



# Kepler Cheuvreux conference

**Philippe Knoche**, Chief Executive Officer

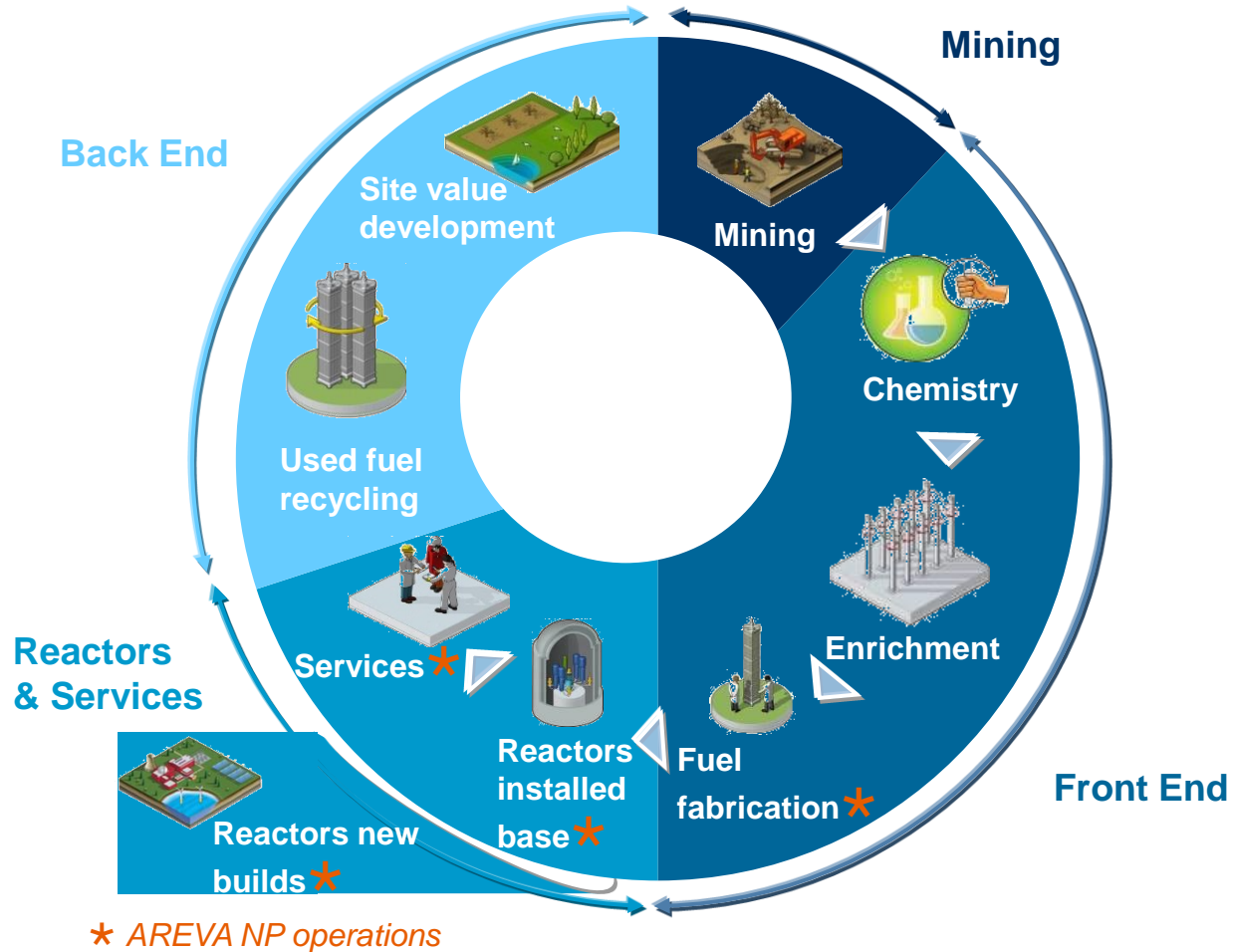
**Stéphane Lhopiteau**, Chief Financial Officer

Wednesday, September 16, 2015

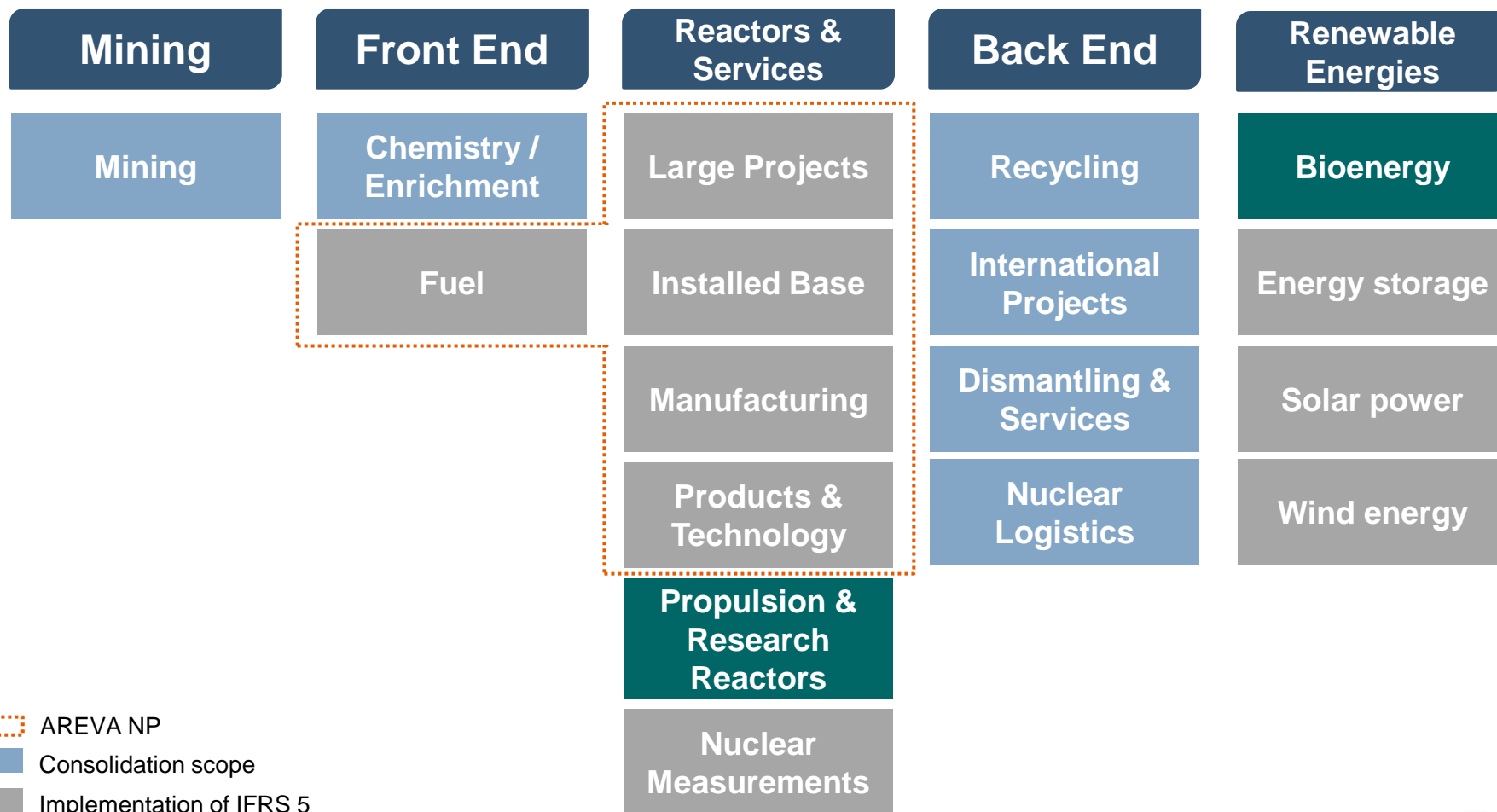






# AREVA at a glance

Across the nuclear power chain



# From a global leader in solutions for power generation with less carbon...



-  AREVA NP
-  Consolidation scope
-  Implementation of IFRS 5
-  Corporate and other operations

# ...to a global leader in nuclear fuel supply and management...

## Mining



- Mining: Uranium mines exploration and operation activities

## Front-End



- Conversion and enrichment of the uranium

## Back-End



- Recycling of the used fuel and provider of clean-up and dismantling services

## Corporate and other operations



- Corporate
- Bioenergy
- Propulsion & research reactors

## Our markets

- **Commodities**
- **Technology niches: recycling, casks, nuclear propulsion**
- **Services, Engineering, project management: dismantling and transition, fuel cycle management and project management**

➡ **A steady market with good backlog visibility**

# ...with worldwide sales

## 2014 Key figures\*

## Geographic distribution of 2014 revenue\*

**€32.8bn**

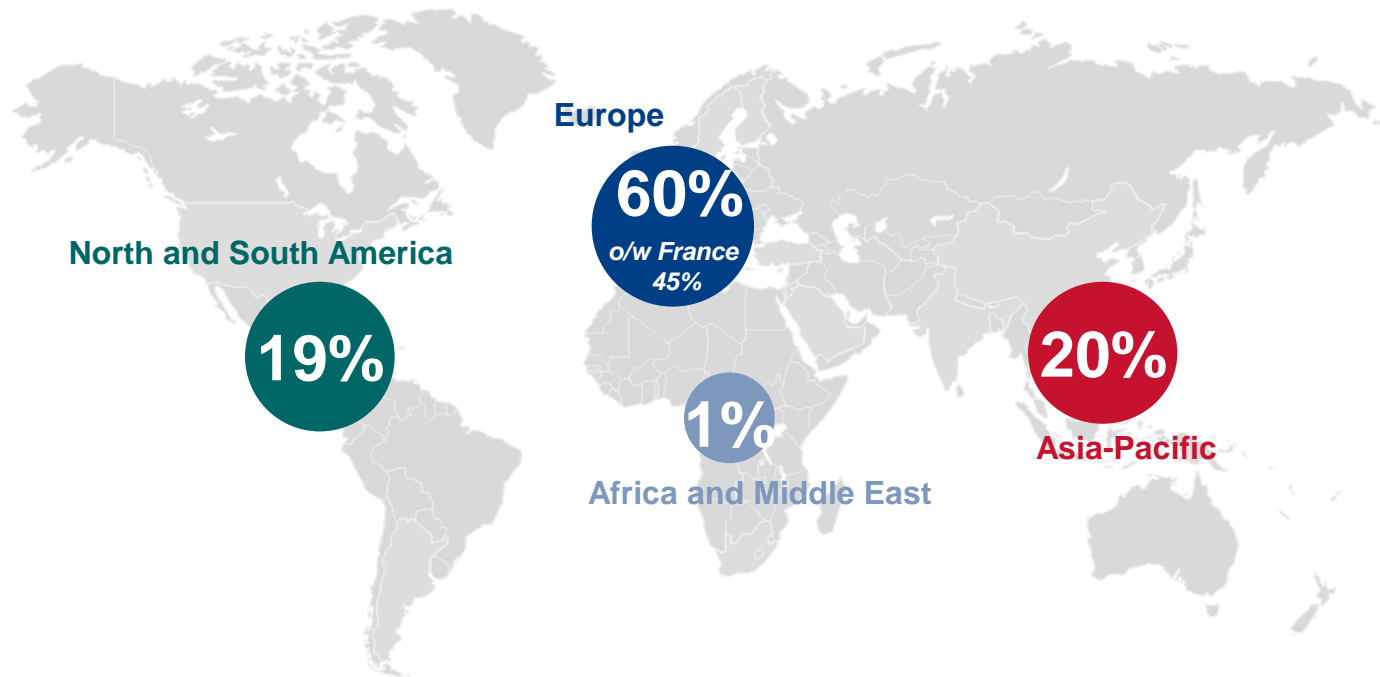
backlog at 12/31/2014

**€4.321bn**

in revenue

**~20,000**

employees



## Distribution of 2014 revenue\*

Mining  
30%

Front End  
23%

Back End  
35%

Corporate and  
other operations  
12%

\* In application of IFRS 5, revenue information for the fiscal year 2014 was restated in relation to the data published for the previous year.

# Announcements that marked 2015

January

February

March

April

May

June

July

- Chairman of the Board:  
Philippe Varin

- Chief Executive Officer:  
Philippe Knoche

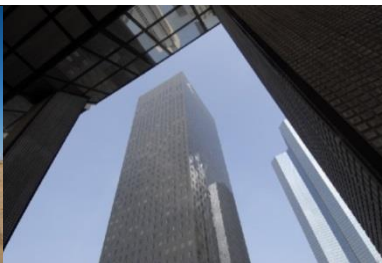
- 2014 annual results:  
€4.8bn loss

- Strategic announcements

- Launch of negotiations with labor organizations

- Directions set by the President of the French Republic

- Financing plan
- Definition of the terms of the strategic partnership with EDF



# Progress on our transformation plan

## Performance plan

- Competitiveness plan
- Strengthened management of large projects

## Strategic roadmap

- Refocusing on core nuclear processes



- Strengthened presence in China



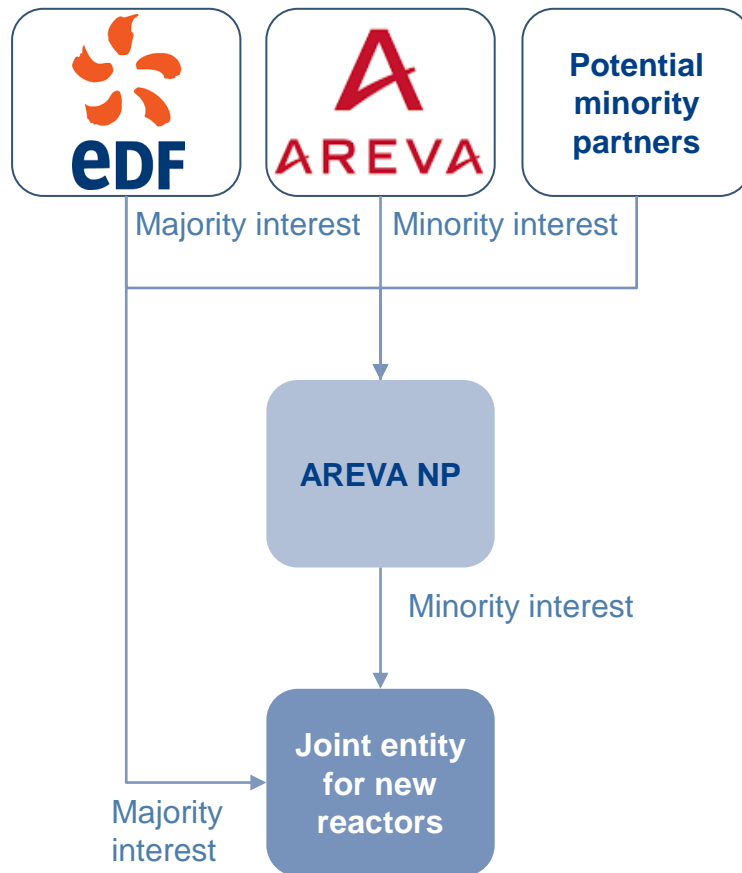
- Redefinition of the partnership with EDF



## Financing plan

- 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 refinance all of the company's needs in the mid-term

# Redefinition of the partnership with EDF



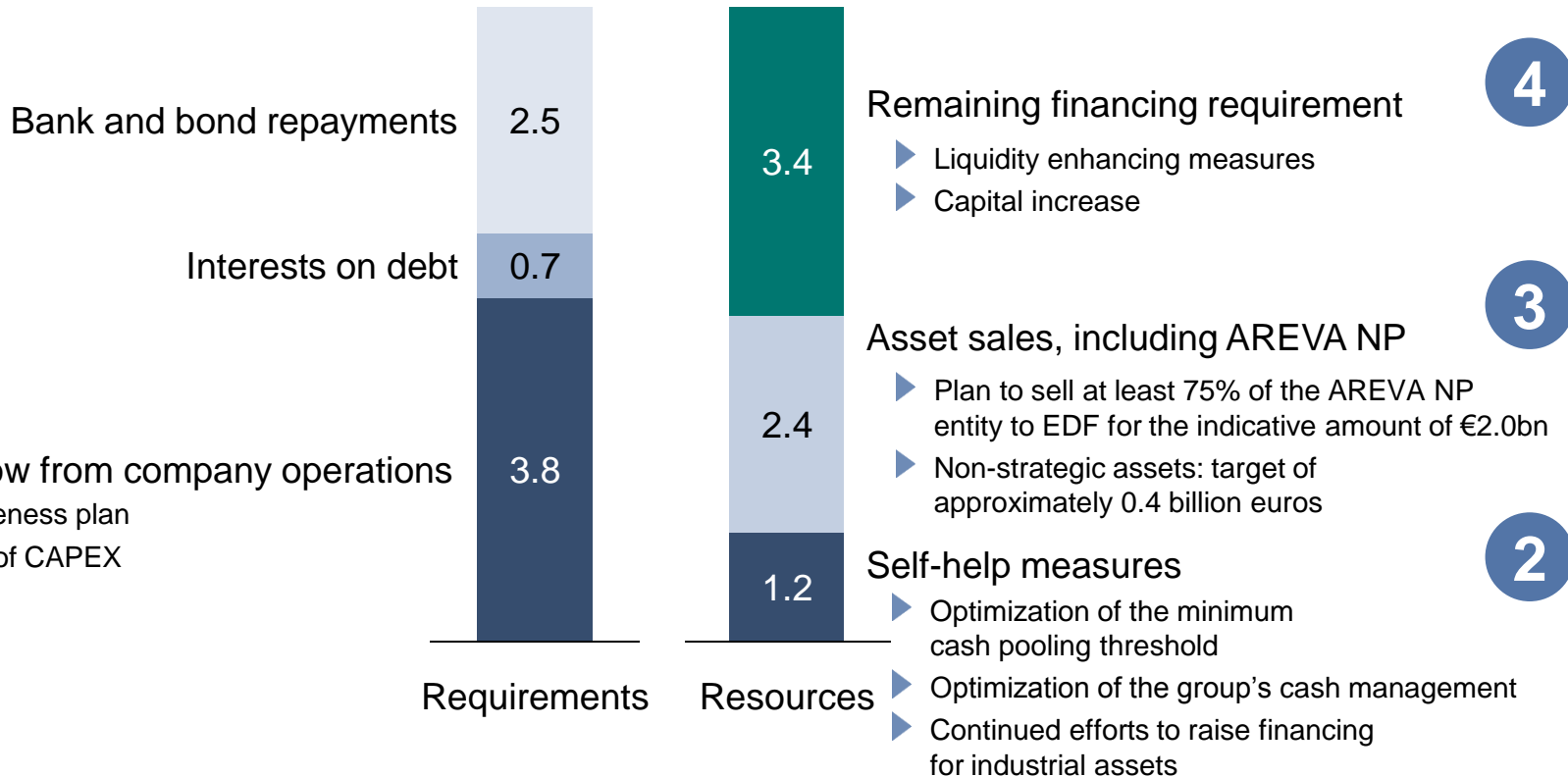
- ▶ **Strategic cooperation agreement in order to optimize:**
  - The performance of the French nuclear fleet
  - The performance of the French nuclear industry, and its global influence
- ▶ **Plan to sell at least 75% of the AREVA NP entity**
  - Objective to carry out this transaction in 2016 once the regulatory authorizations have been received
- ▶ **Strategic interest of AREVA in AREVA NP**
  - Suitable governance rights
- ▶ **Finalization of the transaction still subject to**
  - Favorable outcome of verifications in progress concerning the compliance of the Flamanville 3 reactor vessel
  - Methods of protecting EDF from any risk related to the OL3 project
- ▶ **Creation of a joint entity**
  - Design, project management and marketing of new reactors
  - Combining of nuclear engineering skills



# A financing plan to meet the company's challenges

Financing requirement for the 2015-2017 period:  
c. €7bn

In €bn



1

Net cash flow from company operations

- ▶ Competitiveness plan
- ▶ Selectivity of CAPEX

4

Remaining financing requirement

- ▶ Liquidity enhancing measures
- ▶ Capital increase

3

Asset sales, including AREVA NP

- ▶ Plan to sell at least 75% of the AREVA NP entity to EDF for the indicative amount of €2.0bn
- ▶ Non-strategic assets: target of approximately 0.4 billion euros

2

Self-help measures

- ▶ Optimization of the minimum cash pooling threshold
- ▶ Optimization of the group's cash management
- ▶ Continued efforts to raise financing for industrial assets

1

# Actions to reduce the negative net cash flow from company operations

## Competitiveness plan

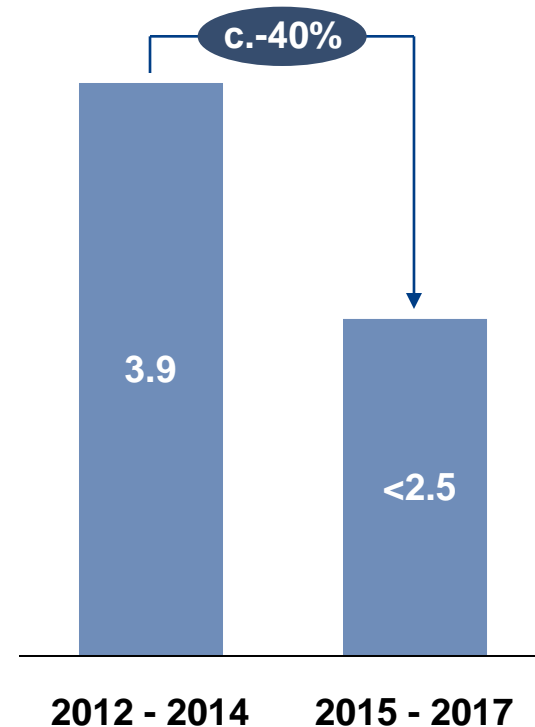
**€1bn** savings by the end of 2017  
including **€500m\*** for the new AREVA consolidation scope



actions identified: **85%**

## Strong selectivity in CAPEX

In €bn



\* net of inflation

# Measures to enhance liquidity and equity

2

## STRENGTHENED CASH MANAGEMENT

- ▶ Optimization of the minimum cash pooling threshold
- ▶ Practices for improving the working capital requirement such as:
  - Factoring
  - Monetization of tax receivables
  - Weekly cash forecast

## RAISING OF FINANCING FOR INDUSTRIAL ASSETS

- ▶ Internal feasibility studies
- ▶ Several opportunities identified
- ▶ Potential realization by the end of 2016

3

## ASSET SALES PROGRAM OF €2.4BN

- ▶ AREVA NP sale to EDF for the indicative amount of €2.0bn
- ▶ Sale of other assets, with a target of approximately €0.4bn

4

## SIGNIFICANT CAPITAL INCREASE

- ▶ Size will be given no later than mid-November
- ▶ Realization during 2016
- ▶ Open to all AREVA shareholders
- ▶ The State will support the transaction as majority shareholder of AREVA in compliance with applicable regulations

## LIQUIDITY MEASURES

- ▶ Pursuit of the search for financing

**Objective: to give AREVA a financial profile enabling it to refinance all of the company's needs in the mid-term**

# A major challenge: adjusting to the new market environment...

## Cycle

**Significant drop in sales prices since 2011:**

~ -30% for natural uranium and ~ -40% for enrichment

→ Ensure resources competitiveness in the long term

## Installed Base

**Mature markets under economic pressure**

- Strong decrease of major maintenance operations budgets
- Deferral of new build projects

→ Target growing markets

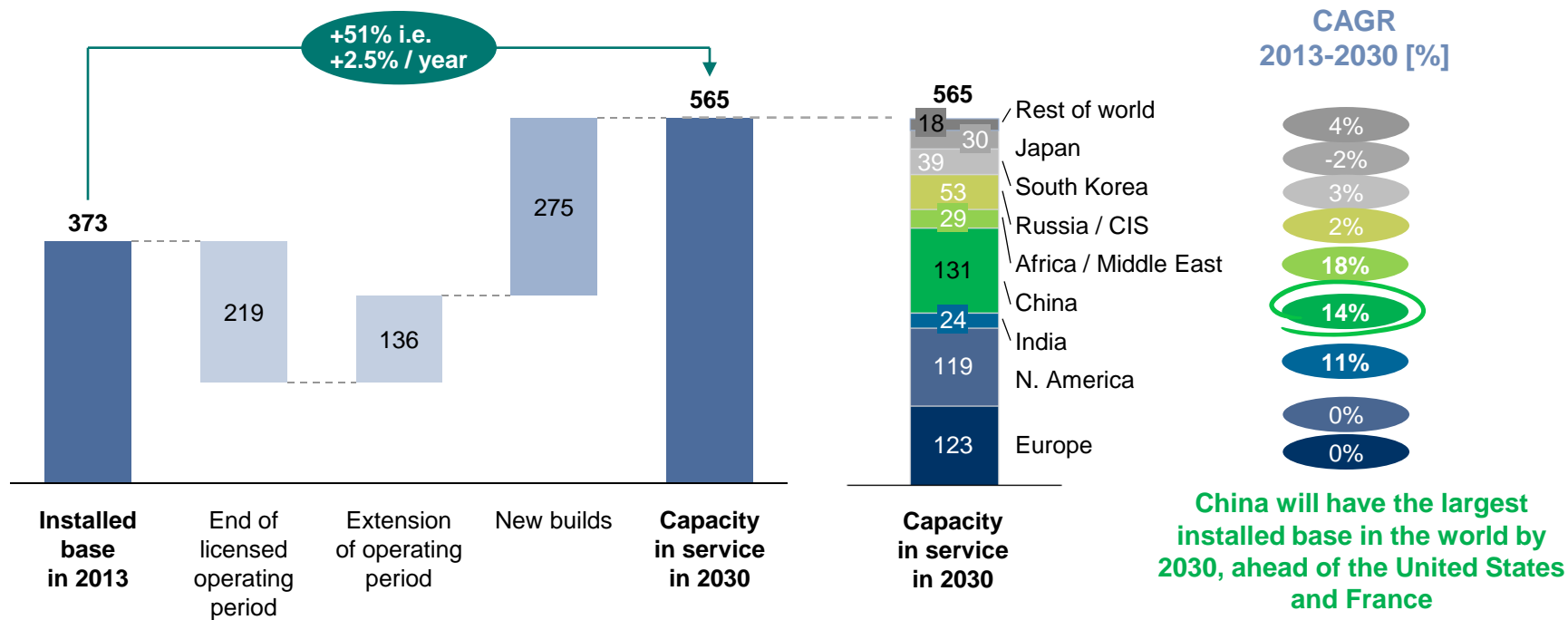
## Customers

**Economic constraints create new needs**

→ “Right-sized” innovation imperative

# ... and preparing for 2.5% annual growth in the global installed base by 2030

Net capacity (GW)



**Objective: capitalize on our industrial assets to take advantage of all trend scenarios for the global installed base**

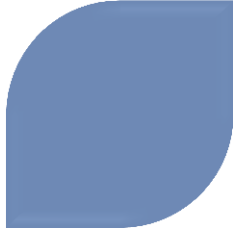
Source: AREVA estimate 2013



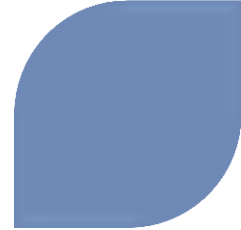
# Key messages



- **Currently on the right track with tough decisions being made, and a competitive plan being launched inclusive of social actions**
- **French State support confirmed throughout the latest months and will materialize through a significant capital increase**
- **Objective of the financing plan is to give AREVA the means to implement its transformation plan and to present a financial profile enabling it to refinance all of the company's needs in the mid-term**
- **New AREVA profile:**
  - **~€4bn in revenue**
  - **~20,000 employees**
  - **a global leader with a commercial presence at 80% of the installed base**
  - **activities covering all of the nuclear fuel cycle operations**



# Questions & Answers

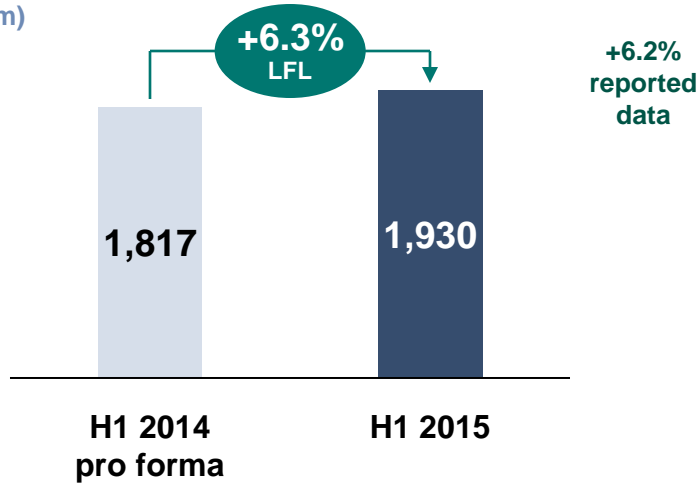


# Appendices

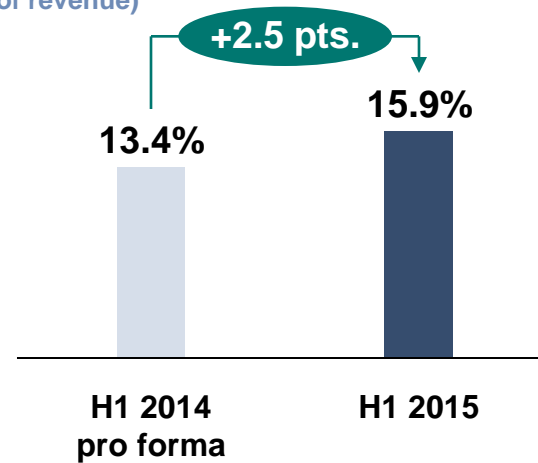


# Focus on H1 2015 key figures

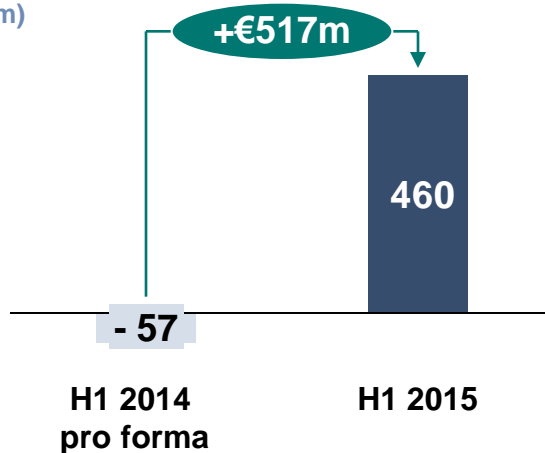
Revenue  
(in €m)



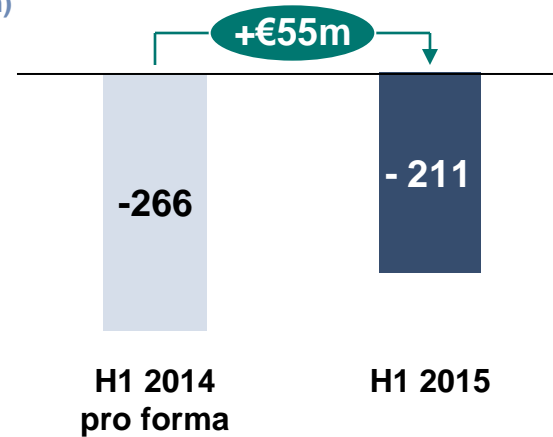
EBITDA  
(in % of revenue)



Operating cash flow  
(in €m)

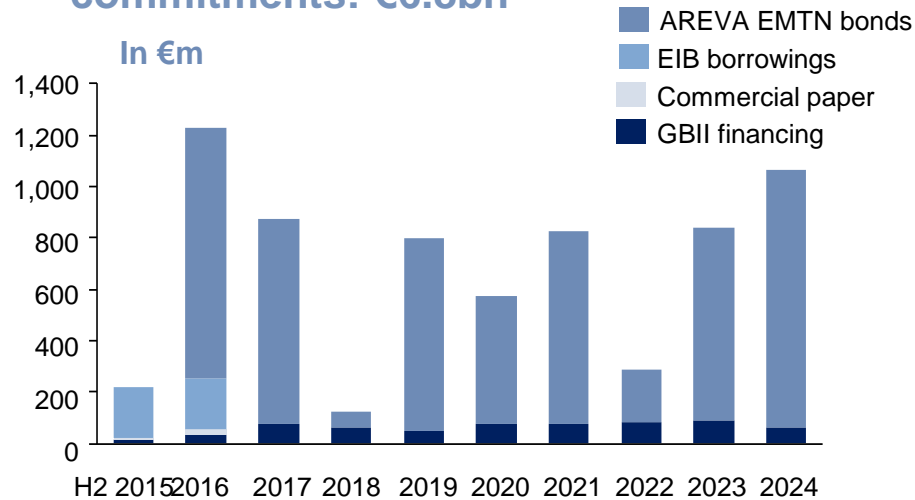


Net cash flow from company operations  
(in €m)



# Debt structure and liquidity at June 30, 2015

## Maturities of main financial commitments: €6.8bn



Average debt maturity: **4.9 years**

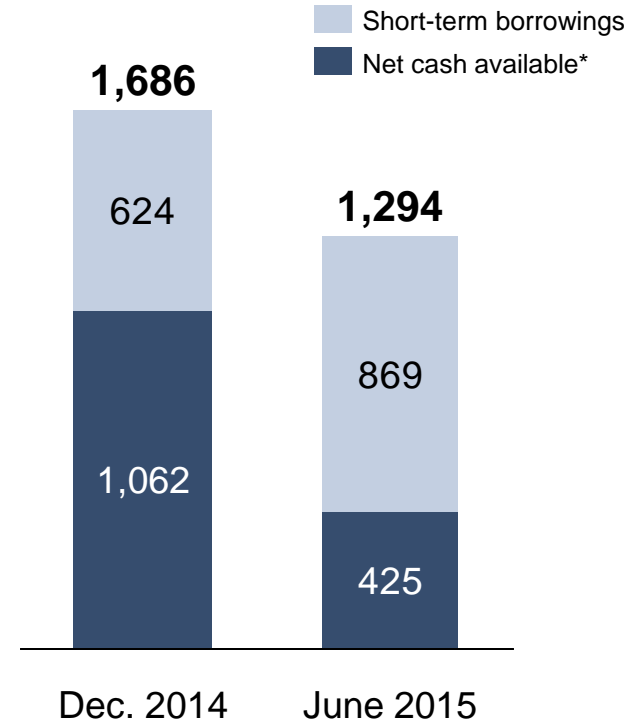
## Undrawn lines of credit

- Syndicated credit: €1.25bn, maturing in 2018
- Bilateral lines: €845m, maturing in 2016 (€50m) and 2017 (€795m)

Total lines of credit: **€2.1bn**

## Cash and cash equivalents

In €m



Net cash available\* : **€0.4bn**

\* Net cash available: Cash and cash equivalents net of short-term borrowings maturing in less than 1 year, i.e. until June 30, 2016 (including, at June 30, 2015, €21m in commercial paper and €400m maturing in December 2015 and January 2016 relating to the EIB loan)

# Financial outlook\*

AREVA confirms its objective of net cash flow from company operations for the full year of 2015

**Net cash flow from company  
operations\*\*  
of €-1.7 to -1.3bn**

**Excluding the competitiveness plan and related  
implementation costs**

\* At constant consolidation scope and foreign exchange, excluding the impacts of asset sales, equity-based transactions and refinancing

\*\* Change in net debt excluding equity-based transactions

# Disclaimer

## 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 March 31, 2015 (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.**