



## PRESS RELEASE

**1<sup>st</sup> quarter 2015 revenue down, at €1.762bn:  
-1.1% vs. March 2014 (-0.9% like for like)**

Paris, April 29, 2015

Revenue <i>(in millions of euros)</i>	Q1 2015	Q1 2014	Change	Change LFL
Mining BG	344	145	+136.8%	+151.4%
Front End BG	463	561	-17.5%	-19.6%
Reactors & Services BG	598	684	-12.6%	-14.5%
Back End BG	340	325	+4.7%	+2.4%
Renewable Energies BG	7	18	-61.5%	-63.3%
Corporate and Other <sup>1</sup>	11	48	n.s.	n.s.
<b>Total</b>	<b>1,762</b>	<b>1,781</b>	<b>-1.1%</b>	<b>-0.9%</b>
of which nuclear operations <sup>2</sup>	1,749	1,724	+1.4%	-0.2%
Revenue – France	748	904	-17.3%	n.s.
Revenue – International	1,014	877	+15.7%	n.s.

**Press Office**  
T: +33 (0)1 34 96 12 15  
press@areva.com

**Investors Relations**  
Philippine du Repaire  
philippine.durepaire@areva.com  
T: +33 (0)1 34 96 11 51

**It should be noted that revenue may vary significantly from one quarter to the next in the nuclear operations. Accordingly, quarterly data should not be viewed as a reliable indicator of annual trends.**

**In the 1<sup>st</sup> quarter of 2015**, AREVA generated **consolidated revenue** of 1.762 billion euros, representing a decrease of 1.1% (-0.9% like for like) compared with the same period in 2014.

Foreign exchange had a positive impact of 36 million euros over the period, while consolidation scope had a negative impact of 39 million euros.

**At March 31, 2015, the group had 47.520 billion euros in backlog**, a 1.4% increase in relation to December 31, 2014 (46.866 billion euros) reflecting a favorable foreign exchange impact.

It should be noted that the backlog does not include the amount from agreements signed with EDF in October 2013 for the EPR reactors project at Hinkley Point in the United Kingdom or for the related fuel.

The order intake totaled 881 million euros in the 1<sup>st</sup> quarter of 2015, an increase compared with the 1<sup>st</sup> quarter of 2014 (668 million euros).

*See Appendix 1 – Order intake and backlog*

<sup>1</sup> Includes Engineering & Projects operations

<sup>2</sup> Nuclear operations: operations in the Mining, Front End, Reactors & Services and Back End Business Groups and in Engineering & Projects (recognized under Corporate & Other)

## I. Comments on backlog and revenue by Business Group

### Mining Business Group

The Mining BG had 10.396 billion euros in backlog at March 31, 2015. With natural uranium market conditions still uncertain, the order intake was modest, at 155 million euros for the 1<sup>st</sup> quarter, despite the increase in natural uranium spot prices from \$35.50 per pound at the end of December 2014 to \$39.50 per pound at the end of March 2015.

In the 1<sup>st</sup> quarter of 2015, the Mining BG had revenue of 344 million euros, an increase of 136.8% (+151.4% like for like) in relation to the 1<sup>st</sup> quarter of 2014. Foreign exchange had a negative impact of 8 million euros over the period.

This change is due to:

- the increase in deliveries, in particular to Chinese and French customers, thanks to particularly favorable delivery schedules over the period;
- an increase in the average contract sales price of uranium in relation to the 1<sup>st</sup> quarter of 2014.

### Front End Business Group

The Front End BG had 19.016 billion euros in backlog at March 31, 2015. The order intake for the 1<sup>st</sup> quarter of the year totaled 109 million euros.

The Front End BG reported revenue of 463 million euros in the 1<sup>st</sup> quarter of 2015, a decrease of 17.5% (-19.6% like for like) compared with the 1<sup>st</sup> quarter of 2014. Foreign exchange had a positive impact of 15 million euros over the period.

- Revenue in the Chemistry-Enrichment business was down sharply, primarily due to:
  - a decrease in enrichment volumes sold in the United States and France due to an unfavorable delivery schedule;
  - this was partly offset by the increase in conversion business over the period, with a favorable delivery schedule in France.
- In Fuel operations, revenue declined as the result of a lower level of activity in France and Asia due to an unfavorable delivery schedule over the period.

### Reactors & Services Business Group

The Reactors & Services BG had 8.533 billion euros in backlog at March 31, 2015. The order intake for the 1<sup>st</sup> quarter of the year totaled 456 million euros.

The Reactors & Services BG reported revenue of 598 million euros in the 1<sup>st</sup> quarter of 2015, a decrease of 12.6% (-14.5% like for like) compared with the 1<sup>st</sup> quarter of 2014. Foreign exchange had a positive impact of 22 million euros over the period, while consolidation scope had a negative impact of 6 million euros.

- Revenue from Large Projects was up compared with the 1<sup>st</sup> quarter of 2014 and is evolving in line with progress on large construction projects. It benefitted from the increase in revenue associated with the Flamanville 3 EPR project in France and the ramp-up of the project to complete the Angra 3 reactor in Brazil, offsetting the expected decrease in revenue associated with the Taishan EPR project in China. In addition, in accordance with the provisions of paragraph 32 of IAS 11, which have been applied since the 2<sup>nd</sup> half of 2013, no revenue was recognized during the 1<sup>st</sup> quarter of 2015 for the Olkiluoto 3 EPR project in Finland.
- Revenue from services to the installed base fell in relation to the 1<sup>st</sup> quarter of 2014 due to lower installed base activity in France, deteriorated market conditions in the United States and Germany, and the drop in activity, as per schedule, on the contract to modernize a power plant in Northern Europe.

- Revenue from the Propulsion & Research Reactors business was down sharply due to the accounting adjustment applied to revenue from the construction of the Jules Horowitz research reactor for the CEA connected with provisions for cost overruns in 2014.

### Back End Business Group

The Back End BG had 9.528 billion euros in backlog at March 31, 2015. The order intake for the 1<sup>st</sup> quarter of the year amounted to 147 million euros due in particular to strong commercial activity in the Dismantling & Services department and a contract with a US utility to supply Nuhoms® dry storage casks.

The Back End BG reported revenue of 340 million euros in the 1<sup>st</sup> quarter of 2015, an increase of 4.7% in reported data and of 2.4% like for like in relation to the same period in 2014. Foreign exchange had a positive impact of 7 million euros over the period.

- Revenue from the Recycling business was down over the period due to a lower level of activity at the la Hague plant attributable to scheduled outages for maintenance in the 1<sup>st</sup> quarter of 2015.
- Revenue in the Nuclear Logistics business benefitted from increased transportation activity in Europe.
- Revenue rose in the Dismantling & Services activity due to a higher level of business with EDF over the period.

### Renewable Energies Business Group

The Renewable Energies BG had 40 million euros in backlog at March 31, 2015, in line with the performance of existing contracts and the absence of new orders.

Revenue in the Renewable Energies BG totaled 7 million euros in the 1<sup>st</sup> quarter of 2015, a decrease in relation to the same period in 2014 (-61.5% on a reported basis and -63.3% like for like) due to a drop in the Bioenergy business in Europe.

## II. Key business data

### Mining Business Group

- In the 1<sup>st</sup> quarter of 2015, AREVA's consolidated share of natural uranium production totaled 1,772 metric tons, versus 1,873 metric tons in the 1<sup>st</sup> quarter of 2014. AREVA's available share was 1,501 metric tons of uranium, versus 1,536 metric tons in the 1<sup>st</sup> quarter of 2014.
- A three-day strike took place in early April at the Somair site in Niger. Work resumed when the strike was declared illegal by the Nigerien justice system.
- Cigar Lake (Canada): production began in very high-grade ore cavities (more than 30%).

### Front End Business Group

- The Georges Besse II plant continued to spin up, with 104 cascades in production at the end of March 2015, an increase of 6 cascades compared with December 2014. As per the project schedule, approximately 93% of the plant's nominal capacity is now in service.
- Concerning the PRISME project (intensive rinsing of the Eurodif plant followed by venting), the maceration operations are continuing according to plan.
- On April 24, 2015, AREVA has signed a contract with Ukrainian utility Energoatom, for the supply of enriched uranium, to be used in local nuclear power plants. This is the first enriched uranium contract awarded to AREVA by Energoatom.

### Reactors & Services Business Group

- At the **Olkiluoto 3** construction site in Finland (AREVA scope: a complete power plant in consortium with Siemens):

- A number of meetings were held with the customer TVO to explain in detail, for each discipline, the commitments made by AREVA on the organizational, technical and functional levels;
  - The overall schedule is in line with projections, particularly for instrumentation and control system testing.
- At the **Taishan** construction site in China (AREVA scope: engineering and equipment for two nuclear islands):
    - In addition to the operational milestones met during the period, AREVA submitted the necessary documentation for testing prior to fuel loading to its customer TNPJVC at the end of March;
    - The Chinese safety authority NNSA was informed by the French safety authority ASN of additional investigations requested on the Flamanville forgings.
- At the **Flamanville 3** construction site in France (AREVA scope: engineering, supply and installation of the nuclear steam supply system):
    - In addition to the operational milestones met during the period, AREVA and EDF have informed the French Nuclear Safety Authority (ASN) that a new series of tests is underway as of April 2015 for the qualification of the Flamanville EPR reactor vessel head and bottom. This series of tests follows chemical and mechanical tests performed on a representative model of the reactor vessel head and bottom. Following the initial tests, the results communicated to the ASN by AREVA showed that one of the criteria was not met in an area with greater than average carbon content. The EDF and AREVA teams are working to perform the additional tests as soon as possible, following approval by the ASN on the test conditions, and to provide the safety authority with all the necessary information to demonstrate the safety and quality of the corresponding equipment. In parallel, work continues at the Flamanville EPR.
- At the **Angra 3** construction site in Brazil (AREVA scope: engineering and services, supply of equipment and instrumentation and control system): contract performance continues according to schedule. In the 1<sup>st</sup> quarter of 2015, 13% of the work packages had been approved for delivery to Brazil. Progress on the project is dependent on the securing of project financing by the customer.
- On April 21, 2015, AREVA announced that it was continuing analyses of forgings from Creusot Forge (France) and of its quality processes. With the consent of ASN and in concert with EDF, AREVA decided to strengthen its internal reviews of forging and inspection by means of an external review. The external review will begin on May 4, 2015 and will last a minimum of two months. It will enable AREVA to identify the causes of potential flaws in its practices and quality control and the measures to be taken to continue the improvements made since the forge was acquired in 2006.

### **Back End Business Group**

- On March 10, 2015, AREVA submitted its commercial proposal to CNNC for the sale of a treatment and recycling plant in China.

### **Renewable Energies Business Group**

- On March 9, 2015, AREVA and Gamesa signed final agreements and closed the deal to create Adwen, a joint venture in offshore wind. The joint venture will design, manufacture, install, start up and maintain offshore wind turbines.

### **Group**

- Following the AREVA GmbH Supervisory Board meeting of April 14, 2015, management announced that discussions had opened with social partners on a plan to transfer operations from the Offenbach site (700 employees) to the Erlangen and Karlstein sites in Germany by mid-2016.
- Work continues on the development of the group's financing plan, which will be communicated to the financial markets by the half-year financial report.

## Market environment

- In the uranium market, the spot price went from \$34 per pound at the end of March 2014 to \$39.50 per pound at the end of March 2015. The long-term indicator went from \$46 per pound at the end of March 2014 to \$49.50 per pound at the end of March 2015 (*source: UxC / TradeTech*).
- In the enrichment market, the spot price went from \$95 per SWU at the end of March 2014 to \$79 per SWU at the end of March 2015. The long-term indicator went from \$99 per SWU at the end of March 2014 to \$90 per SWU at the end of March 2015 (*source: UxC*).

## Appendix 1 – Order intake and backlog

Order intake (in millions of euros)	Q1 2015	Q1 2014	Change
Mining BG	155	39	+294.8%
Front End BG	109	75	+45.3%
Reactors & Services BG	456	411	+10.9%
Back End BG	147	87	+68.8%
Renewable Energies BG	0	0	n.s.
Corporate & Other <sup>1</sup>	15	56	n.s.
<b>Total</b>	<b>881</b>	<b>668</b>	<b>+31.9%</b>

Backlog (in millions of euros)	At March 31, 2015	At December 31, 2014	Change
Mining BG	10,396	9,539	+9.0%
Front End BG	19,016	19,019	-0.0%
Reactors & Services BG	8,533	8,593	-0.7%
Back End BG	9,528	9,665	-1.4%
Renewable Energies BG	40	49	-17.9%
Corporate & Other <sup>1</sup>	6	1	n.s.
<b>Total</b>	<b>47,520</b>	<b>46,886</b>	<b>+1.4%</b>

<sup>1</sup> Includes Engineering & Projects operations

## Note

**Like-for-like (LFL):** at constant exchange rates and consolidation scope.

**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.

**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.

**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 03/31/15 (which may be read online on AREVA's website [www.areva.com](http://www.areva.com)). AREVA makes no commitment to update the forward-looking statements and information, except as required by applicable laws and regulations.

## Upcoming events and publications

May 21, 2015 – 15:00 CEST: Combined General Meeting of Shareholders

Tour AREVA – 1 place Jean Millier, 92400 Courbevoie, France

July 30, 2015 – 17:45 CEST: Press release, telephone conference and webcast

2015 half-year results

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### 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. Through partnerships, the company is active in the renewable energy sector.

AREVA's 44,000 employees are helping build tomorrow's energy model: supplying ever safer, cleaner and more economical energy to the greatest number of people.