Half year results 2016

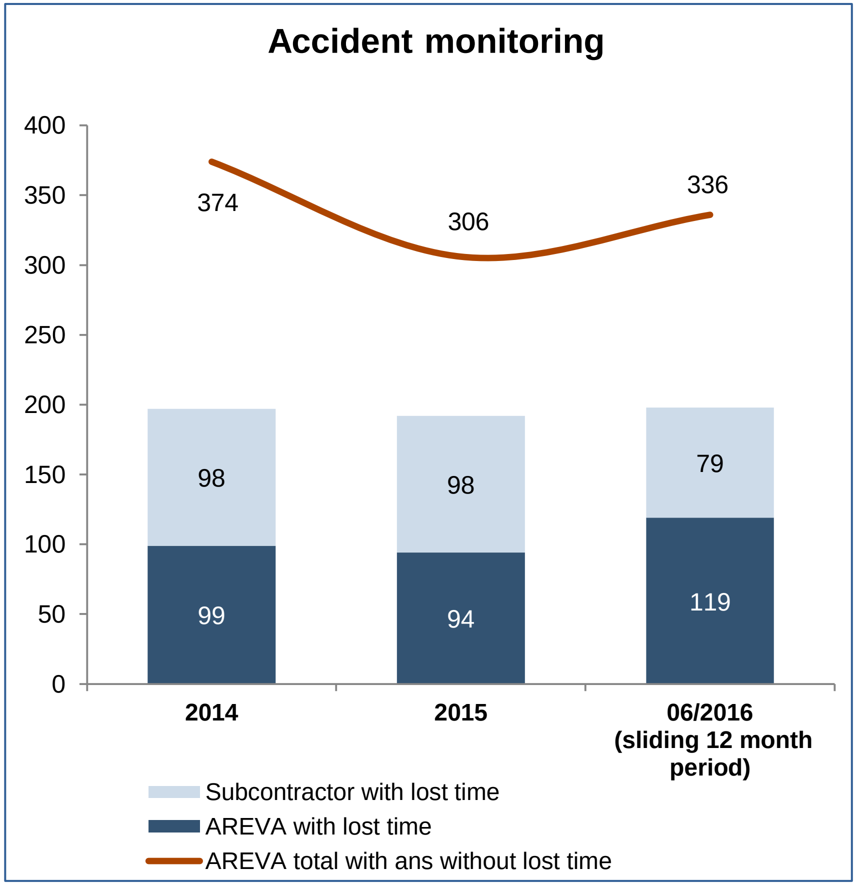
Philippe Knoche, Chief Executive Officer
Stéphane Lhopiteau, Chief Financial Officer

Thursday July 28, 2016

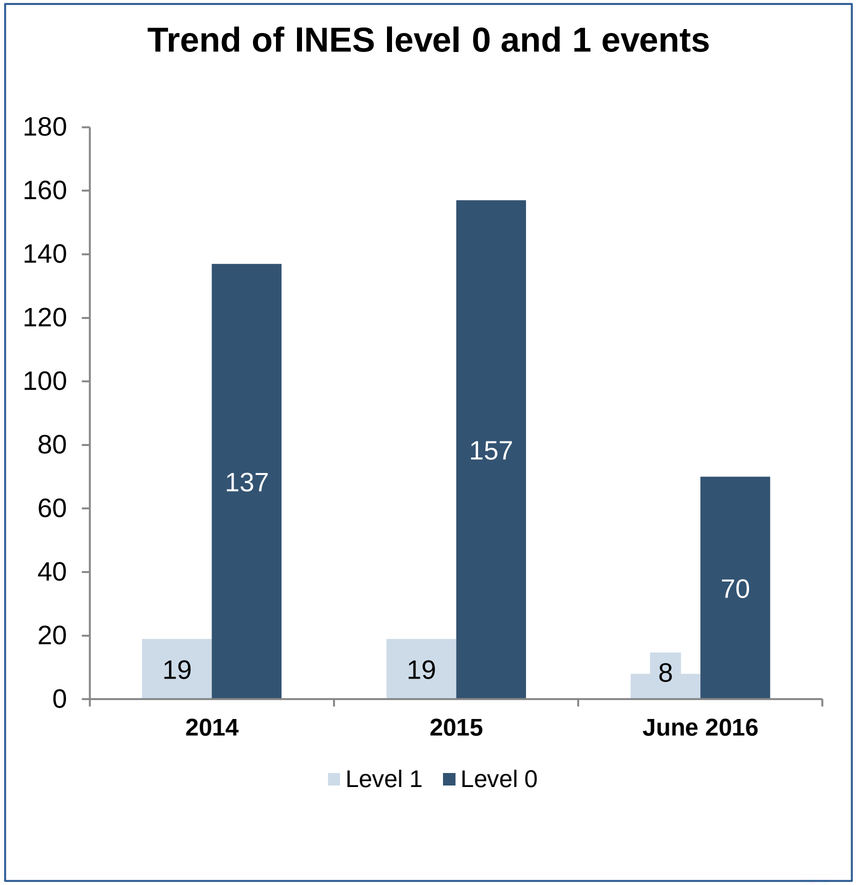
AREVA

Our fundamentals: nuclear and occupational safety

Occupational safety



Nuclear safety



Agenda

- **Key messages**
- **Half year results for the group**
- **Results by business**
- **Conclusion**

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Key messages

- Increased backlog offering visibility in a difficult market
- Strengthening of the group's competitiveness supported by the performance plan
- 12-month financing ensured by the capital increase plan(1) and, if delayed, by a shareholder loan(1)
- Continued strategic refocusing:
  - Memorandum of understanding signed with EDF confirming the sale of AREVA NP
  - Sale of Canberra completed and option to sell Adwen

(1) Subject to European Commission approval

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Refocusing on fuel cycle operations

Scope of financial reporting at June 30, 2016

Mining	Front End	Back End	Corporate & other operations	Operations sold, discontinued or held for sale
Mining	Chemistry / Enrichment	Recycling	Corporate	AREVA NP, excluding OL3 (Reactors & Services, Fuel)
		International Projects	AREVA Med	Canberra (Nuclear Measurements)
		Dismantling & Services	Bioenergy	AREVA TA (Propulsion & Research Reactors)
		Logistics	OL3 Project	Renewable Energies

New Co

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- Continuing operations at <u>June 30, 2016</u>
- Application of IFRS 5

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AREVA in the 1st half of 2016: Key reported figures

Backlog	**€32.8 bn** (+13.3% vs. 12/31/2015)
Revenue	**€1,930 bn** (+4.4% LFL)
EBITDA (in % of revenue)	**16.1%** (+3.9 pts.)
Net income attributable to owners of the parent	**€(120) m**
Operating cash flow	**€(121) m**
Net cash flow from company operations	**€(497) m**

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Summary of notable items impacting half year 2016 net income

Impairment and provisions in Mining and the Front End	€(246) m
End-of-lifecycle obligations (decrease of discount and inflation rates)	€(69) m
Provisions for liabilities Bioenergy	€(38) m
Additional losses on the OL3 project	€(41) m
Recoveries of provisions for legal and financial restructuring	€180 m
Total	**€(214) m**

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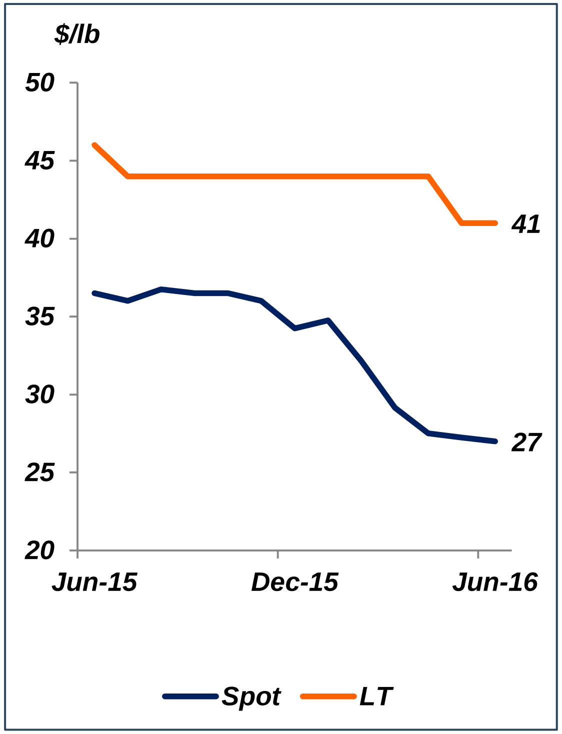
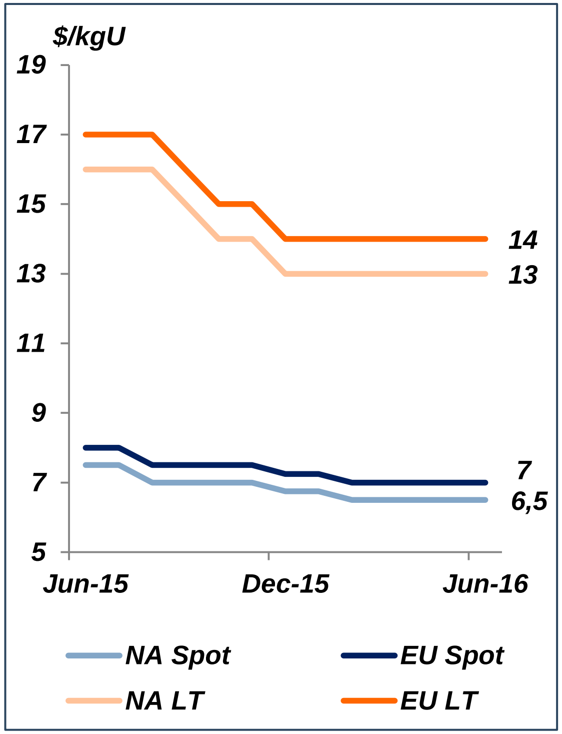
Continuing deterioration of market prices in the first half

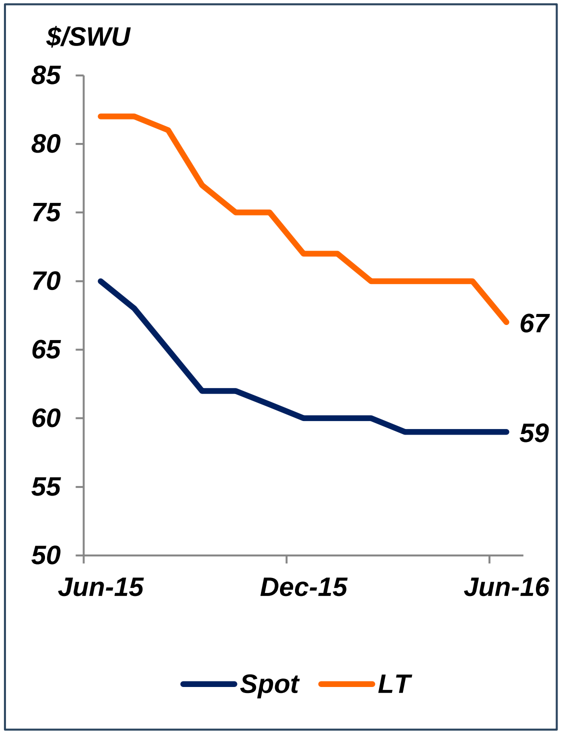
Uranium prices



Conversion prices



Enrichment prices



Source: UxC

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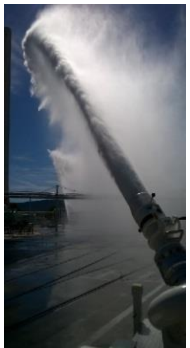
Deployment of the strategic roadmap



Plan to sell AREVA NP to EDF

- Signature of a memorandum of understanding with EDF confirming the sale of AREVA NP operations (excluding specific contracts, of which OL3)
- Creation of NICE, an EDF / AREVA NP (80% / 20%) joint engineering company, dedicated to the design and construction of new nuclear islands and I&C systems

Change in governance

- Organization of the Group, since July 1st , in two distinct scopes, “NEW CO” and “ AREVA NP”

Refocusing on the nuclear fuel cycle

- Sale of Canberra to Mirion Technologies on July 1, 2016
- Option to sell our stake in Adwen
- Shutdown of the Bioenergy business upon completion of ongoing projects

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Signing of a memorandum of understanding with EDF on the sale of AREVA NP's operations

- **Signing of a memorandum of understanding with EDF, confirming the sale of AREVA NP's operations**
  - Sale to EDF and other investors of AREVA NP's operations (excluding specific contracts, of which OL3) in accordance with the chosen legal structuring scheme (option B[(2)])
    - Transfer of AREVA NP operations to a new company, "NEW NP", subsidiary fully owned by AREVA NP, to be sold at the closing of the deal
    - Specific contracts (including the OL3 contract) kept in AREVA NP in the AREVA SA scope, with dedicated resources and in compliance with contractual obligations
  - Indicative price at €2.5 billion (for 100% of its equity) for AREVA NP operations (excluding specific contracts, of which OL3)
  - Implementation of liability warranties for Component contracts

- **Sale of operations subject to acceptability of the FA3 reactor vessel**

- **Deal expected to close in the 2nd half of 2017**

(2) cf. Market Update presentation of June 15th, 2016

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Target schedule

Q2 2016 | H2 2016 | 2017

Transactions on the share capital

- Creation of New Co subsidiary and transfer of part of the debt
- Capital increases[(1)] for AREVA SA and New Co

European Commission

- Discussions between the French authorities and the European Commission

Sale of New NP

- Managerial changeover
- Structuring and asset stripping of New NP
- Sale of New NP

Asset sales

- Choice of a buyer for Adwen
- Closing of Canberra sale
- Closing of AREVA TA sale

(1) Subject to European Commission approval

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Agenda

- Key Messages
- Half year results for the group
  - Analysis of reported results
- Results by business
- Conclusion

The backlog represents close to 8 years of revenue

	Backlog at 6/30/2016 (in €bn)	Number of years of 2015 revenue in backlog
Mining	9.4	6.5 years
Front End	11.5	10.5 years
Back End	11.6	7.3 years
Group	32.8	7.8 years

Strengthening of our operations' long-term visibility despite a difficult market environment

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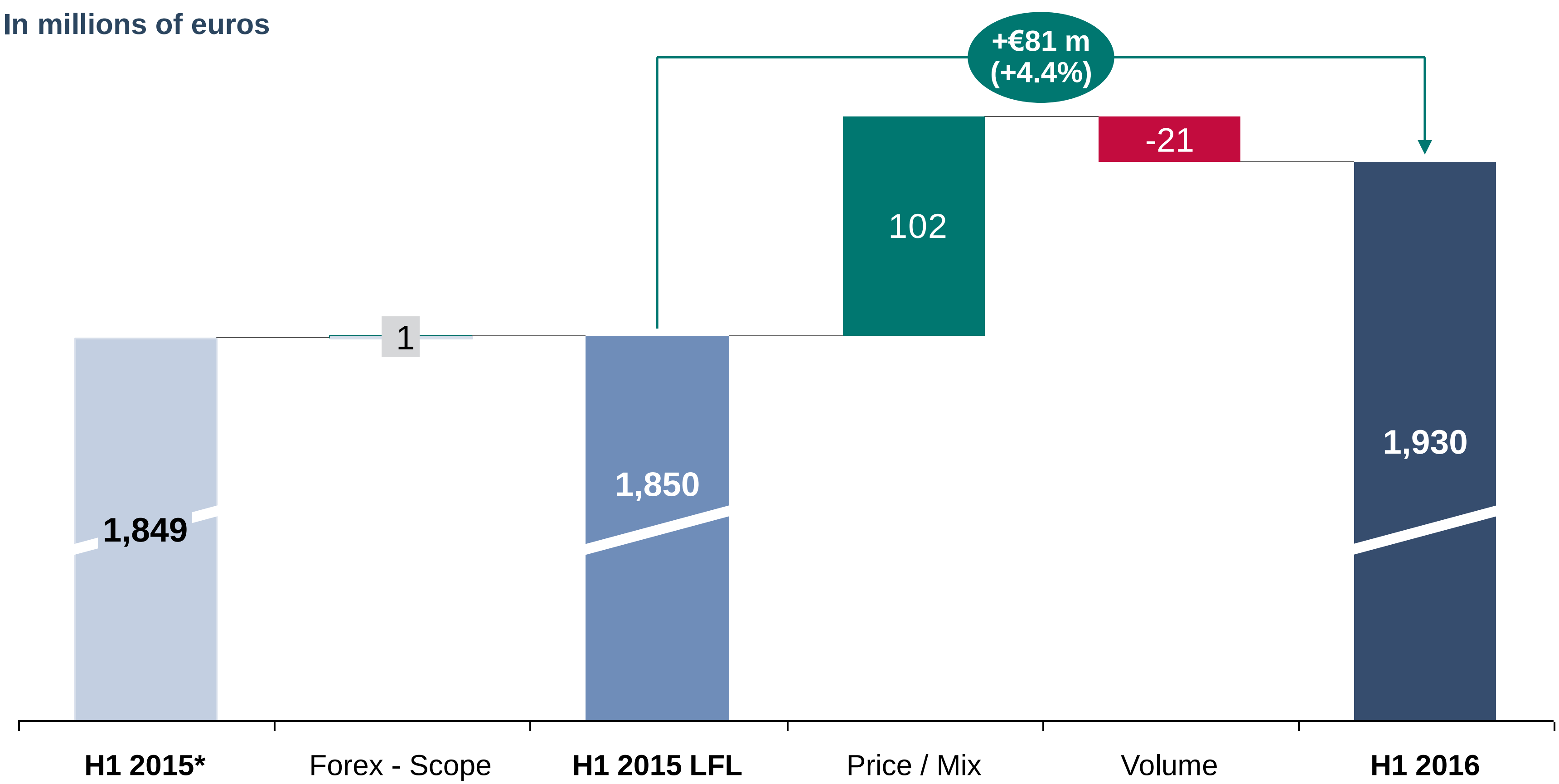
Revenue growth supported by a favorable price/mix impact



* Adjusted for application of IFRS 5

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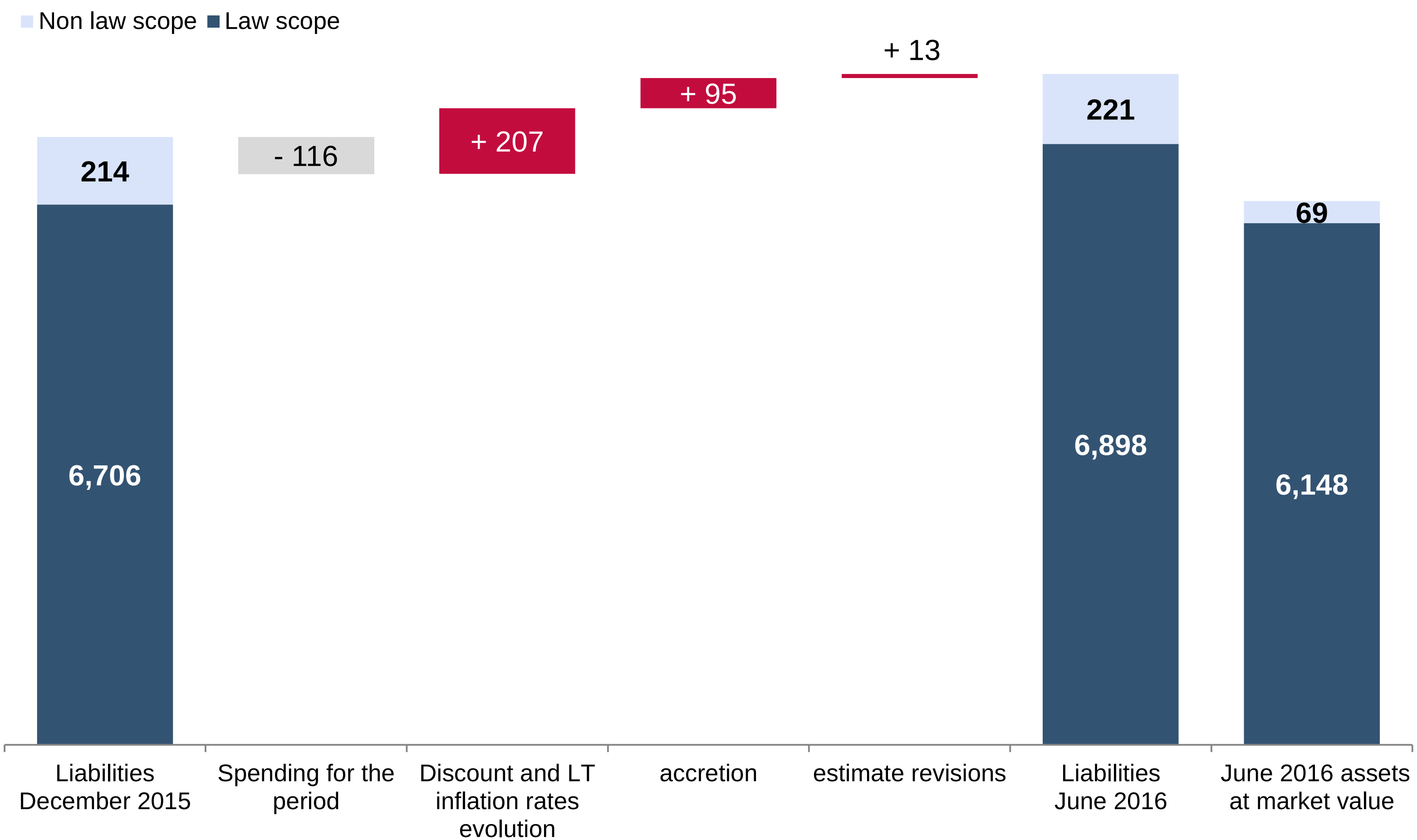
A still unfavorable environment impacting financial results

In millions of euros	H1 2015*	H1 2016	Change
Gross margin	**233**	**320**	**+87**
Including the OL3 project	*(21)*	*(54)*	*-34*
Including Bioenergy and Corporate ENR	*(2)*	*(42)*	*-40*
In % of revenue excluding OL3 project	*13.8%*	*21.6%*	*+7.7 pts.*
Non-production expenses	(168)	(182)	-14
Other operating income and expenses	(62)	(52)	+10
Operating income	**4**	**86**	**+82**
Share in net income of joint ventures and associations	(11)	(11)	-
Net financial income	(44)	(223)	-179
Income tax	(61)	(45)	+16
Net income after tax from operations sold, discontinued or held for sale	(100)	7	+107
Net income attributable to owners of the parent	**(206)**	**(120)**	**+86**
Net income attributable to minority interests	**(5)**	**(67)**	**-62**

* Adjusted for application of IFRS 5

End-of-lifecycle obligations

In millions of euros



Coverage ratio scope of the law

89%

Condensed balance sheet

In billions of euros	12/31/2015	Change	6/30/2016
Goodwill	1.3	-0.0	1.3
Non-current assets	9.3	-0.1	9.2
Assets earmarked to cover OCF	6.3	-0.3	6.0
Operating WCR assets	3.0	+0.1	3.1
Net cash	0.8	+1.3	2.1
Deferred tax assets	0.2	-0.1	0.1
Other assets	1.0	-0.2	0.8
Assets and operations held for sale	7.1	+0.3	7.3
Total assets	**29.0**	**+1.0**	**30.0**
Equity and minority interests	(2.3)	-0.6	(2.9)
Employee benefits	1.5	+0.1	1.5
Provisions for end-of-lifecycle operations	6.9	+0.2	7.1
Other provisions	4.2	-0.2	4.1
Operating WCR liabilities	5.7	-0.2	5.5
Borrowings	7.3	+1.9	9.2
Deferred tax liabilities	0.1	-0.1	0.0
Other liabilities	0.2	+0.1	0.2
Liabilities and operations held for sale	5.3	-0.1	5.2
Total liabilities	**29.0**	**+1.0**	**30.0**

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Agenda

- Key messages
- Half year results for the group
  - Impact of the performance plan
- Results by business
- Conclusion

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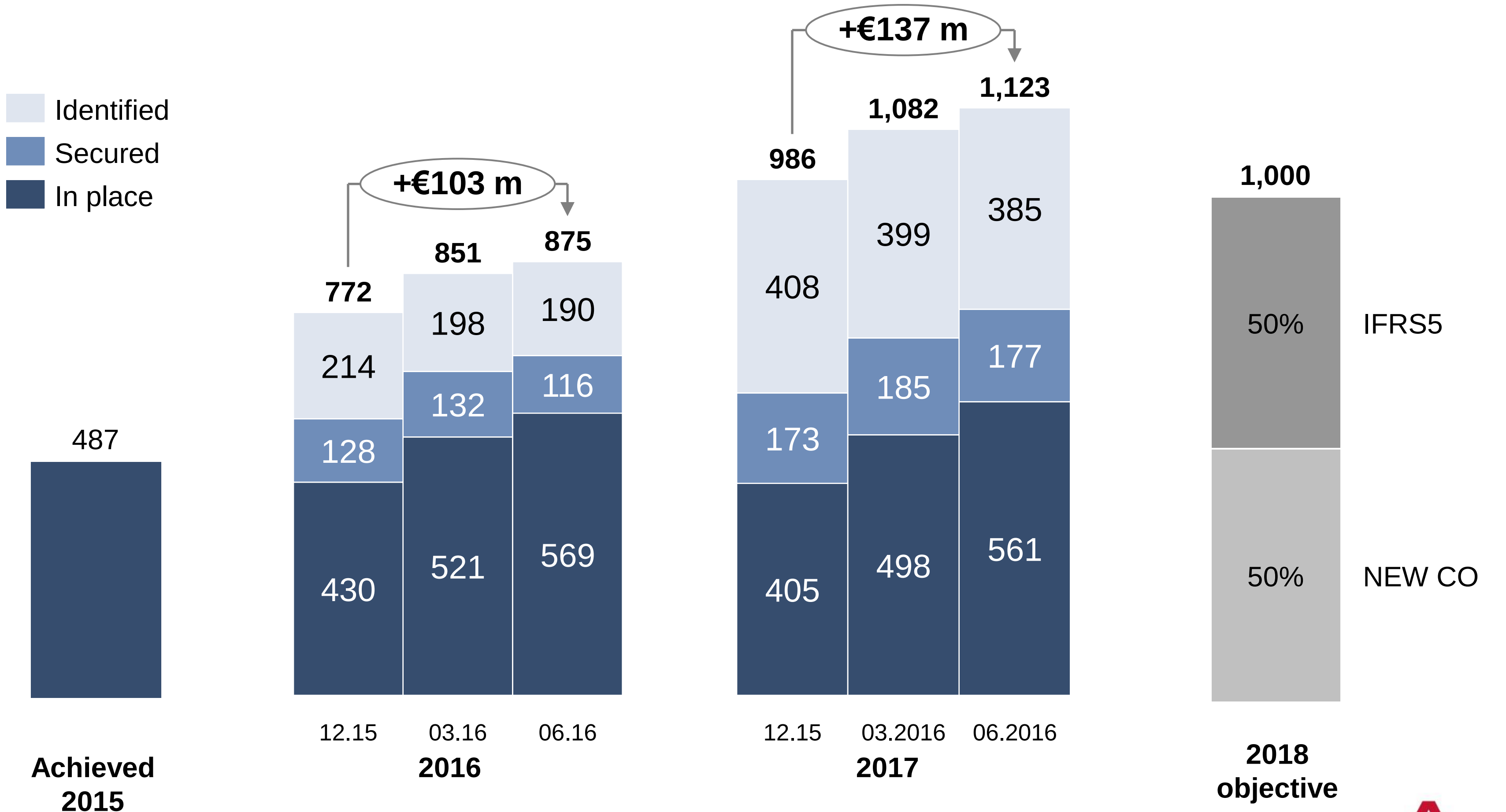
Since the end of 2015, new savings have been identified to ensure the objective of -€1 bn

Portfolio of cost saving actions



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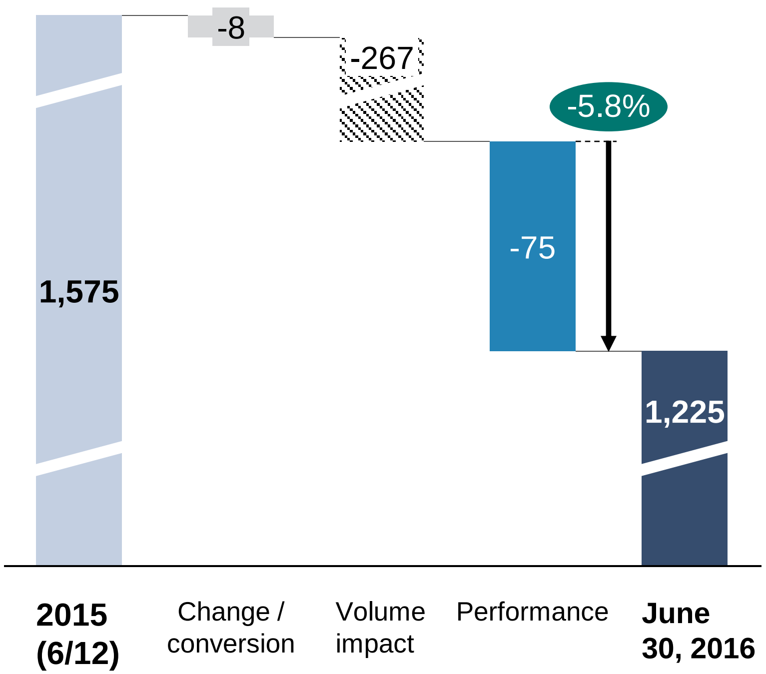
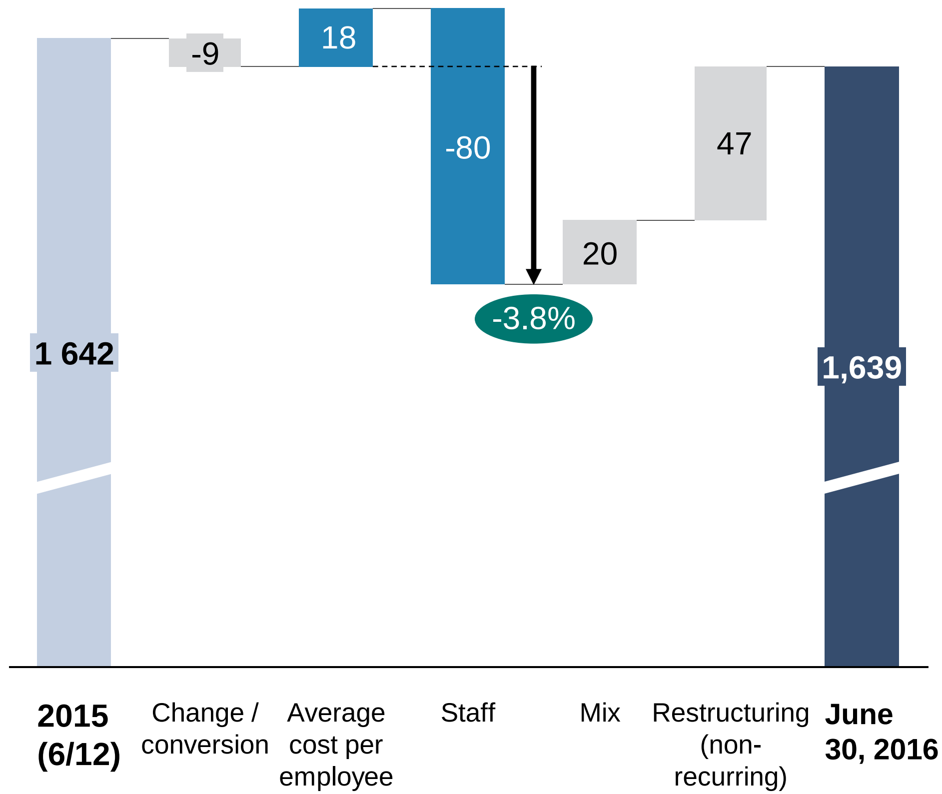
Continued reduction of the cost basis

Supply chain (in €m)



Payroll costs (in €m)



Reduction of cost basis: -€137 m

impact of reduced volumes on the supply chain

* Total cost basis of the group, including entities classified under IFRS 5 and excluding purchases of nuclear materials and procurement for non-recurring projects, by type

Agenda

- Key messages
- Half year results for the group
  - Presentation of cash flow and net debt
- Results by business
- Conclusion

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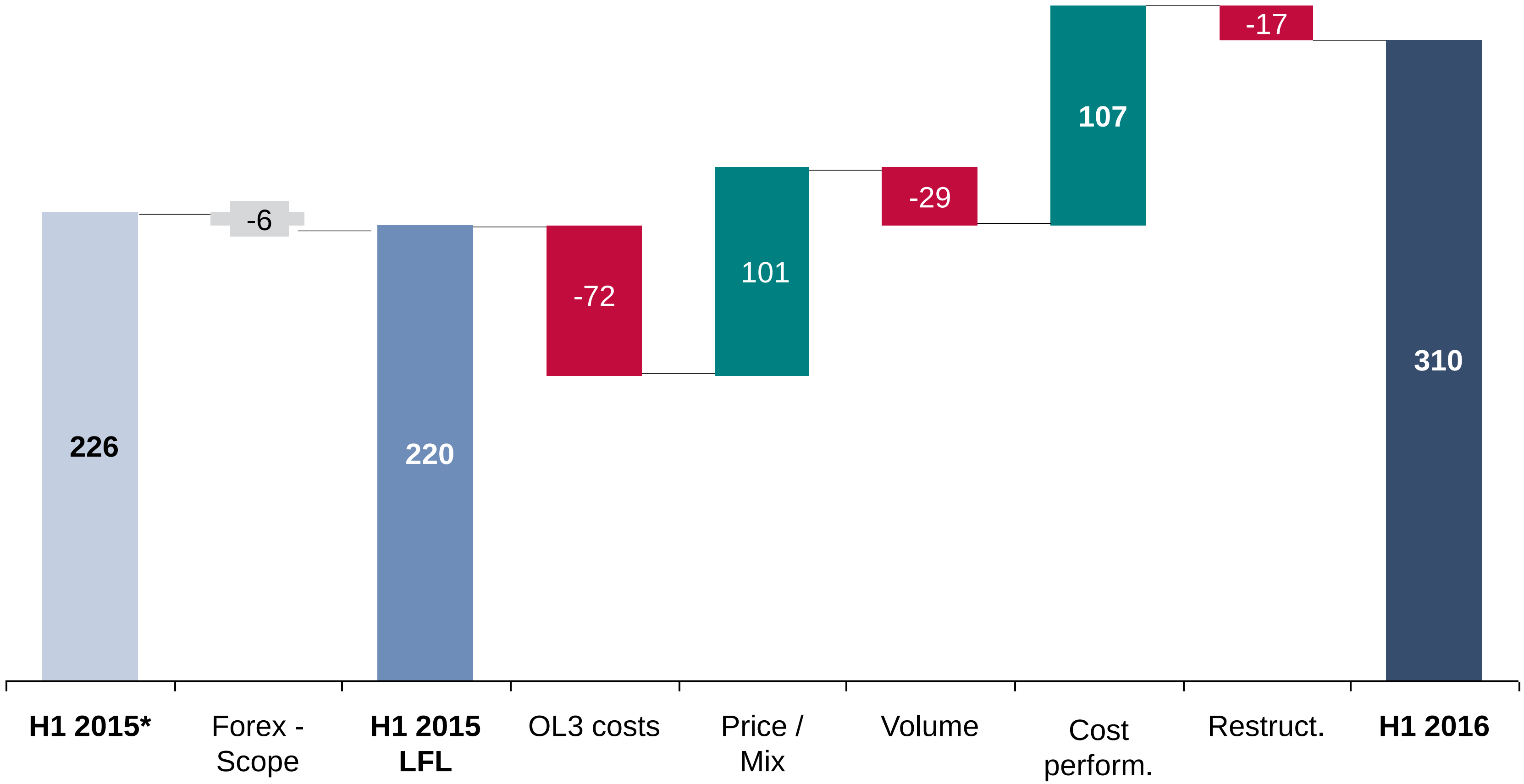
EBITDA driven by the performance plan and a favorable price / mix impact

In millions of euros



* Adjusted for application of IFRS 5

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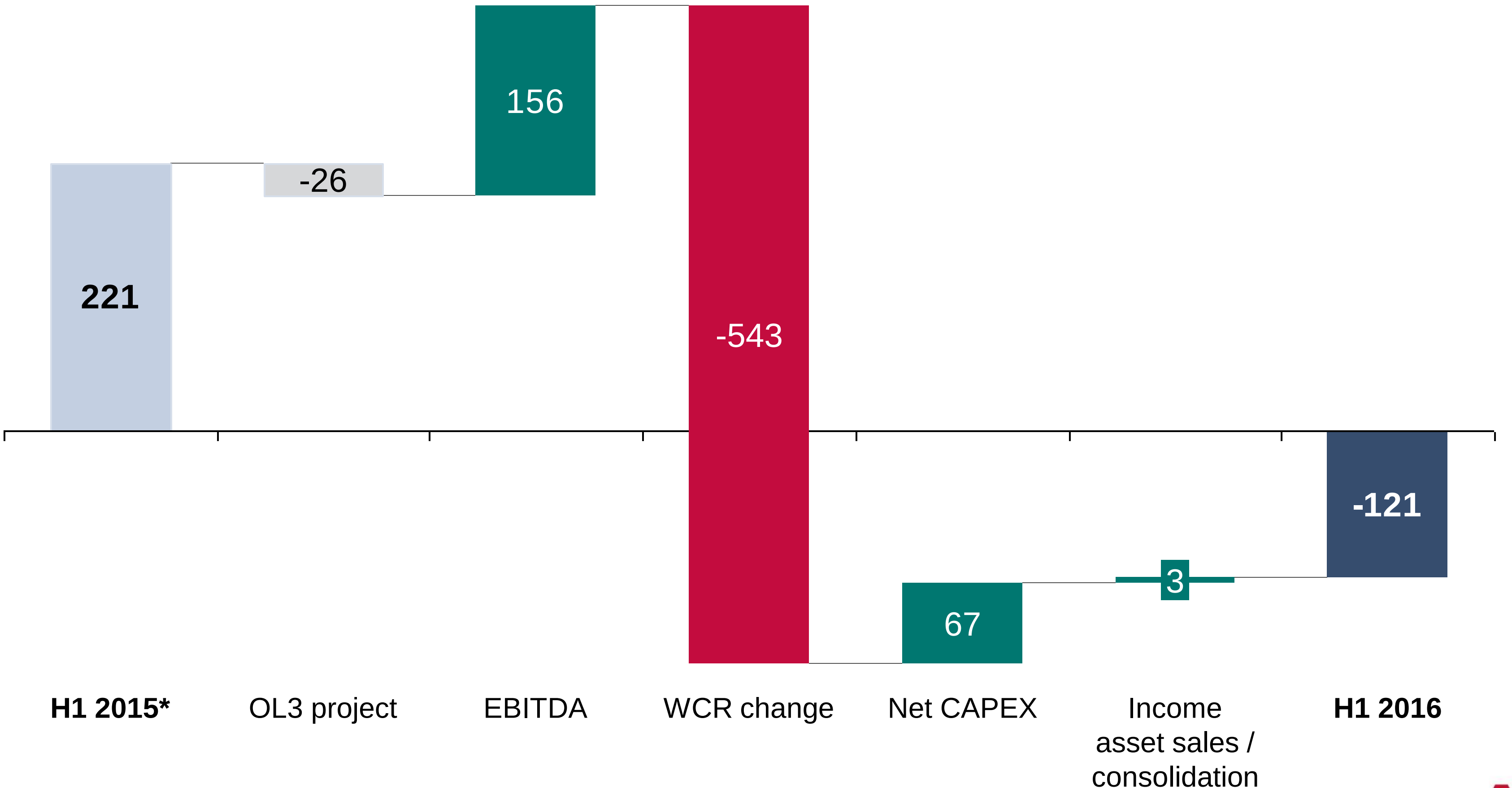
Operating cash flow penalized by the change in WCR ...

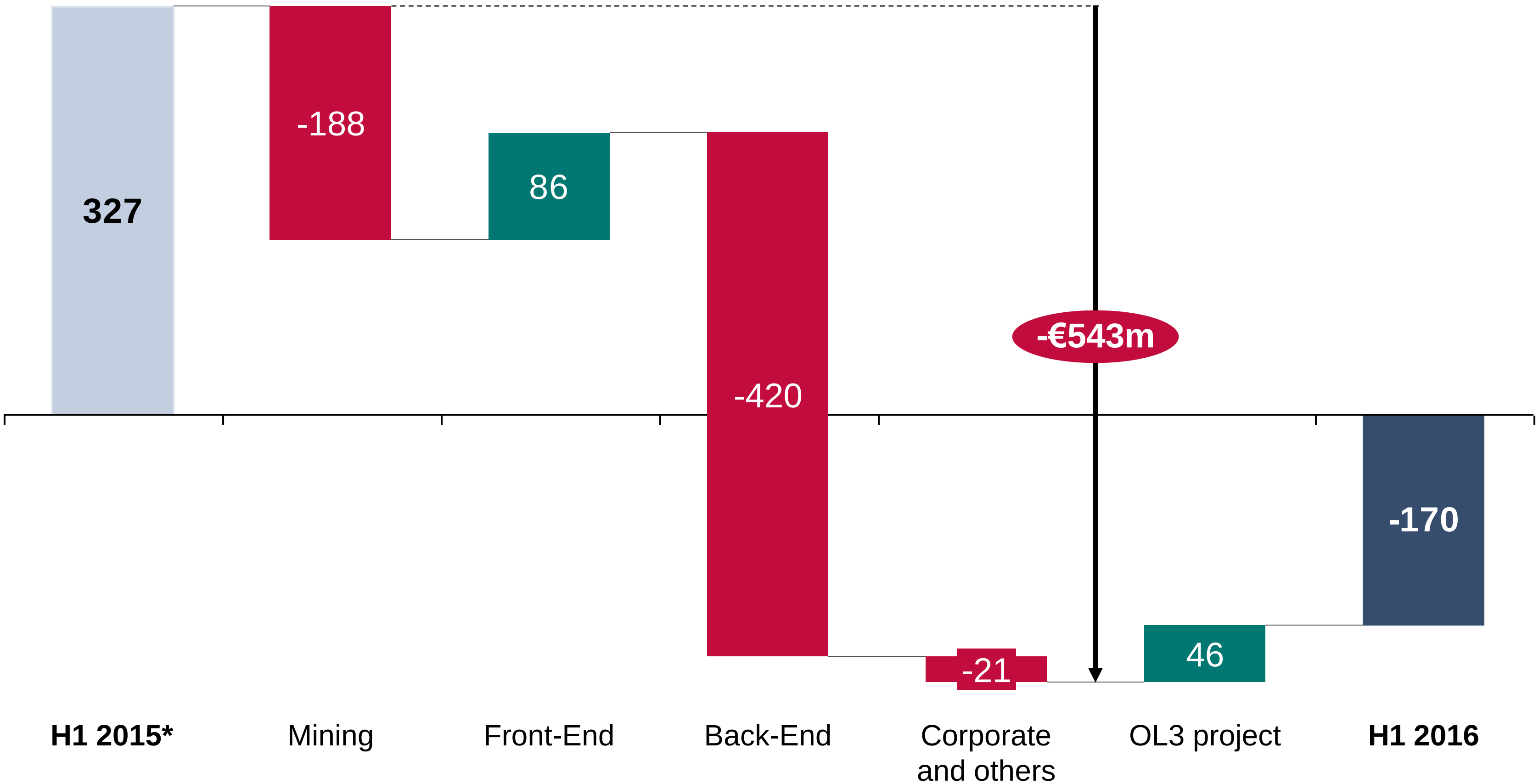
In millions of euros



* Adjusted for application of IFRS 5

... from the Mining and Front-End operations

WCR change, in millions of euros



* Adjusted for application of IFRS 5

Net cash flow from company operations

In millions of euros	H1 2015*	H1 2016	Change
Operating cash flow	221	(121)	-342
Cash flow from end-of-lifecycle operations	(12)	23	+35
Net cash flow from operations sold, discontinued and held for sale	(137)	(141)	-4
Cash-out for taxes	(50)	(62)	-12
Cost of borrowed capital	(125)	(159)	-34
Other items (loans to JVs…)	(17)	(37)	-20
Non-operating cash flow	(342)	(376)	-34
Net cash flow from company operations	(121)	(497)	-376

* Adjusted for application of IFRS 5

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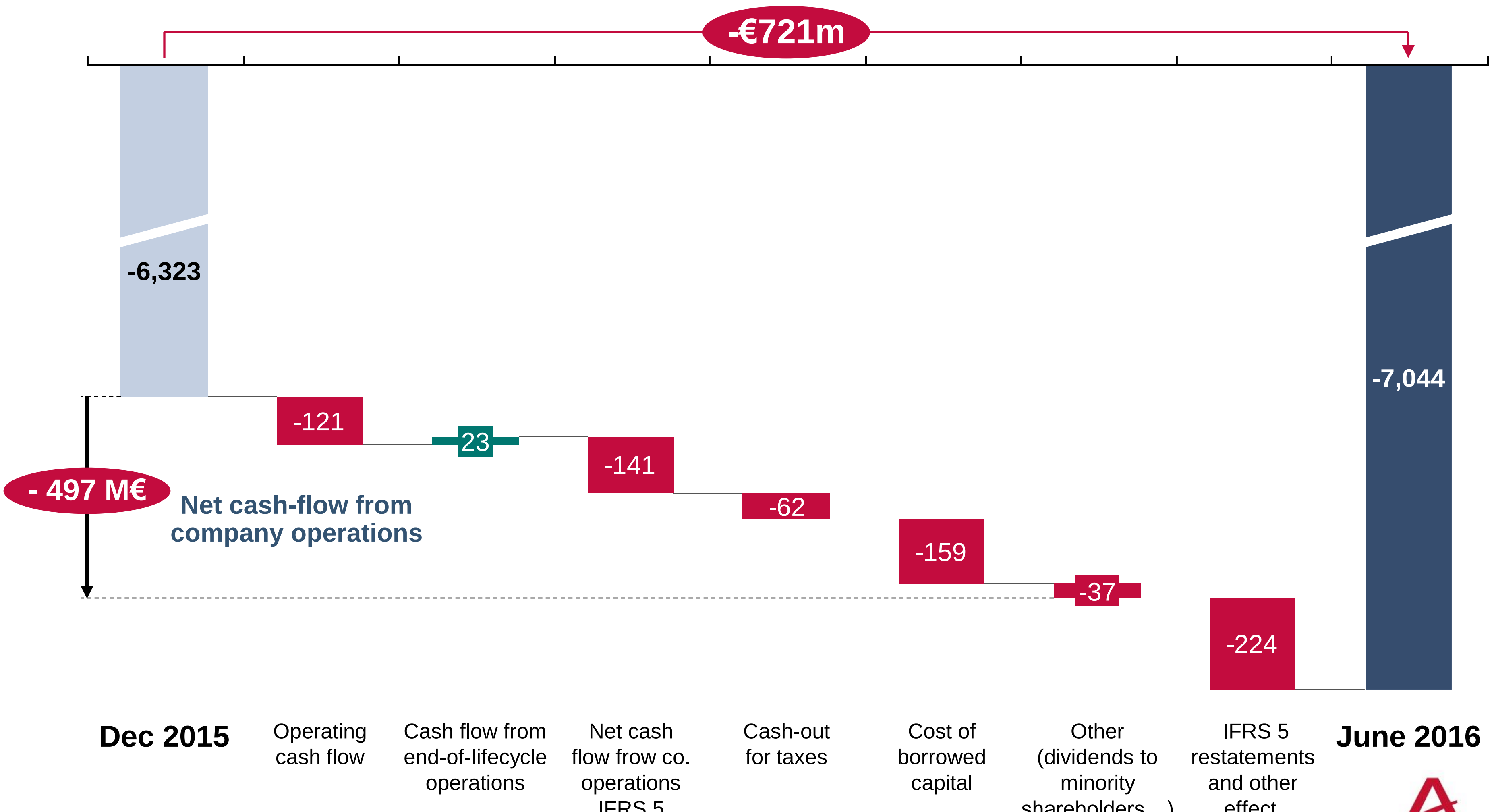
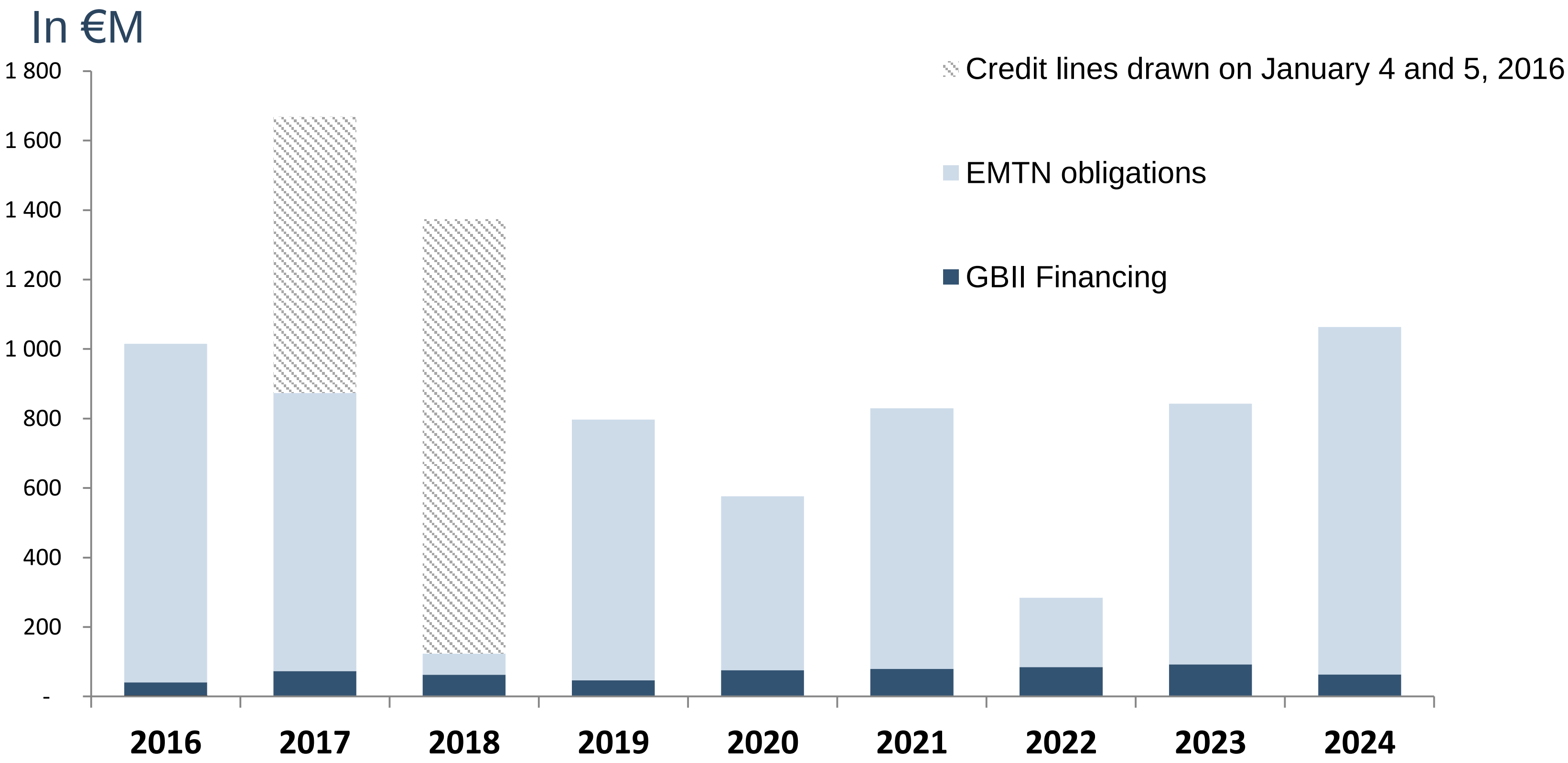
Change in net debt

In millions of euros



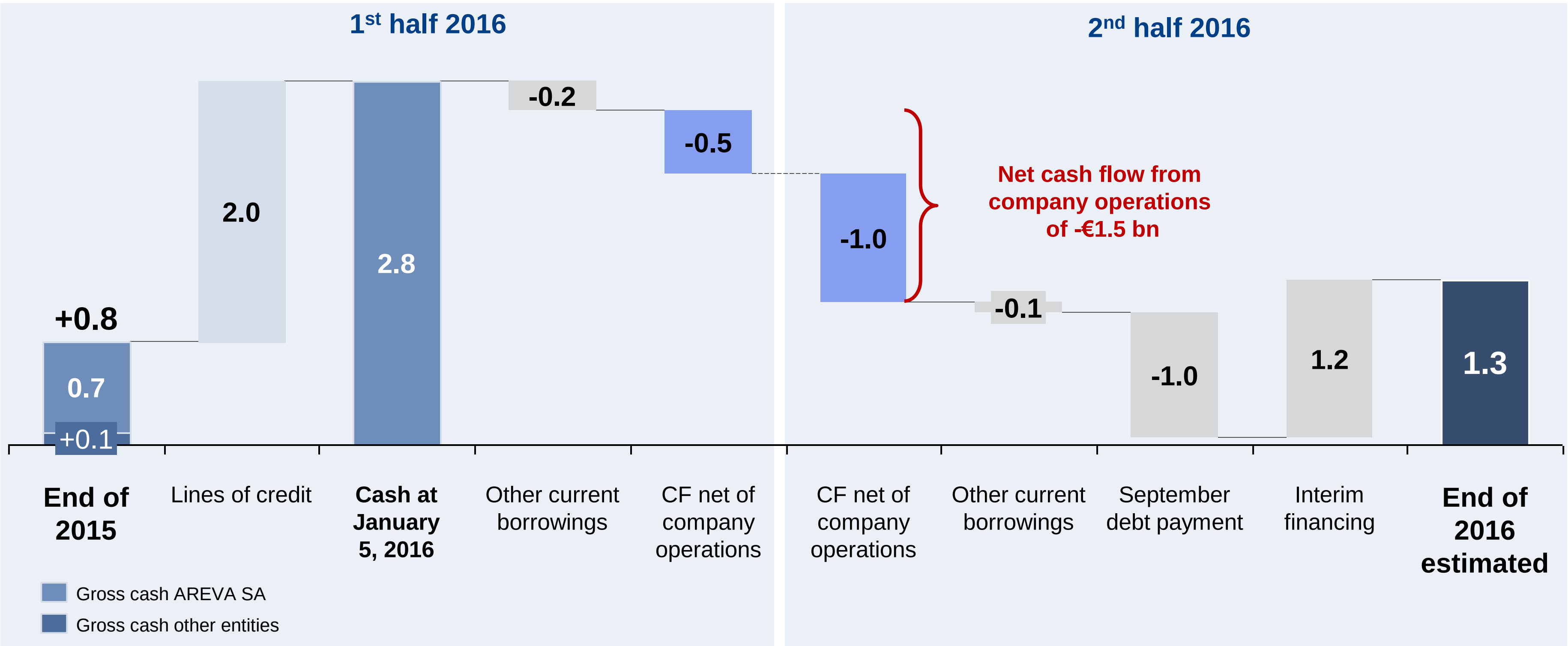
Debt structure

Maturities of mail financial obligations



Average duration of debt: **3.5 years**

2016 forecast raised for net cash flow from company operations



- Improved forecast for net cash flow from company operations, at -€1.5 bn, in the upper end of the previously announced range
- Liquidity ensured by the capital increase(1) planned for early 2017, taken over in the event of delay by a shareholder loan(1)

(1) Subject to European Commission approval

Agenda

- Key messages
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- **Results by business**
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Mining: increased profitability despite unfavorable impact of deliveries

In millions of euros	H1 2015	H1 2016	Change
Contribution to consolidated revenue	738	705	-33
Operating income	139	21	-118
Including impairments	*0*	*(203)*	*-203*
EBITDA	242	346	+104
% of sales	*33%*	*49%*	*16 pts.*
Change in WCR	123	(65)	-188
Net CAPEX	(124)	(74)	+50
Operating cash flow	236	206	-30

- Decreased revenue due to a less favorable delivery schedule than in the 1st half of 2015. The impact of deliveries is expected to be offset in the 2nd half.
- Continued profitability improvement due to a better coverage of fixed costs resulting from a high production level (ramp up of Cigar Lake) and from the impacts of the performance plan. Operating income affected by impairment of certain mining assets.
- Change in WCR resulting from the high production level and increased consumption of prepayments received from customers.
- Decrease in CAPEX due in particular to the start of production of the Cigar Lake mine.

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Front End: improved operating cash flow, but penalized by market environment

In millions of euros	H1 2015	H1 2016	Change
Contribution to consolidated revenue	347	384	+37
Operating income	(23)	(44)	-21
Including provisions for loss at completion	*(86)*	*(43)*	*+43*
EBITDA	119	94	-25
% of sales	*34%*	*25%*	*-10 pts.*
Change in WCR	(221)	(136)	+86
Net CAPEX	(111)	(89)	+22
Operating cash flow	(213)	(130)	+83

- Revenue growth, mainly led by volumes.
- Sharp decrease in costs thanks to the impacts of the performance plan.
- Profitability penalized by the impact of a less favourable sales mix, the increase in amortization of the Georges Besse II plant and an additional provision for SWU inventory.
- Continued reduction of CAPEX with the completion of the Georges Besse II. With the end of the Comurhex II – Malvési project, most spending is now devoted to the Comurhex II – Pierrelatte plant.

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Back End: improvement in results, but unfavorable WCR trend

In millions of euros	H1 2015	H1 2016	Change
Contribution to consolidated revenue	732	832	+101
Operating income	(16)	93	+109
EBITDA	87	237	+150
% of sales	*12%*	*28%*	*+17 pts.*
Change in WCR	388	(32)	-420
Net CAPEX	(85)	(88)	-2
Operating cash flow	391	117	-274

- Increased revenue mainly due to favorable price impacts (including the payment of the ATR contract).
- These price impacts come into full play for profitability, also reinforced by the performance plan.
- The unfavorable trend for the change in WCR is due in large part to the catch-up of customer payments occurring in the 1st half of 2015.
- CAPEX was stable over the period.

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Corporate and other operations: impacts of the OL3 project progress

In millions of euros	H1 2015*	H1 2016	Change
Contribution to consolidated revenue	32	8	-24
Operating income	(97)	15	+112
Including recoveries of provisions for legal and financial restructuring	*0*	*180*	*+180*
Including OL3 project	*0*	*(41)*	*-41*
Including provisions for liabilities Bioenergy	*0*	*(38)*	*-38*
EBITDA	(222)	(367)	-144
Including OL3 project	*(170)*	*(242)*	*-72*
Change in WCR	38	63	+25
Net CAPEX	(8)	(10)	-2
Operating cash flow	(192)	(314)	-122

- Operating income positively impacted by the reversal of provision due to the legal and financial restructuring, offset in part by an additional loss at completion on the OL3 project and provisions for liabilities and charges in Bioenergy.
- Operating cash flow especially penalized by the sharp increase in expenses related to the OL3 project.

* Adjusted for application of IFRS5

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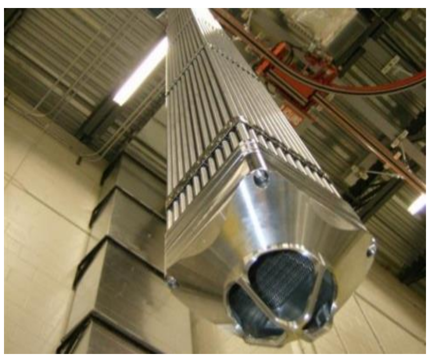
IFRS 5* operations penalized by decreased volumes and non-recurring items



In millions of euros	H1 2015	H1 2016	Change
Revenue	2 026	1 788	-238
Operating income	14	112	+98
EBITDA	13	98	+85
% of sales	*1%*	*6%*	*+5 pts*
Change in WCR	158	(39)	-197
Net CAPEX	(55)	(58)	-3
Operating cash flow	116	3	-113

- Increase in operating income, due to a reduction of loss centers in Large Projects, the neutralization of amortization and depreciation following application of IFRS 5 for AREVA NP, and the effects of performance plans.
- Operating cash flow penalized by the change in working capital.

* Given for information, excluding Solar and Wind energies

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Status of component manufacturing

- **The quality audit of the Creusot plant continued in the 1st half of 2016**
  - Review of all of the quality processes and improvement measures are being taken
  - Preliminary analysis of all of the forged parts manufacturing reports with the objective of identifying potential anomalies
    - Reports presenting practices that are not in compliance with Creusot's quality assurance rules are the subject of technical characterization submitted to a joint technical committee with EDF for the French fleet
    - Objective is to validate the characterization performed and to deal with the anomalies while providing customers and the safety authorities appropriate technical justification in terms of the contractual and regulatory requirements
- **More extensive analysis of the manufacturing reports is in progress**
  - To date, the analyses did not compromise the mechanical integrity of the components
  - Additional analyses and tests are in progress, in particular on an equipment item delivered to the Fessenheim 2 power plant
- **Audit extended to the Saint-Marcel and Jeumont plants since May 2016**
  - No similar anomalies have been identified at those two sites to date
- **Systematic verification was undertaken to justify the parts concerned through analyses or repeated tests on test specimens**

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Status of major projects

Olkiluoto 3 construction (Finland)

- Progress on the Olkiluoto 3 EPR construction in compliance with the milestones of the critical path
- Submittal of the operating license request
- Unit start-up testing began in April, as planned
- Confirmation of the reactor vessel flushing sequence to begin in October 2016, ahead of current schedule

Flamanville 3 construction (France)

- Completion of the instrumentation and control system testing configuration for start-up testing next fall
- Progress in line with the schedule of the testing program on forged heads similar to those of Flamanville 3

Taishan 1 & 2 project (China)

- Successful completion of open-vessel cold tests in March followed by leak tests of the reactor containment building of unit 1 in June
- Delivery of operating instrumentation & control system cabinets of unit 2 in May
- Changes to the instrumentation and control system of unit 1 nearing completion for the upcoming start of hot start-up tests

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Agenda

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Conclusion

- Strengthened operational performance for continuing activities, supported in particular by the competitiveness plan
- Significant progress in the deployment of the strategic roadmap, supported by the scheduled sales and legal and financial restructuring
- Continuity of operations secured for the next 12 months
- Mobilisation of all stakeholders to complete the transformation of AREVA

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Questions & Answers

Appendices

Appendix 1
Accounting principles

Pursuant to IFRS 5, the statement of income and the statement of cash flows for the 1st half of 2015 were restated to present pro forma information comparable to the 1st half of 2016; the net income of operations whose sale is the subject of negotiations is presented on a separate line, "net income of operations held for sale".

The following operations meet the criteria of IFRS 5 for classification as "operations sold, discontinued or held for sale" at June 30, 2016:

- AREVA NP (excluding the OL3 project, presented under "Corporate and other operations");
- Nuclear Measurements;
- Propulsion and Research Reactors;
- Solar Energy

At June 30, 2016, the results of Adwen (Wind Energy business) are recognized under the equity method and AREVA's interest in Adwen is classified under "assets held for sale" in the group's consolidated statement of financial position.

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Appendix 2
Change in revenue like for like

In €m	H1 2016	H1 2015*			
	Reported revenue	*Recalculated revenue*	*Foreign exchange impact*	*Scope impact*	*Revenue*
Mining BG	**705**	*738*	*+0.0*	*+0.0*	738
Front End BG	**384**	*349*	*+2.1*	*+0.0*	347
Back End BG	**832**	*739*	*-0.3*	*+7.5*	732
Corporate & Other	**8**	*23*	*-1.4*	*-7.5*	32
Total	**1,930**	*1,849*	*+0.5*	*+0.0*	1,849

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Appendix 3
Key figures by business (1/2)

H1 2016

In €m		Mining	Front End	Back End	Corporate and Other	Group total
	Contribution to revenue	705	384	832	8	1,930
Income	**Operating income**	21	(44)	93	15	86
	% of contribution to revenue	*3.0%*	*ns*	*11.2%*	*174.7%*	*4.4%*
	EBITDA	346	94	237	(367)	310
	% of contribution to revenue	*49.0%*	*24.6%*	*28.5%*	*ns*	*16.1%*
Net cash	**Net CAPEX**	(74)	(89)	(88)	(10)	(261)
	Change in operating WCR	(65)	(136)	(32)	63	(170)
	Operating cash flow	206	(130)	117	(314)	(121)

Appendix 4
Key figures by business (2/2)

H1 2015*

In €m		Mining	Front End	Back End	Corporate and Other	Group total
	Contribution to revenue	738	347	732	32	1,849
Income	**Operating income**	139	(23)	(16)	(97)	4
	% of contribution to revenue	*18.8%*	*ns*	*ns*	*ns*	*0.2%*
	EBITDA	242	119	87	(222)	226
	% of contribution to revenue	*32.8%*	*34.4%*	*11.9%*	*ns*	*12.2%*
Net cash	**Net CAPEX**	(124)	(111)	(85)	(8)	(329)
	Change in operating WCR	123	(221)	388	38	327
	Operating cash flow	236	(213)	391	(192)	221

* Adjusted for application of IFRS 5

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Appendix 5
Statement of income

In €m	H1 2016	H1 2015*
Revenue	**1,930**	**1,849**
Other income from operations	2	8
Cost of sales	(1,613)	(1,624)
Gross margin	**320**	**233**
Research and development expenses	(55)	(54)
Marketing and sales expenses	(23)	(26)
General and administrative expenses	(104)	(88)
Other operating income and expenses	(52)	(62)
Operating income	**86**	**4**
Share in net income of associates and joint ventures	(11)	(11)
Operating income after share in net income of joint ventures and associates	**74**	**(7)**
Income from cash and cash equivalents	14	11
Gross borrowing costs	(178)	(101)
Net borrowing costs	**(165)**	**(90)**
Other financial income and expenses	(58)	46
Net financial income	**(223)**	**(44)**
Income tax	**(45)**	**(61)**
Net income after tax from continuing operations	**(194)**	**(111)**
Net income after tax from operations sold, discontinued or held for sale	7	(100)
Net income for the period	**(187)**	**(211)**
Including minority interests	67	(5)
Net income attributable to owners of the parent	**(120)**	**(206)**

Appendix 6
Statement of financial position (1/2)

ASSETS *(in €m)*	**6/30/2016**	**12/31/2015**
Non-current assets	**17,046**	**17,747**
Goodwill on consolidated companies	1,257	1,272
Intangible assets	1,654	1,648
Property, plant and equipment	7,751	7,642
End-of-lifecycle assets (third party share)	167	178
Assets earmarked for end-of-lifecycle operations	5,868	6,122
Investments in joint ventures and associates	29	100
Other non-current financial assets	395	573
Deferred tax assets	105	212
Current assets	**12,928**	**11,240**
Inventories and work-in-process	1,321	1,216
Trade accounts receivable and related accounts	863	941
Other operating receivables	955	865
Current tax assets	49	51
Other non-operating receivables	231	81
Cash and cash equivalents	2,058	804
Other current financial assets	103	207
Assets and operations held for sale	7,347	7,076
Total assets	**29,973**	**28,987**

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Appendix 7
Statement of financial position (2/2)

LIABILITIES AND EQUITY *(in €m)*	**6/30/2016**	**12/31/2015**
Equity and minority interests	**(2,912)**	**(2,281)**
Share capital	1,456	1,456
Consolidated premiums and reserves	(3,917)	(3,797)
Actuarial gains and losses on employee benefits	(446)	(293)
Deferred unrealized gains and losses on financial instruments	(82)	166
Currency translation reserves	(21)	(48)
Equity attributable to owners of the parent	**(3,009)**	**(2,516)**
Minority interests	98	235
Non-current liabilities	**16,292**	**14,676**
Employee benefits	1,529	1,455
Provisions for end-of-lifecycle operations	7,119	6,921
Other non-current provisions	247	238
Share in negative net equity of joint ventures and associates	70	59
Long-term borrowings	7,328	5,905
Deferred tax liabilities	0	100
Current liabilities	**16,593**	**16,592**
Current provisions	3,805	3,990
Current borrowings	1,887	1,440
Advances and prepayments received	2,794	2,895
Trade accounts payable and related accounts	777	941
Other operating liabilities	1,934	1,904
Current tax liabilities	31	39
Other non-operating liabilities	123	64
Liabilities and operations held for sale	5,240	5,320
Total liabilities and equity	**29,973**	**28,987**

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Appendix 8
Change in net debt

In €m

Opening net debt (12/31/2015)	**(6,323)**
Operating cash flow	(121)
Cash flow from end-of-lifecycle operations	23
Cash from financing activities	(159)
Net cash flow of operations sold, discontinued or held for sale	(141)
Cash-out for taxes	(62)
Others (dividends paid to minority shareholders…)	(37)
IFRS 5 restatements and other effects	(224)
Change in net cash (debt)	**(721)**
Closing net debt (6/30/2016)	**(7,044)**

Appendix 9
Definition of indicators used by AREVA (1/3)

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

- **Operating working capital requirement (operating WCR):** OWCR 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;
  - Less: 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**.**

- **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 impact 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.

Appendix 10
Definition of indicators used by AREVA (2/3)

- **Net cash flow from company operations:** the net cash flow from company operations is equal to the sume 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 amount of 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 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.

Appendix 11
Definition of indicators used by AREVA (3/3)

- **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.

- **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.

- **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.

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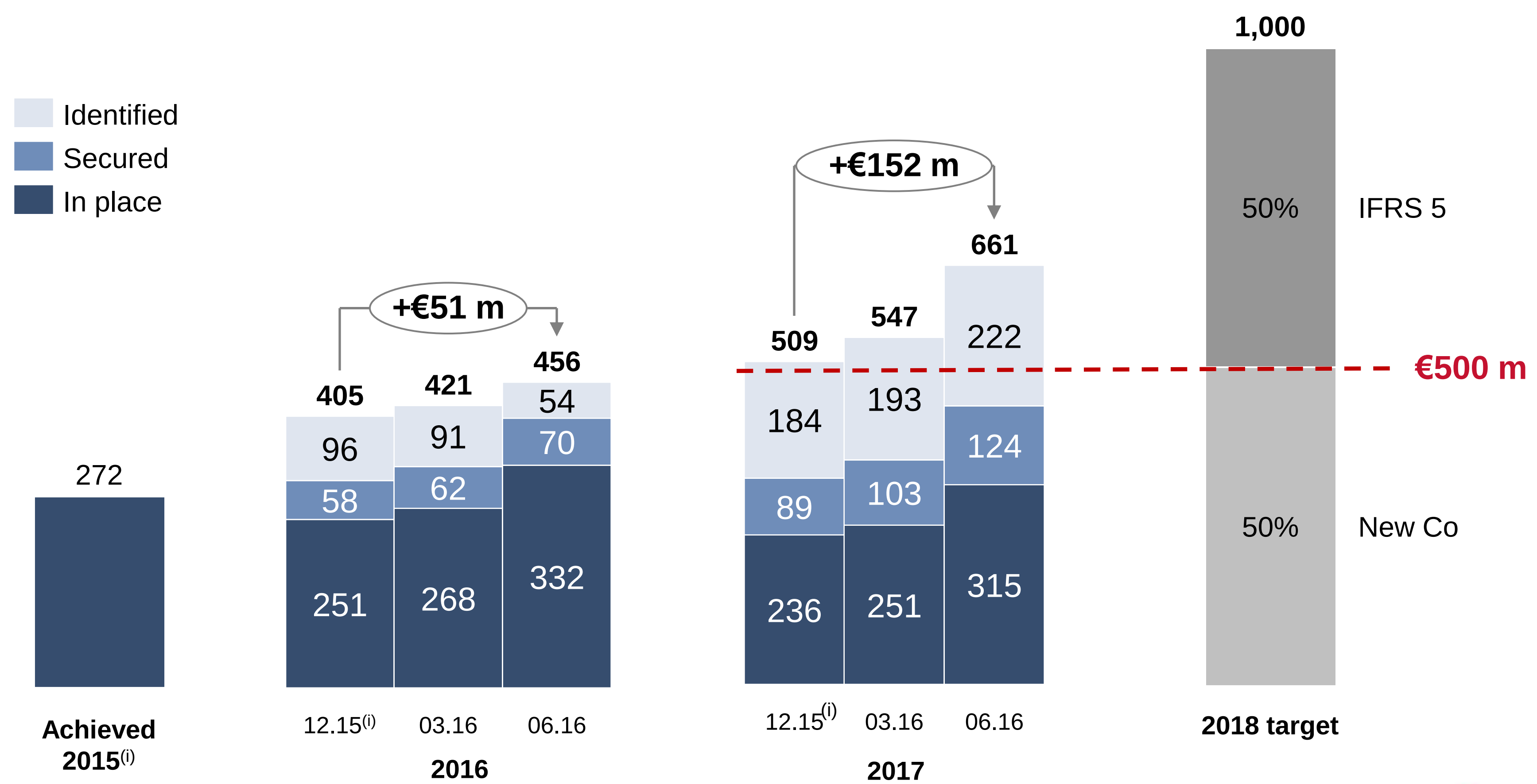
Appendix 11
Portfolio of cost saving actions for NEW CO



(i) data at December 31, 2015 restated for the transfer of fuel cycle engineering from AREVA NP to New Co

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