AREVA

# PRESS RELEASE

## First half 2013: AREVA reaches a new milestone in its turnaround

- **Very strong revenue growth to €4.762bn: +13.0% like for like vs. H1 2012, led by nuclear operations**
- **Sharp increase in EBITDA[1] to €473m: +11.4% vs. H1 2012** **(excluding OL3 insurance indemnity awarded in H1 2012)**
- **Very significant improvement in free operating cash flow[1] to -€313m: +€278m vs. H1 2012; positive in the 2nd quarter**
- **Good progress on continuing cost reduction plan**
- **Confirmation of 2013 profitability and operating cash flow targets**
- **Positive operating income including €150m provision related to the OL3 project**

**Paris, July 24, 2013**

The AREVA Supervisory Board met today under the chairmanship of Pierre Blayau, to examine the financial statements submitted by the Executive Board for the period ended June 30, 2013.

Chief Executive Officer Luc Oursel offered the following comments on these results:

"*The first half of 2013 confirms the strategic relevance and successful execution of Action 2016. We are on track for growth, industrial performance recovery and cost control.*

*Our organic growth of 13% signals a very high level of activity, despite the uncertainties of the energy markets. With growth of close to 15% in our nuclear operations alone, the group is showing that it is able to find strong growth drivers in its historical core business.*

*The turnaround in performance continues with significant EBITDA improvement year on year, especially in our nuclear operations, where profitability levels are clearly outpacing sales revenue.*

*The greater attention paid to cash generation is also bearing fruit with the group's return to positive free operating cash flow in the second quarter and throughout the half-year period for nuclear operations.*

*Particular attention will be paid to risk management in the second half.*

*I would like to hail the progress on our savings plan: today, we have secured 85% of our objective of one billion euros in reductions by 2015.*

*Our outlook for 2013 in terms of profitability and cash generation is thus confirmed.*

*A symbol of this successful half-year period is the high level of subscriptions to the employee stock purchase plan, a sign of employees' confidence in their company's turnaround and in the growth of the nuclear and renewables markets.*"


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[1] Restated for the impacts of the asset disposal plan in the first half of 2012 (+92 million euros for EBITDA and +115 million euros for free operating cash flow)

## I. Key financial data of the group

For purposes of comparison and to be able to monitor indicators used in the group's financial forecasts, the indicators are restated for asset disposal carried out as part of its strategic action plan in the first half of 2012 (disposal of the equity interest in the Millennium mining property in Canada). This disposal contributed 92 million euros to operating income and EBITDA in the form of capital gains, and 115 million euros to disinvestments.

| *(in million euros)* | **H1 2013** | **H1 2012** | ***Change 2013/2012*** |
|---|---|---|---|
| **Backlog** | 43,494 | 45,190 | *- 3.8%* |
| **Sales revenue** | 4,762 | 4,329 | *+10.0%* |
| Of which nuclear operations[1] | 4,477 | 4,005 | *+11.8%* |
| Of which renewables operations | 214 | 253 | *-15.3%* |
| **Restated EBITDA[2]** | 473 | 725 | *-€252m* |
| *In percentage of sales revenue* | *9.9%* | *16.7%* | *-6.8 pts* |
| **Restated EBITDA[2], excluding the insurance indemnity awarded in relation to OL3 in H1 2012** | 473 | 425 | *+€48m* |
| *In percentage of sales revenue* | *9.9%* | *9.8%* | *+0.1pt* |
| **Reported EBITDA** | 473 | 817 | *-€344m* |
| *In percentage of sales revenue* | *9.9%* | *18.9%* | *-9.0 pts* |
| **Restated free operating cash flow[2]** | (313) | (591) | *+€278m* |
| **Reported free operating cash flow** | (313) | (476) | *+€163m* |
| **Restated operating income[2]** | 245 | 349 | *-€103m* |
| **Reported operating income** | 245 | 441 | *-€195m* |
| **Net income attributable to equity owners of the parent** | 0 | 80 | *-€80m* |
| **Earnings per share** | €0.00 | €0.21 | *-€0.21* |
| | **6/30/13** | **12/31/12** | |
| **Net debt (+) / cash (-)** | 4,471 | 3,948 | *+€523m* |
| **Net debt / (net debt + equity)** | 44.7% | 41.5% | *3.2 pts* |

*The data from the first half of 2012 were restated for purposes of comparison with the data from the first half of 2013.*

*In addition, it should be noted that Business Group revenue and contributions to consolidated income may vary significantly from one half year to the next in the nuclear operations. Accordingly, half-year data should not be viewed as a reliable indicator of annual trends.*

[1] Nuclear operations: operations in the Mining, Front End, Reactors & Services and Back End Business Groups and in Engineering & Projects (recognized under "Other")

[2] Restated for the impacts of the asset disposal plan in the first half of 2012 (+92 million euros for EBITDA and operating income and +115 million euros for free operating cash flow)

## Backlog: strong visibility

The group had 43.5 billion euros in backlog at June 30, 2013, representing nearly five years of sales revenue. It was slightly down from 30 June 2012 (45.2 billion euros). Backlog in the Mining Business Group (BG) rose over 12 months, while that of the other nuclear BGs fell due to the good progress in contracts' execution over the period.

The half-year order intake was close to 3 billion euros.

Order cancellations subsequent to the Fukushima accident were limited to 42 million euros in the second quarter of 2013 (105 million euros for the half-year 2013 period), reflecting a marked decline compared with levels in previous quarters.

### Backlog by Business Group

The **Mining BG** had 11.377 billion euros in backlog at June 30, 2013. In the first half of 2013, the group signed several long-term contracts for natural uranium supply with US and Asian utilities.

The **Front End BG** had 17.755 billion euros in backlog at June 30, 2013. The BG signed several significant contracts in the first half of 2013, including:

- a contract for enriched uranium supply (integrated offer) with an Asian utility;
- several contracts with US and French utilities in the Enrichment business;
- fuel assembly supply contracts with German, Dutch and Swiss utilities.

The **Reactors & Services BG** had 7.839 billion euros in backlog at June 30, 2013. Commercial operations led to several contracts in the first half of 2013, including:

- contracts as part of the “Safety Alliance” program, for which a total of nearly 300 million euros in orders have been recorded since it was launched;
- contracts with US utilities to supply water level measurement systems for spent fuel pools.

The **Back End BG** had 5.732 billion euros in backlog at June 30, 2013. Among the most significant contracts won in the first half are:

- two contracts for cask manufacturing and service offer with US clients;
- a contract for the supply of ten dry storage casks for Belgian client Synatom;
- an order for MOX fuel assembly fabrication for the German reactors.

Negotiations between EDF and AREVA concerning the financial conditions of the multiyear treatment and recycling contract for 2013-2017 continued during the first half of 2013.

The **Renewable Energies BG** had 689 million euros in backlog at June 30, 2013. Of note during the first half were two contracts to supply biomass power plants, one in Thailand and the other for Neoen in France.

Commercial activity was high over the period, particularly in offshore wind, with numerous achievements as AREVA was selected to enter in preferential negotiations for major projects in France and in the United Kingdom.

## Very strong sales revenue growth: +13.0% organic growth

The group reported consolidated revenue of 4.762 billion euros in the first half of 2013, a 10.0% increase in relation to the first half of 2012 (+13.0% like for like). Foreign exchange had a negative impact of 29 million euros, primarily in the Mining, Reactors & Services, and Renewable Energies BGs. Changes in consolidation scope had a negative impact of 84 million euros, mainly as the result of the deconsolidation of *La Mancha Resources Inc.* following the disposal of that business in late August 2012.

Revenue from the nuclear operations was 4.477 billion euros in the first half of 2013, compared with 4.005 billion euros in the first half of 2012, an 11.8% increase (+14.9% like for like). This growth was supported by all of the nuclear BGs: +25.9% in the Mining BG, +5.1% in the Front End BG, +5.1% in the Reactors & Services BG and +22.1% in the Back End BG.

Revenue from the renewables operations was down in the first half of 2013 to 214 million euros, compared with 253 million euros in the first half of 2012.

Internationally, revenue for the half-year period rose 10.6% compared with the first half of 2012, to 2.867 billion euros.

## Revenue by Business Group

The **Mining BG** reported sales revenue of 813 million euros in the first half of 2013, a 25.9% increase compared with the first half of 2012 (+43.7% like for like). Foreign exchange had a negative impact of 5 million euros. Changes in consolidation scope had a negative impact of 75 million euros due to deconsolidation of *La Mancha Resources Inc.* operations, which were sold in August 2012. The strong organic growth is explained by the combined increase of the average sale price of uranium sold under contracts and of volumes sold over the half-year period.

The **Front End BG** reported revenue of 954 million euros, an increase of 5.1% year on year (+7.3% like for like). Changes in consolidation scope had a negative impact of 17 million euros, with the transfer of operations from the Fuel business to the Reactors & Services BG.

- Volumes rose in the Chemistry-Enrichment business over the half-year period as enrichment services for France picked up, largely offsetting the downturn in conversion volumes;
- In the Fuel Business Unit (BU), sales revenue climbed on a more favorable product mix than in the first half of 2012.

The **Reactors & Services BG** reported revenue of 1.714 billion euros, a 5.1% increase (+5.8% like for like).

- Revenue growth in the Installed Base and Equipment BUs was led by a high level of activity in France with EDF;
- The New Builds business is advancing in step with progress on the EPR™ projects.

The **Back End BG** reported revenue of 975 million euros, a 22.1% increase (+21.7% like for like).

- Revenue for the period rose significantly in the Recycling BU on strong business from MOX fuel fabrication contracts with foreign customers. On the contrary, it was penalized by production delays during the half-year period;
- Revenue in the Logistics BU was led by strong cask manufacturing operations in Europe and the supply of dry storage solutions in the United States.

The **Renewable Energies BG** reported revenue of 214 million euros in the first half of 2013, a 15.3% decrease (-13.5% like for like) compared with the first half of 2012. Foreign exchange had a negative impact of 5 million euros. The net change in sales revenue is due to the following:

- installation schedule delays in Offshore Wind and a lower level of Bioenergies activity in Brazil;
- revenue growth in the Solar BU as work progressed on the Reliance project in India.

## Sharp increase in restated EBITDA

(excluding OL3 insurance indemnity awarded in the first half of 2012)

Reported earnings before interest, taxes, depreciation and amortization (EBITDA) went from 817 million euros in the first half of 2012 to 473 million euros in the first half of 2013. Restated for the impact of asset disposal in 2012[1], it declined by 252 million euros in relation to the first half of 2012, when the insurance indemnity of 300 million euros had been awarded in relation to the OL3 project in Finland. Excluding the OL3 insurance indemnity, EBITDA rose 48 million euros, an increase of 11.4% year on year. EBITDA for the nuclear operations alone rose 18.6% year on year, with EBITDA margin rising from 12.9% to 13.7% of sales revenue.

### EBITDA by Business Group

In the **Mining BG**, restated EBITDA[1] was 315 million euros in the first half of 2013, compared with 223 million euros in the first half of 2012. This reflects the combined increase of the average sale price of uranium sold under contracts and of volumes sold, which largely offset the negative impact of changes in consolidation scope related to the deconsolidation of *La Mancha Resources Inc.* during the period.

In the **Front End BG**, EBITDA was 108 million euros in the first half of 2013, compared with 169 million euros in the first half of 2012, which saw a gain on the sale of fixed assets in the amount of 77 million euros. This situation is due in particular to:

- a high level of activity in Enrichment and Fuel;
- the positive impact of industrial facility streamlining and optimization plans and the resulting gains in operating performance;
- this in spite of the disbursements related to operations carried out prior to shutting down industrial facility operations, for which provisions were set up in previous years.

In the **Reactors & Services BG**, EBITDA was -110 million euros in the first half of 2013, down from the same period in 2012 (154 million euros), which saw the contribution of an insurance indemnity in the amount of 300 million euros in relation to the OL3 project in Finland. The lower spending levels on one of the EPR™ projects in the first half of 2013 compared with the same period in 2012 partly offset this effect.

In the **Back End BG**, EBITDA was 305 million euros in the first half of 2013, compared with 268 million euros in the first half of 2012. This is in line with the activity level for the period, notwithstanding the production delays reported in the Recycling business.

In the **Renewable Energies BG**, EBITDA was -55 million euros in the first half of 2013, compared with -25 million euros in the first half of 2012. The difference is mainly due to a lower level of activity in the mature businesses (Offshore Wind and Bioenergies) and by expenditures related to the solar projects.

[1] Restated for the impacts of the asset disposal plan in the first half of 2012 (+92 million euros for EBITDA)

## Sharply improved free operating cash flow before tax

Free operating cash flow before tax rose 163 million euros to -313 million euros in the first half of 2013.

Restated for asset disposal in 2012[1], it was up 278 million euros compared with the first half of 2012, reflecting the combined effect of improved performance (excluding the insurance indemnity awarded in relation to OL3 in the first half of 2012) and control of capital spending over the period.

## Change in operating working capital requirement by Business Group

The change in operating working capital requirement (WCR) was unfavorable by -171 million euros, compared with -327 million euros in the first half of 2012.

In the **Mining BG**, the change in operating WCR was positive by 127 million euros (compared with a positive contribution of 152 million euros in the first half of 2012), primarily due to the decrease in inventories over the period.

In the **Front End BG**, the change in operating WCR was positive by 9 million euros (compared with 11 million euros in the first half of 2012), also due mainly to the decrease in inventories over the period.

In the **Reactors & Services BG**, the change in operating WCR was negative by -24 million euros (compared with -346 million euros in the first half of 2012). For the first half of 2012, the change in operating WCR had included recognition of a receivable of 300 million euros in relation to the OL3 insurance payment received in the second half of 2012.

In the **Back End BG**, the change in operating WCR was positive by 19 million euros (compared with 30 million euros in the first half of 2012), in part due to the receipt of exceptional prepayments from foreign customers.

The change in operating WCR in the **Renewable Energies BG** was negative by -99 million euros (as contrasted with a positive contribution of 61 million euros in the first half of 2012), due to the absence of significant customer advances in the first half of 2013.

## Capex by Business Group

The group's gross operating Capex was 622 million euros in the first half of 2013, compared with 919 million euros in the first half of 2012. Of this, 50% was funded by the cash flow generated by operating activities, as compared with 36% in the first half of 2012.

Asset disposals classified in operating cash flow were not significant over the half-year period, whereas they reached 120 million euros in the first half of 2012, mainly including the disposal of the equity interest in the Millennium mining property in Canada in connection with the Action 2016 plan.

Consequently, net operating Capex totaled 621 million euros in the first half of 2013, down 179 million euros in relation to the first half of 2012.

The **Mining BG** had 212 million euros in net operating Capex, compared with 227 million euros in the first half of 2012 (342 million euros restated for asset disposal in 2012). This mainly concerned the development of the Cigar Lake and Imouraren mining sites in Canada and Niger respectively.

[1] Restated for the impacts of the asset disposal plan in the first half of 2012 (+115 million euros for free OCF)

Net operating Capex in the **Front End BG** totaled 240 million euros, down from 407 million euros in the first half of 2012. This reflects the slowing pace of Capex related to the construction of the conversion and enrichment plants, including the Georges Besse II plant, which has reached more than 50% of its operating capacity.

Net operating Capex in the **Reactors & Services BG** was stable at 73 million euros compared with the first half of 2012, when it was 74 million euros. Capital spending mainly included development expenses to expand the group's range of reactors and production Capex in the Equipment business, in particular for a new press and manipulator at the Creusot Forge site.

In the **Back End BG**, net operating Capex totaled 42 million euros, down from 55 million euros in the first half of 2012. Capital spending concerned the La Hague and Melox plants in France in the Recycling business and the development of international projects.

Net operating Capex in the **Renewable Energies BG** rose to 43 million euros, in contrast to 32 million euros in the first half of 2012. Capital spending mainly concerned the development of Offshore Wind and Solar.

## Positive operating income

The group reported operating income of 245 million euros in the first half of 2013, compared with 441 million euros in the first half of 2012.

Restated for 2012 asset disposal[1], operating income was down 103 million euros in the first half of 2013 compared with the first half of 2012, when it had reflected the one-time effect of a new early retirement plan set up in March 2012 changing the provisions of the main early retirement plan of a group subsidiary. This effect was offset by a lower level of charges to provisions than in the first half of 2012.

### Review of operating income by Business Group

Restated operating income for the **Mining BG** reached 253 million euros in the first half of 2013, compared with 5 million euros in the first half of 2012, when it had included impairment of mining assets in the total amount of 164 million euros. The increase is mainly due to the combined increase of the average sale price of uranium sold under contract and of volumes sold.

The **Front End BG** reported operating income of 66 million euros, compared with 186 million euros in the first half of 2012, a decrease of 120 million euros. In the first half of 2012, operating income had reflected a gain on the disposal of fixed assets in the amount of 77 million euros and the one-time effect of a favorable change in provisions related to employee benefits constituted in application of amended IAS 19. It was buoyed by:

- ramp-up of the Georges Besse II plant and optimization of costs related to the transition from Eurodif to Georges Besse II in the Enrichment business;
- the positive impact of performance improvement plans across the entire Business Group.

The **Reactors & Services BG** reported an operating income of -113 million euros in the first half of 2013, compared with -198 million euros in the first half of 2012. The increase of 85 million euros is chiefly due to lower charges to provisions for losses at completion in relation to the same period last year (150 million euros in the first half of 2013 as against 300 million euros in the first half of 2012). At June 30, 2013, a

[1] Restated for the impacts of the asset disposal plan in the first half of 2012 (+92 million euros for operating income)

provision of 150 million euros was added to losses at completion for the Olkiluoto 3 EPR™ reactor project in Finland based on costs committed and incurred to date, considering the insufficient efficiency of remaining construction work (in particular finishing works). This topic is now the subject of performance improvement action plans with TVO and the suppliers involved. In the absence of a schedule elaborated together with the customer, no detailed re-estimation of the conditions of execution and of the costs of the later phases of the project has been performed. In any case, the situation will be reassessed at the end of the fiscal year in the light of the outcome of ongoing works related to the revision of the general schedule.

The **Back End BG** reported operating income of 228 million euros in the first half of 2013, compared with 443 million euros in the first half of 2012. In the first half of 2012, operating income had benefitted from the one-time impact of a favorable change in provisions related to employee benefits constituted in application of amended IAS 19. Excluding that effect, operating income reflects the increase in the level of activity over the period, despite the production delays reported in the Recycling business.

The **Renewable Energies BG** reported an operating loss of 64 million euros for the first half of 2013; the downturn compared with the first half of 2012 (-33 million euros) was due to the lower level of activity in the Offshore Wind and Bioenergies businesses.

## Consolidated net income at break-even

Net income attributable to equity owners of the parent was nil in the first half of 2013, compared with 80 million euros in the first half of 2012.

- The share in net income of associates was 1 million euros in the first half of 2013, compared with 5 million euros in the first half of 2012.
- Net financial income was -93 million euros in the first half of 2013, compared with -191 million euros in the first half of 2012. The change is due to the share of net financial income related to end-of-lifecycle operations, which improved over the period. The cost of net financial debt was stable in relation to the first half of 2012, at 100 million euros.
- Net tax income for the first half of 2013 was -100 million euros, compared with net tax income of -149 million euros in the first half of 2012.

## Net financial debt, liquidity and share ownership

The group's net financial debt totaled 4.471 billion euros, compared with 3.948 billion euros at December 31, 2012. The change is mainly attributable to negative free operating cash flow and to disbursements for taxes (73 million euros) and financial expenses (71 million euros).

In first half of 2013, the group renewed its undrawn bilateral and syndicated lines of credit, maturing in 2015 and 2018 respectively, in the total amount of approximately 2 billion euros.

At June 30, 2013, the group had net cash available[1] of 1.025 billion euros. The group has no major debt repayment due before 2016.

During the half-year period, the liquidity of the AREVA share was strengthened through a liquidity agreement with Natixis.

The shareholder structure evolved with the successful employee stock purchase plan, which was based on treasury shares. At the conclusion of this transaction, more than 14,600 of the group's French, German and

[1] Net cash available: Cash, cash equivalents and other current financial assets minus current borrowings

American employees (i.e. 36% of eligible staff, 39% in France) became shareholders or holders of shares in the French collective employee shareholding vehicle (FCPE), with an average investment level per employee of more than €2,200, generating 45 million euros in cash for the group. At June 30, 2013, employees held approximately 1.2% of AREVA's share capital.

## II. Financial outlook for 2013 confirmed

In view of the encouraging first-half 2013 results, the group is able to confirm financial outlook for 2013 as follows:

- organic sales revenue growth of 3 to 6% in the nuclear businesses;
- EBITDA of more than 1.1 billion euros, restated for the impacts of the asset disposal program;
- free operating cash flow before tax at breakeven;

despite the lower anticipated level of activity in renewable energies, which should generate sales revenue of some 450 million euros in 2013 (versus the estimated 600 million euros previously forecast).

It should be noted that the asset disposals target for total gains of a minimum of 1.2 billion euros over 2012-2013 has been reached at the end of August 2012.

The presentation of AREVA's half-year results will be available live on the Internet on July 24, 2013 at 18:00 CEST.
To access the webcast, please click on the following links:

French version: http://webcast.areva.com/20130724/resultats_1er_semestre_2013

English version: http://webcast.areva.com/20130724/2013_first_half_results

Schedule of upcoming periodic financial information

► October 24, 2013 – 17:45 CET: Third quarter 2013 revenue and financial information (press release)

## Note:

► Forward-looking statements

This document contains forward-looking statements and information. These statements include financial forecasts and estimates as well as the assumptions on which they are based, and statements related to projects, objectives and expectations concerning future operations, products and services or future performance. Although AREVA's management believes that these forward-looking statements are reasonable, AREVA's investors and shareholders are hereby advised that these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee and generally beyond AREVA's control, which may mean that the expected results and developments differ significantly from those expressed, induced or forecast in the forward-looking statements and information. These risks include those explained or identified in the public documents filed by AREVA with the AMF, including those listed in the "Risk Factors" section of the Reference Document registered with the AMF on 03/28/13 (which may be read online on AREVA's website www.areva.com). AREVA makes no commitment to update the forward-looking statements and information, except as required by applicable laws and regulations.

## Appendix 1 – Consolidated revenue by quarter

| (in million euros) | 2013 | 2012 | *Change 2013/2012 in %* | *Change 2013/2012 in % like for like** |
|---|---|---|---|---|
| **1st quarter** | | | | |
| Mining BG | 395 | 313 | *+26.1%* | *+43.6%* |
| Front End BG | 378 | 432 | *-12.6%* | *-11.2%* |
| Reactors & Services BG | 799 | 774 | *+3.2%* | *+4.1%* |
| Back End BG | 556 | 371 | *+49.9%* | *+49.5%* |
| Renewable Energies BG | 105 | 85 | *+23.3%* | *+27.5%* |
| Corporate and Other** | 46 | 50 | *-8.3%* | *-8.3%* |
| **Total** | **2,279** | **2,026** | ***+12.5%*** | ***+15.5%*** |
| **2nd quarter** | | | | |
| Mining BG | 418 | 333 | *+25.7%* | *+43.7%* |
| Front End BG | 577 | 475 | *+21.2%* | *+24.2%* |
| Reactors & Services BG | 915 | 858 | *+6.7%* | *+7.3%* |
| Back End BG | 419 | 428 | *-2.1%* | *-7.6%* |
| Renewable Energies BG | 109 | 167 | *-35.0%* | *-34.0%* |
| Corporate and Other** | 46 | 42 | *+9.8%* | *+10.0%* |
| **Total** | **2,484** | **2,303** | ***+7.9%*** | ***+9.5%*** |
| **1st half** | | | | |
| Mining BG | 813 | 646 | *+25.9%* | *+43.7%* |
| Front End BG | 954 | 908 | *+5.1%* | *+7.3%* |
| Reactors & Services BG | 1,714 | 1,631 | *+5.1%* | *+5.8%* |
| Back End BG | 975 | 799 | *+22.1%* | *+21.7%* |
| Renewable Energies BG | 214 | 253 | *-15.3%* | *-13.5%* |
| Corporate and Other** | 92 | 92 | *-0.1%* | *0.0%* |
| **Total** | **4,762** | **4,329** | ***+10.0%*** | ***+13.0%*** |

* Like for like, i.e. at constant exchange rates and consolidation scope

** Including the operations of Consulting & Information Systems and the Engineering & Projects organization

## Appendix 2 – Income Statement

| *(in million euros)* | H1 2013 | H1 2012 | *Change 13/12* |
|---|---|---|---|
| **Sales revenue** | **4,762** | **4,329** | ***+433*** |
| Other income from operations | 18 | 37 | *-19* |
| Cost of sales | (3,981) | (3,719) | *-262* |
| **Gross margin** | **799** | **647** | ***+152*** |
| Research and development expenses | (136) | (135) | *-1* |
| Marketing and sales expenses | (122) | (118) | *-4* |
| General and administrative expenses | (194) | (202) | *+8* |
| Other operating income and expenses | (102) | 249 | *-351* |
| **Operating income** | **245** | **441** | ***-196*** |
| Income from cash and cash equivalents | 20 | 22 | *-2* |
| Gross borrowing costs | (120) | (117) | *-3* |
| **Net borrowing costs** | **(100)** | **(95)** | ***-5*** |
| Other financial income and expenses | 7 | (95) | *+102* |
| **Net financial income** | **(93)** | **(191)** | ***+98*** |
| Income tax | (100) | (149) | *+49* |
| Share in net income of associates | 1 | 5 | *-4* |
| **Net income from continuing operations** | **53** | **106** | ***-53*** |
| Net income from discontinued operations | - | - | - |
| **Net income for the period** | **53** | **106** | ***-53*** |
| Minority interests | 52 | 26 | *+26* |
| **Net income attributable to equity owners of the parent** | **0** | **80** | ***-80*** |
| **Comprehensive income** | **(35)** | **145** | ***-180*** |
| Average number of shares outstanding, excluding treasury shares | 378,742,082 | 381,999,602 | *-3,257,520* |
| Basic earnings per share (in euros) | **0.00** | **0.21** | ***-0.21*** |

## Appendix 3 – Consolidated Cash Flow Statement

| *(in million euros)* | H1 2013 | H1 2012 | *Change 13/12* |
|---|---|---|---|
| Cash flow from operations before interest and taxes | 443 | 602 | *-159* |
| Net interest and taxes paid | (119) | (146) | *+27* |
| **Cash flow from operations after interest and tax** | **324** | **455** | ***-131*** |
| Change in working capital requirement | (157) | (264) | *+107* |
| **Net cash flow from operating activities** | **166** | **192** | ***-26*** |
| **Net cash flow from investing activities** | **(651)** | **(200)** | ***-451*** |
| **Net cash flow from financing activities** | **71** | **196** | ***-125*** |
| Decrease (increase) in marketable securities maturing in more than 3 months | 181 | (276) | *+457* |
| Impact of foreign exchange movements | (2) | 3 | *-5* |
| **Net cash flow from discontinued operations** | **-** | **(91)** | ***+91*** |
| **Increase (decrease) in net cash** | **(234)** | **(177)** | ***-57*** |
| Net cash at the beginning of the period | 1,489 | 2,273 | *-784* |
| **Cash at the end of the year** | **1,256** | **2,096** | ***-840*** |

## Appendix 4 – Simplified Balance Sheet*

| *(in million euros)* | 6/30/2013 | 12/31/2012 |
|---|---|---|
| **ASSETS** | | |
| Goodwill | 4,085 | 3,998 |
| Property, plant and equipment (PP&E) and intangible assets | 11,326 | 10,699 |
| Assets earmarked for end-of-lifecycle operations | 5,983 | 5,912 |
| Equity associates | 159 | 175 |
| Other non-current financial assets | 301 | 294 |
| Deferred taxes (assets – liabilities) | 962 | 1,006 |
| Operating working capital requirement | (574) | (601) |
| Net assets from discontinued operations | - | **225** |
| **LIABILITIES** | | |
| Equity | 5,530 | 5,556 |
| Provisions for end-of-lifecycle operations | 6,376 | 6,331 |
| Other provisions and employee benefits | 4,690 | 4,751 |
| Other assets and liabilities | 1,175 | 1,048 |
| Net debt | 4,471 | 3,948 |
| Liabilities of operations held for sale | - | **73** |
| **Total – Simplified balance sheet** | **22,243** | **21,708** |

* Assets and liabilities, including operating working capital, net debt and deferred taxes, are offset in the simplified balance sheet. These items are not offset in the detailed balance sheet presented in the consolidated financial statements

## Appendix 5 – Key data by Business Group

| *(in million euros)* | **H1 2013** | **H1 2012** | ***Change 13/12*** | ***Change 13/12 (LFL)**** |
|---|---|---|---|---|
| **Backlog** | **43,494** | **45,190** | ***-1,696*** | |
| including: | | | | |
| Mining BG | 11,377 | 10,472 | *+905* | |
| Front End BG | 17,755 | 18,712 | *-957* | |
| Reactors & Services BG | 7,839 | 8,295 | *-456* | |
| Back End BG | 5,732 | 6,167 | *-434* | |
| Renewable Energies BG | 689 | 1,428 | *-739* | |
| Corporate & Other** | 102 | 117 | *- 15* | |
| **Sales revenue** | **4,762** | **4,329** | *+10.0%* | *+13.0%* |
| including: | | | | |
| Mining BG | 813 | 646 | *+25.9%* | *+43.7%* |
| Front End BG | 954 | 908 | *+5.1%* | *+7.3%* |
| Reactors & Services BG | 1,714 | 1,631 | *+5.1%* | *+5.8%* |
| Back End BG | 975 | 799 | *+22.1%* | *+21.7%* |
| Renewable Energies BG | 214 | 253 | *-15.3%* | *-13.5%* |
| Corporate & Other** | 92 | 92 | *-0.1%* | *0.0%* |
| **Operating income** | **245** | **441** | ***-195*** | |
| including: | | | | |
| Mining BG | 253 | 97 | *+156* | |
| Front End BG | 66 | 186 | *-120* | |
| Reactors & Services BG | (113) | (198) | *+85* | |
| Back End BG | 228 | 443 | *-215* | |
| Renewable Energies BG | (64) | (33) | *-30* | |
| Corporate & Other** | (126) | (54) | *-71* | |
| **EBITDA** | **473** | **817** | ***-344*** | |
| including: | | | | |
| Mining BG | 315 | 315 | *0* | |
| Front End BG | 108 | 169 | *-62* | |
| Reactors & Services BG | (110) | 154 | *-265* | |
| Back End BG | 305 | 268 | *+38* | |
| Renewable Energies BG | (55) | (25) | *-29* | |
| Corporate & Other** | (90) | (64) | *-26* | |
| **Free operating cash flow before tax** | **(313)** | **(476)** | ***+163*** | |
| including: | | | | |
| Mining BG | 233 | 150 | *+83* | |
| Front End BG | (124) | (305) | *+181* | |
| Reactors & Services BG | (206) | (265) | *+59* | |
| Back End BG | 282 | 242 | *+40* | |
| Renewable Energies BG | (193) | 4 | *-197* | |
| Corporate & Other** | (306) | (302) | *-4* | |

* Like for like, i.e. at constant exchange rates and consolidation scope

** Including the operations of Consulting & Information Systems and the Engineering & Projects organization

## Appendix 6 – 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; 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.

**Cash flow 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
- minus acquisitions of earmarked assets
- minus cash spent during the year on end-of-lifecycle operations
- full and final payments received for facility dismantling
- minus full and final payments paid for facility dismantling.

**Earnings before interest, taxes, depreciation and amortization (EBITDA)**: EBITDA is equal to operating income plus net amortization, depreciation and operating provisions (except for provisions for impairment of working capital items). EBITDA is restated to exclude the costs of end-of-lifecycle operations for nuclear facilities (dismantling, waste retrieval and packaging) carried out during the year, as well as the full and final payments paid or to be paid to third parties for facility dismantling. It should be noted that the cash flows linked to end-of-lifecycle operations are presented separately.

**Foreign exchange impact:** the foreign exchange impact mentioned in this release comes from the translation of subsidiary accounts into the Group's unit of account. The latter is primarily due to changes in the US dollar in relation to the euro. AREVA also points out that its foreign exchange hedging policy for commercial operations aims to shield profitability from fluctuations in exchange rates in relation to the euro.

**Free operating cash flow**: free operating cash flow represents the cash flow generated by operating activities before income tax. It is equal to the sum of the following items:

- EBITDA, excluding end-of-lifecycle operations,
- plus losses or minus gains on disposals of property, plant and equipment and intangible assets included in operating income,

- 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 and intangible assets, net of changes in accounts payable related to fixed assets,
- plus sales of property, plant and equipment 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.

**Gearing**: the ratio of net debt to net debt plus equity.

**Like for like:** at constant exchange rates and consolidation scope.

**Net cash (debt):** net cash (debt) is defined as the sum of cash and cash equivalents plus other current financial assets minus current and non-current borrowings. Current and non-current borrowings include the present value of puts held by minority interests.

**Operating margin**: the ratio of operating income to sales revenue.

**Operating working capital requirement (OWCR):** 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,
- advances paid,
- 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.
- 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.