non-current financial assets	21	4	-	(13)	13

Financial liabilities by category

LIABILITIES AND EQUITY *(in millions of euros)*	Balance sheet value	Non-financial assets and liabilities	Liabilities at amortized cost	Fair value recognized in profit or loss	Derivatives	Fair value of financial liabilities
Equity and minority interests	**(223)**	**(223)**				
Share capital	1,456	1,456				
Consolidated premiums and reserves	(1,946)	(1,946)				
Actuarial gains and losses on employee benefits	(409)	(409)				
Deferred unrealized gains and losses on financial instruments	251	251				
Currency translation reserves	42	42				
Minority interests	385	385				
Non-current liabilities	**15,193**	**8,564**	**6,628**			**6,539**
Employee benefits	1,541	1,541				
Provisions for end-of-lifecycle operations	6,666	6,666				
Other non-current provisions	274	274				
Share in net negative equity of joint ventures and associates	84	84				
Long-term borrowings	6,628		6,628			6,539
Deferred tax liabilities	-	-				
Current liabilities	**14,977**	**12,206**	**2,307**		**463**	**2,770**
Current provisions	1,670	1,670				
Short-term borrowings	869		642		227	869
Advances and prepayments received	3,237	3,237				
Trade accounts payable and related accounts	717	17	700			700
Other operating liabilities	2,091	950	905		236	1,141
Current tax liabilities	59	59				
Other non-operating liabilities	63	2	61			61
Liabilities of discontinued operations	6,272	6,272				
Total liabilities and equity	**29,947**	**20,548**	**8,936**		**463**	**9,310**

(in millions of euros)	Level 1	Level 2	Level 3	TOTAL
Current liabilities		**463**		**463**
Short-term borrowings		227		227
Other operating liabilities		236		236
Total liabilities		**463**		**463**

NOTE 16 – RELATED PARTY TRANSACTIONS

Transactions between the parent company and its consolidated subsidiaries, which are related parties, were eliminated upon consolidation and are not presented in this note.

Transactions between the group and other important related parties are presented below.

(in millions of euros)	CEA	
	June 30, 2015	December 31, 2014
Sales	275	538
Purchases	37	82
Loans to/receivables from related parties	904	949
Borrowings from related parties	198	183

(in millions of euros)	Adwen	
	June 30, 2015	December 31, 2014
Loans to/receivables from related parties	296	-
Borrowings from related parties	-	-

AREVA buys centrifuges from ETC for the new Georges Besse II enrichment plant, which is also maintained by ETC. AREVA's equipment purchases from ETC totaled 54 million euros in the first half of 2015.

Relations with government-owned companies

The group has business relationships with government-owned companies, in particular EDF and the CEA (Commissariat à l'énergie atomique et aux énergies alternatives).

Transactions with EDF concern the front end of the nuclear fuel cycle (uranium sales and conversion, enrichment and fuel fabrication services), the back end of the cycle (used fuel transportation, storage, treatment and recycling services), power plant maintenance and equipment sales.

Transactions with the CEA concern dismantling work on the CEA's nuclear facilities, engineering services for the design, construction and operating support of/to the CEA's research reactors, and the provision of studies and research work. In addition, AREVA pays fees to the CEA for the use of its used nuclear fuel reprocessing processes.

The group also provides services to the CEA, including studies and research work and cleanup and dismantling services, and has two contracts for the design and construction of an experimental reactor.

NOTE 17 – COMMITMENTS GIVEN OR RECEIVED

(in millions of euros)	June 30, 2015	December 31, 2014
COMMITMENTS GIVEN	**2,987**	**2,526**
Operating commitments given	2,620	2,277
• *Contract guarantees given*	*2,502*	*2,161*
• *Other operating guarantees*	*118*	*116*
Commitments given on financing	187	152
Other commitments given	180	97
COMMITMENTS RECEIVED	**2,866**	**1,355**
Operating commitments received	2,783	1,303
Commitments received on collateral	1	1
Other commitments received	82	51
RECIPROCAL COMMITMENTS	**3,024**	**3,171**

The amounts above only reflect commitments that the group considers valid at the date of closing. Accordingly, they include the off-balance-sheet commitments of discontinued operations but do not include construction contracts for which the group is currently in negotiation.

Commitments given

The group gave a parent company commitment to its customer TVO for the execution of contractual obligations for the construction of an EPR in Finland. The group received a counter guarantee from Siemens in the amount of its share in the contract with TVO. The commitment given by the group corresponds to the amount of the contract, unless TVO succeeds in demonstrating the existence of a serious and intentional offence by the supplier. TVO has called on this commitment several times, and the group rejected these calls. No value concerning these guarantees was included in the previous table.

Reciprocal commitments

In January 2013, the group established a 1.25-billion-euro syndicated line of credit available in euros over a 5-year period. The group also has bilateral lines of credit available to it in the amount of 50 million euros maturing in 2016 and 795 million euros maturing in 2017. At June 30, 2015, none of these lines had been used.

NOTE 18 – DISPUTES AND CONTINGENT LIABILITIES

Ongoing disputes and investigations

European Commission: GIS

On January 24, 2007, following the European Commission decision in which 11 companies were fined, including AREVA SA, for anti-competitive practices in the gas-insulated switchgear market (GIS), the Court of Justice of the European Union, in its decision of April 10, 2014, partly upheld certain appeals which had been lodged in this matter by AREVA, causing a modification of the distribution of the penalty but not reducing the overall penalty. The total amount of the penalty, including interest, is 79 million euros, including 28 million euros for Alstom and AREVA severally. Once all appeals have been exhausted, and after Alstom's guarantee has come into play, AREVA owes the amount of 2.7 million euros (principal and interest combined), for which a provision has been constituted. This amount is contested by Alstom, which demands payment of 7.9 million euros (corresponding to 10% of the total amount of the fine, including the share that is exclusively Alstom's). The parties are attempting to resolve this difference in interpretation amicably.

National Financial Prosecutor: UraMin case

In March 2015, two preliminary inquiries were opened vs. X by the National Financial Prosecutor of Paris concerning the acquisition of UraMin Inc. in 2007 by the AREVA group.
This inquiry is pursuant to the preliminary investigation to which AREVA has been subject since March 2014 and to the police search of its offices on June 3, 2014 following a notification from the French Cour des Comptes under article 40 of the French Code of Criminal Procedure.

In addition to this investigation, a request for arbitration was submitted to the International Chamber of Commerce on July 28, 2014 against the CFMM company by a partner, Mr. Georges Arthur Forrest, in which the petitioner challenges the decision of the General Meeting of Shareholders on June 24, 2013 to liquidate ArevExplo RCA. CFMM has submitted counterclaims in response to this petition. An arbitration tribunal has been constituted and the proceeding, which is to take place in 2015 and 2016, is expected to result in a decision in the first half of 2017.

Note 19 – EVENTS SUBSEQUENT TO the end of the period

There were no events subsequent to the end of the period other than those mentioned in note 1.

NOTE 20 – TRANSITION OF 2014 FINANCIAL STATEMENTS AS REPORTED TO RESTATED 2014 FINANCIAL STATEMENTS

This note recapitulates the main impacts of implementation of IFRS 5 in the financial statements for the period ended December 31, 2014 and for the first half of 2014.

TRANSITION OF INCOME STATEMENT AS REPORTED TO RESTATED INCOME STATEMENT

(in millions of euros)	**1st half 2014 Reported**	*IFRS 5 adjust-ments*	**1st half 2014 Restated**	**Year 2014 Reported**	*IFRS 5 adjust-ments*	**Year 2014 Restated**
Revenue	**3,889**	**(2,071)**	**1,817**	**8,336**	**(4,015)**	**4,321**
Other income from operations	4	(2)	2	18	(13)	5
Cost of sales	(3,551)	1,914	(1,636)	(8,744)	4,501	(4,243)
Gross margin	**341**	**(159)**	**183**	**(390)**	**473**	**83**
Research and development expenses	(96)	44	(52)	(231)	97	(135)
Marketing and sales expenses	(96)	62	(34)	(188)	119	(69)
General and administrative expenses	(184)	50	(134)	(316)	86	(230)
Other operating expenses	(287)	88	(199)	(1,584)	456	(1,128)
Other operating income	17	7	24	64	(29)	35
Operating income	**(305)**	**92**	**(212)**	**(2,645)**	**1,202**	**(1,443)**
Share in net income of joint ventures and associates	(8)	1	(7)	(154)	140	(14)
Operating income after share in net income of associates and joint ventures	**(313)**	**93**	**(220)**	**(2,799)**	**1,343**	**(1,457)**
Income from cash and cash equivalents	18	-	18	32	0	32
Gross borrowing costs	(119)	28	(91)	(275)	58	(217)
Net borrowing costs	**(101)**	**28**	**(74)**	**(243)**	**58**	**(184)**
Other financial expenses	(216)	19	(197)	(505)	51	(454)
Other financial income	249	(6)	243	350	(17)	333
Other financial income and expenses	**33**	**13**	**46**	**(155)**	**34**	**(121)**
Net financial income	**(68)**	**41**	**(28)**	**(397)**	**92**	**(306)**
Income tax	**38**	**(28)**	**10**	**(1,000)**	**413**	**(587)**
Net income from continuing operations	**(343)**	**105**	**(237)**	**(4,197)**	**1,848**	**(2,349)**
Net income from discontinued operations	(384)	(105)	(489)	(648)	(1,848)	(2,496)
Net income	**(726)**	**-**	**(726)**	**(4,845)**	**-**	**(4,845)**
Including:						
Group:						
Net income from continuing operations	(321)	106	(215)	(4,198)	1,849	(2,349)
Net income from discontinued operations	(373)	(106)	(479)	(635)	(1,849)	(2,485)
Consolidated net income	**(694)**		**(694)**	**(4,834)**	-	**(4,834)**
Minority interests:						
Net income from continuing operations	(21)	(1)	(22)	1	(2)	0
Net income from discontinued operations	(11)	1	(10)	(12)	2	(11)
Net income attributable to minority interests	**(32)**		**(32)**	**(11)**	-	**(11)**
Number of shares outstanding	383,204,852		383,204,852	383,204,852		383,204,852
Average number of shares outstanding	383,204,852		383,204,852	383,204,852		383,204,852
Average number of treasury shares	806,667		806,667	857,551		857,551
Average number of shares outstanding, excluding treasury shares	382,398,185		382,398,185	382,347,301		382,347,301
Earnings per share from continuing operations (in euros)	-0.84	0.28	-0.56	-10.98	4.84	-6.14
Basic earnings per share	-1.81		-1.81	-12.64		-12.64
Diluted earnings per share	-1.81		-1.81	-12.64		-12.64

TRANSITION FROM STATEMENT OF COMPREHENSIVE INCOME AS REPORTED TO RESTATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	**1st half 2014 Reported**	*IFRS 5 adjustments*	**1st half 2014 Restated**	**Year 2014 Reported**	*IFRS 5 adjustments*	**Year 2014 Restated**
Net income	**(726)**	**-**	**(726)**	**(4,845)**	**-**	**(4,845)**
Items not recyclable to the income statement	**(122)**	**-**	**(122)**	**(261)**	**-**	**(261)**
Actuarial gains and losses on the employee benefits of consolidated companies	(169)	52	(117)	(305)	100	(205)
Income tax related to non-recyclable items	51	(17)	34	61	(33)	28
Share in non-recyclable items from joint ventures and associates, net of tax	(4)	-	(4)	(16)	-	(16)
Non-recyclable items related to discontinued operations, net of tax	(0)	(35)	(35)	-	(67)	(67)
Items recyclable to the income statement	**(84)**	**-**	**(84)**	**(85)**	**-**	**(85)**
Currency translation adjustments on consolidated companies	(36)	(5)	(41)	118	(61)	57
Change in value of available-for-sale financial assets	(57)	-	(57)	(84)	7	(77)
Change in value of cash flow hedges	(11)	-	(11)	(124)	10	(114)
Income tax related to recyclable items	22	-	22	50	(7)	43
Share in recyclable items from joint ventures and associates, net of tax	4	(4)	-	6	(6)	(0)
Recyclable items related to discontinued operations, net of tax	(7)	10	3	(51)	56	5
Total other items of comprehensive income (net of income tax)	**(206)**	**-**	**(206)**	**(346)**	**-**	**(346)**
Comprehensive income	**(932)**	**-**	**(932)**	**(5,190)**	**-**	**(5,190)**
- Attributable to equity owners of the parent	(863)	-	(863)	(5,155)		(5,155)
- Attributable to minority interests	(69)	-	(69)	(36)		(36)

TRANSITION FROM CASH FLOW STATEMENT AS REPORTED TO RESTATED CASH FLOW STATEMENT

(in millions of euros)	1st half 2014 Reported	*IFRS 5 adjustments*	1st half 2014 Restated	Year 2014 Reported	*IFRS 5 adjustments*	Year 2014 Restated
Net income for the period	**(726)**	-	**(726)**	**(4,845)**	**-**	**(4,845)**
Less: income from discontinued operations	384	105	489	648	1,848	2,496
Net income from continuing operations	**(343)**	**105**	**(237)**	**(4,197)**	**1,848**	**(2,349)**
(Profit) / loss of joint ventures and associates	8	(1)	7	154	(140)	14
Net amortization, depreciation and impairment of PP&E and intangible assets and marketable securities maturing in more than 3 months	537	(142)	396	1,828	(548)	1,281
Goodwill impairment losses	-	-	-	214	0	214
Net increase in (reversal of) provisions	(149)	71	(79)	900	(501)	400
Net effect of reverse discounting of assets and provisions	168	(13)	156	372	(25)	347
Income tax expense (current and deferred)	(38)	28	(10)	1,000	(413)	587
Net interest included in borrowing costs	102	(28)	75	223	(58)	165
Loss (gain) on disposals of fixed assets and marketable securities maturing in more than 3 months; change in fair value	(101)	(3)	(104)	(151)	4	(147)
Other non-cash items	1	(7)	(7)	(10)	(7)	(18)
Dividends from joint ventures and associates	1	(1)	0	15	(12)	2
Cash flow from operations before interest and taxes	**187**	**10**	**197**	**348**	**148**	**496**
Net interest received (paid)	(41)	28	(13)	(218)	58	(159)
Income tax paid	(57)	5	(52)	(140)	23	(117)
Cash flow from operations after interest and tax	**89**	**42**	**131**	**(10)**	**230**	**220**
Change in working capital requirement	339	(192)	147	199	(93)	106
NET CASH FROM OPERATING ACTIVITIES	**427**	**(149)**	**278**	**190**	**137**	**326**
Investment in PP&E and intangible assets	(484)	61	(423)	(1,151)	164	**(987)**
Loans granted and acquisitions of non-current financial assets	(689)	28	(661)	(1,234)	88	(1,146)
Acquisitions of shares of consolidated companies, net of acquired cash	-		-	-		-
Disposals of PP&E and intangible assets	4	(1)	3	10	(3)	8
Loan repayments and disposals of non-current financial assets	784	(15)	769	1,311	(70)	1,241
Disposals of shares of consolidated companies, net of disposed cash	(9)	9	-	(11)	11	-
NET CASH USED IN INVESTING ACTIVITIES	**(395)**	**83**	**(312)**	**(1,076)**	**191**	**(885)**
Share issues in the parent company and share issues subscribed by minority shareholders in consolidated subsidiaries	-		-	-		-
Treasury shares sold/(acquired)	(2)		(2)	(2)		(2)
Transactions with minority interests	-		-	(8)		(8)
Dividends paid to minority shareholders of consolidated companies	(1)	1	-	(31)	1	(30)
Increase in borrowings	1,506	(1,177)	329	979	(824)	156
NET CASH USED IN FINANCING ACTIVITIES	**1,503**	**(1,176)**	**327**	**939**	**(823)**	**116**
(Increase) decrease in securities recognized at fair value through profit and loss	8		8	(2)		(2)
Impact of foreign exchange movements	11	(2)	9	19	28	47
NET CASH FROM DISCONTINUED OPERATIONS	**(247)**	**1,244**	**997**	**(97)**	**467**	**370**

CHANGE IN NET CASH	**1,308**	**-**	**1,308**	**(26)**	**-**	**(26)**
Net cash at the beginning of the year	**1,582**	**-**	**1,582**	**1,582**	**-**	**1,582**
Net cash at the end of the year	**2,890**	-	**2,890**	**1,556**	**-**	**1,556**