



PRESS RELEASE

Paris, June 15, 2016

AREVA presents its 2016-2020 roadmap and announces the group's restructuring through the creation of a new entity refocused on the nuclear fuel cycle.

The group's restructuring plan:

- **Plan to create a separate entity, NEW CO, through a partial contribution of AREVA SA assets**
- **Strategic refocusing on the nuclear fuel cycle, with planned asset sales and plans to withdraw from operations**
- **Proposed capital increases for AREVA SA and NEW CO in the total amount of €5 bn (subject to European Commission consent)**

2016-2020 roadmaps:

- **AREVA SA: strengthened capital structure, that will ensure the successful completion of the OL3 project, directly or through a subsidiary, and support non-core projects until finalization**
- **NEW CO: strategy refocused on profitable nuclear fuel cycle operations that generate cash flow, through implementation of the performance plan and expected long-term market dynamics**

In line with the announcements made in February 2016, for the publication of its 2015 annual results, AREVA confirms its plan to restructure the group and to create a separate entity refocused on the nuclear fuel cycle, currently named "NEW CO".

This morning, during an Investors Meeting in Paris, the group will present its 2016-2020 roadmap, centered on the stages foreseen for its strategic and operational refocusing plan, and its financial objectives for 2020. Also today, the group begins the consultation process with its employee representative bodies concerning the scheduled transactions.

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Philippe Knoche, Chief Executive Officer, made the following statement:

“Today, we present the roadmap for AREVA’s continued transformation. This program defines the major stages necessary to the creation of NEW CO, a separate new entity refocused on the Mining, Front End and Back End operations. Pursuant to strategic choices concerning the nuclear industry, the roadmap specifies the conditions for the transfer of AREVA’s reactor-related operations to EDF and the refocusing of our group on fuel cycle management.

Thus dissociated and simplified in their organizations, AREVA and NEW CO will each benefit from a capital increase in the combined amount of 5 billion euros (subject to the approval of the European Commission) and will have resources suited to their mission and their strategy.

By means of the solutions it can provide for uranium supply, for its conversion into fuel, and for nuclear fuel recycling, waste management and dismantling, NEW CO will be in a good position to grow in global nuclear markets. The strengthened capital structure, the new industrial plants, and the reinforcement of NEW CO’s technology and innovation base will underpin this strategy.

I want to thank the men and women of AREVA who are at the heart of the group’s redefinition now underway. With the support and commitment of all our employees, I am convinced that this action plan will enable us to install our strategy of reconquest and give us a new start on our mission, continually improved, of serving the French nuclear industry and our customers all over the world.”

I. AREVA SA and NEW CO: two companies serving the redefinition of the French and international nuclear industry

The plan to create NEW CO, announced on February 26, 2016, would support the refocusing of operations on the nuclear fuel cycle (including in particular Mining, the Front End and the Back End).

The transactions under consideration would be structured as described below over the coming months, subject to the prior receipt of regulatory and contractual approvals (in particular from the European Commission as regards regulations on State aid):

- During the second half of 2016:
 - o Creation of “NEW CO”, a wholly owned subsidiary of AREVA SA, and contribution of the AREVA Mines, AREVA NC, AREVA Projects and AREVA Business Support companies and their respective subsidiaries. In connection with this partial contribution of assets, part of AREVA SA’s debt would be transferred to NEW CO;
 - o Canberra would be sold.

The subsidiaries AREVA TA, AREVA Energies Renouvelables and AREVA NP would continue to be held by AREVA SA until the date of their sale.

- At the beginning of 2017:
 - o The total amount of 5 billion euros for the capital increase – in which the French State has announced that it would participate as leading shareholder and ensure its complete success in compliance with European regulations – would be divided between:
 - a capital increase for AREVA SA, to which the French State in particular would subscribe;
 - a capital increase for NEW CO, to which the French State and strategic investors would subscribe.

The allocation of the capital increase amount of 5 billion euros between the two entities has yet to be defined.

- o Following this transaction, the French State would hold (directly and indirectly, in particular via AREVA SA) a minimum of two thirds of NEW CO’s capital, with the balance held by strategic investors.

As part of the finalization of transactions pertaining to the redefinition of AREVA SA’s scope, the French State will ensure that minority shareholders’ rights are upheld, pursuant to stock exchange regulations.

- Over the course of 2017:
 - o AREVA NP’s operations would be sold to EDF, directly or via an ad hoc legal structure, while the OL3 contract would remain in the consolidation scope of AREVA SA, which would ensure its successful completion, with the necessary resources and in compliance with contractual obligations;

- During the sale of AREVA NP's operations to EDF, 15% to 25% of the capital of the entity sold would be transferred by AREVA SA to NEW CO.

Thus recapitalized, AREVA SA – which would also receive the proceeds from the sales of AREVA TA and of AREVA NP operations and would profit from the sale of Canberra, in the total amount of approximately 2.9 billion euros – would reinforce its financial position in order to meet its financial obligations: debt repayment, costs related to the completion of the OL3 project, and extinguishment of project guarantees in renewable energies.

The newly created and capitalized NEW CO, refocused on less risky cash flow-generating operations, would be in a position to refinance on markets in the medium term (i.e. in 2019/2020).

II. NEW CO: a company with solid assets

The sector offers medium-term growth prospects led by the projected increase in global demand for electricity and the expected development of the Asian nuclear fleet, as well as by the need to develop new recycling platforms, interim storage solutions, and reactor dismantling capabilities.

In these areas, NEW CO will be able to draw on solid fundamentals, differentiating assets and a clear strategic roadmap.

Refocused on the fuel cycle, well balanced between its three businesses, in which it will occupy leading positions, NEW CO will demonstrate industrial excellence supported by a performance plan that is well underway. In addition to a solid business plan made credible by a backlog of 33 billion euros as of the end of March 2016, NEW CO will have partnerships, innovation skills and industrial capabilities to respond to any new request from the nuclear market in a timely manner.

Mining, a profitable cash flow-generating business

NEW CO will have a diversified and competitive portfolio of mining assets and projects. Armed with a backlog of 10.1 billion euros at the end of March 2016, which covers nearly 80% of its sales for the 2017-2020 period, the group intends to maintain a high level of profitability, with a ratio of EBITDA to revenue of close to 40% over that same period. Overall, the capital spending budget linked to the development of mining projects will be down compared with the 2012-2015 period, but will rise at the end of the period.

In the Front End, industrial assets meeting the highest safety and performance standards

In the Front End, which encompasses the Chemistry / Conversion and Enrichment operations, the group expects to achieve annual revenue of 950 million euros to 1 billion euros, supported by its backlog of 11.5 billion euros at the end of March 2016, covering close to 80% of its sales for the 2017 to 2020 period. A high level of profitability is expected in this business, with a ratio of EBITDA to revenue of around 25% over the same period, with a significantly lower level in 2018 due to the transition from Comurhex I to Comurhex II.

After the substantial capital expenditure in these operations that began in 2007, investments should fall off sharply after 2018.

In the Back End, unique assets for capturing market opportunities

This business includes Recycling, Logistics and Dismantling. The group would have a leading position in each of these segments, with internationally recognized know-how and experience. With a backlog of 11.7 billion euros at the end of March 2016 covering more than 70% of sales for the 2017-2020 period, and an operating base ensured by long-term French contracts and opportunities for growth of more than 5% per year on average over that period, the group expects rising profitability and a ratio of EBITDA to revenue of more than 15% in 2020. The investment cycle for the 2017-2020 period is expected to be up compared with the most recent period, but it is largely funded by customers.

Sensitivity factors of the financial trajectory

NEW CO's generation of cash flow depends in particular on euro/dollar exchange rates and on prices for natural uranium and SWU. However, this sensitivity is cushioned by currency hedging over the 2016-2020 period and by orders already in the backlog for Mining and Enrichment. NEW CO's financial trajectory is also closely dependent on the following strategic assumptions: export business in the Back End, end-of-lifecycle obligations, safety of the installed base, success of the legal and financial restructuring in progress, asset sale prices, country risk.

NEW CO's 2020 goals: a group refocused on the fuel cycle, poised to capture market opportunities

The outlook presented today is the reflection of a renewed ambition. As a pure player in the nuclear fuel cycle, NEW CO is in a unique position to play a dominant role for the redefinition of the French nuclear industry and in a market destined to grow, particularly in Asia. Armed with world-class industrial plants, major expertise and technologies, a stronger financial position and established strategic partnerships, in addition to a solid backlog, NEW CO is capable of capturing opportunities arising in the coming years.

By 2020, supported by implementation of the cost savings plan of 500 million euros per year (part of the cost savings plan of 1 billion euros for the consolidated group), NEW CO is aiming for:

- a ratio of EBITDA to revenue of approximately 25%;
- a ratio of operating income to revenue of more than 10%;
- net cash flow from company operations enabling a significant reduction of debt over the coming years.

Upcoming events and publications

June 15, 2016 – 10:00 CEST **Strategic refocusing and outlook**
Investors Meeting and webcast

To access the Investors Meeting, which will be held today at 10:00 am (Paris time), please follow the links below:

French version: http://webcast.areva.com/20160615/market_update/

English version: http://webcast.areva.com/20160615/market_update_meeting/

July 28, 2016 – 18:00 CEST **Half-year results 2016**
Press release, telephone conference and webcast

Note:

AREVA's operations, financial situation and results, as well as the risk factors related to it, are described in the AREVA Reference Document, which was filed with the Autorité des marchés financiers (**AMF**) on April 12, 2016 under number D. 16-0322 (the **Reference Document**), which is available on the AMF website (www.amf-france.org) and on the AREVA website (www.areva.com). Chapter 4 of the Reference Document describes the risk factors to which AREVA is exposed.

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● Definitions

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. Non-hedged orders are valued at the rate in effect on the last day of the period. The backlog reported for long-term contracts recorded 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: the 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 operations sold, discontinued and held for sale, and cash flow from the sale 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 from company operations thus corresponds to the change in net debt, except for transactions with AREVA shareholders, and currency translation adjustments.

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.

This document is a free translation into English from the original, which was prepared in French, and is provided solely for the convenience of English speaking readers. Whilst every effort has been made to ensure that the English version is a faithful and accurate translation of the French text, in all matters of interpretation of information, views or opinions expressed therein, the French version takes precedence over this translation.

MORE ABOUT AREVA

AREVA supplies high added-value products and services to support the operation of the global nuclear fleet.

The company is present throughout the entire nuclear cycle, from uranium mining to used fuel recycling, including nuclear reactor design and operating services.

AREVA is recognized by utilities around the world for its expertise, its skills in cutting-edge technologies and its dedication to the highest level of safety. AREVA's 40,000 employees are helping build tomorrow's energy model: supplying ever safer, cleaner and more economical energy to the greatest number of people.