PRESS RELEASE

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2016 annual results

- **Key milestones met in 2016 in the implementation of the group's restructuring plan, in particular with:**
  - **the creation of NewCo[1];**
  - **the signature of a memorandum of understanding with EDF for the sale of New NP[2] in the 2nd half of 2017;**
  - **the setting of the terms of the AREVA SA and NewCo capital increases planned in June[3].**
- **Loss of €665 m, sharply down, including provisions, write-downs and a capital gain in the net amount of -€932 m**
- **Net cash flow from company operations of -€621 m, favorable limit of the last estimated range**
- **The 1 billion euros of savings aimed for by the group's performance plan now more than 70% achieved**
- **Growth of NewCo's operating income of more than 10% of revenue, thanks to the effects of the performance plan and to decreased restructuring expenses**
- **Major milestones in 2017: completion of AREVA SA and NewCo capital increases and sale of New NP**

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Highlights of the recent period

- The group's environment remained very difficult in 2016, in particular with a sharp drop in uranium and enrichment prices and a slowdown in services for the installed base.
- In 2016, the group continued to implement its restructuring plan, which enters its final phase in 2017:

[1] NewCo: temporary name of the entity which combines all of the operations of AREVA related to the nuclear fuel cycle, whose legal name is New AREVA Holding.
[2] New NP combines the operations of AREVA NP, excluding the OL3 contract and the means necessary for its completion, and, as applicable, certain component contracts affected by serious anomalies which might be identified in connection with the quality audit in progress.
[3] Subject to fulfillment of the preconditions set by the European Commission in its decision of January 10, 2107.

  - Establishment of NewCo on November 10, 2016 by a partial contribution of assets;
  - Signature of share purchase agreements for New NP and AREVA TA;
  - Consent for the group's restructuring received from the European Commission on January 10, 2017, with preconditions;
  - Terms of the capital increases approved by the shareholders of AREVA SA and of NewCo on February 3, 2017;
  - Sale of ADWEN finalized;
  - Announcement on February 3 of an agreement with MHI and JNFL for their acquisition of a 5% interest each in NewCo;
  - Framework agreement for industrial and commercial cooperation signed between CNNC and NewCo.

- The group's operational performance is explained in particular by the positive impacts of the performance plan implemented since 2015:
  - The performance plan objective of 1 billion euros of savings in 2018 across the group's footprint, including NewCo and AREVA NP, more than 70% achieved;
  - Reduction of the group's workforce in line with the objective of 6,000 job cuts by the end of 2017 (4,700 departures like for like since the end of 2014).

- Large projects progressed in 2016, meeting key milestones:
  - Olkiluoto 3 : critical path milestones were met for the project with the completion of the primary system water filling sequence, full-scale simulator tests and open-vessel functional tests;
  - Taishan 1: reconfiguration of the instrumentation and control system cabinets of unit 1 for the start of upcoming hot commissioning tests;
  - Flamanville 3: submittal to ASN of the final test program report concerning the reactor vessel bottom head and closure head on December 16, 2016.

2017 outlook

In 2017, the completion of the AREVA SA and NewCo capital increases and the sale of New NP to EDF and to strategic investors are major milestones for restoring the group's financial position and enabling it to meet its obligations.

In addition, as announced by the French State, subject to the completion of the NewCo capital increase and the loss of control of NewCo by AREVA which will follow, a Public Buyout Offer, followed as applicable by a mandatory squeeze-out, will be launched on AREVA SA's shares at a price consistent with that of the capital increase, set at €4.50 per share.

Key figures reported

Pursuant to IFRS 5, the data reported for revenue, operating income, EBITDA, operating cash flow and net debt concern the continuing operations exclusively, i.e. mainly the OL3 project, bioenergy operations in the process of being discontinued, and AREVA SA funding. All of the financial items related to operations sold, discontinued or held for sale are presented on a specific line of the statement of income, the statement of cash flows and the statement of financial position. In this regard, the data reported in 2015 were restated.

However, net income attributable to owners of the parent and net cash flow from company operations, also include income and cash flows from operations sold, discontinued or held for sale.

In addition, all of the financial aggregates given in this document should be read before reallocation of the balance of AREVA SA Corporate expenses not rebilled to the subsidiaries, but intended to be borne by NewCo and by New NP.

- Revenue: €10 m (vs. €33 m in 2015)
- Net income attributable to owners of the parent: -€665 m (vs. -€2.038 bn in 2015)
- Net cash flow from company operations: -€621 m (vs. -€590 m in 2015)
- Net debt: -€1.473 bn (vs. -€6.323 bn end of 2015)

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At December 31, 2016, the following operations meet the criteria set by IFRS 5 for classification as "operations sold, discontinued or held for sale":

- New AREVA Holding and its subsidiaries, corresponding to the "NewCo" consolidation scope
- AREVA NP (excluding the OL3 contract) and its subsidiaries, corresponding to the "New NP" consolidation scope
- Nuclear Measurements (Canberra)
- Propulsion and Research Reactors (AREVA TA)
- Solar Energy
- Wind Energy (ADWEN)

The bioenergy operations, which are not destined to be continued, do not meet the criteria set by the accounting standards for classification in discontinued operations owing to the existence of a project still in progress.

The Board of Directors of AREVA, meeting yesterday under the chairmanship of Philippe Varin, approved the financial statements for the period ended December 31, 2016.

The table below outlines the contribution of operations sold, discontinued or held for sale to the results reported by the group in 2016:

In millions of euros	**AREVA reported data**	**NewCo**	**Other operations classified under IFRS 5**	**Total operations classified under IFRS 5**
Revenue	10	4,012	3,526	7,538
Operating income*	(442)	440	193	633
Net financial income	(68)	(537)	(38)	(575)
Income tax	118	(337)	(92)	(429)
Net income from operations sold, discontinued or held for sale	**(365)**	(425)	60	**(365)**
Net income attributable to owners of the parent	(665)			
Net income attributable to minority interests	(105)			

* Before reallocation of the balance of AREVA SA corporate costs intended to be borne by NewCo and New NP

I. Key financial data of NewCo

As AREVA SA is expected to lose the control of NewCo at the end of the capital increase of the latter, NewCo is now recognized in "operations sold, discontinued or held for sale". Consequently, the financial aggregates presented in this section are given for information purposes only and do not contribute to the group's consolidated aggregates.

In millions of euros	**2016**	**2015**	***Change 2016/2015***
Backlog	31,759	28,615	*+€3,144 m*
Revenue	4,012	4,166	*-€154 m*
EBITDA*	1,349	1,316	*+€33 m*
In percentage of revenue	*33.6%*	*31.6%*	*+2.0 pts.*
Operating cash flow*	517	773	*-€256 m*
Operating income*	440	(100)	*+€540 m*

* Before reallocation of the balance of AREVA SA corporate costs intended to be borne by NewCo and New NP

NewCo's **backlog**, given here for information purposes only as it is no longer included in the backlog of continuing operations, amounted to 31.8 billion euros at December 31, 2016, an increase of 3.1 billion euros in relation to December 31, 2015 (28.6 billion euros). The backlog at December 31 does not include contracts for uranium supply, conversion services or enrichment services signed with EDF and NNB in connection with the Hinkley Point C project. Those contracts will be included in backlog in 2017, the "notice to proceed" having being signed in early January.

- In Mining, the backlog was 9.5 billion euros, a slight increase over the period (9.1 billion euros at the end of 2015).
- In the Front End (Chemistry and Enrichment), the backlog totaled 10.9 billion euros (compared with 10.3 billion euros at the end of 2015).
- In the Back End (Recycling, Logistics, Dismantling and Services, and International Projects), the backlog came to 11.4 billion euros, an increase compared with December 31, 2015 (9.2 billion euros), due to the addition of an extension up to 2023 of the treatment and recycling agreement with EDF.

NewCo's **revenue**, which is not consolidated given NewCo's classification in operations sold, discontinued or held for sale, reached 4.012 billion euros at December 31, 2016, a decrease in relation to December 31, 2015 (4.166 billion euros, i.e. -3.7%).

- Mining revenue was stable compared with the previous year, amounting to 1.451 billion euros (+0.3%; -1.5% like for like). Foreign exchange had a positive impact of 26 million euros over the period, offsetting the downturn in volumes sold over the period.
- Front End revenue totaled 1.025 billion euros, a decrease of 6.6% year on year (-7.7% like for like). This change is explained by a less favorable price impact for SWU sales (enrichment) and for materials sales (UF_6), related to the drop in market prices, and by decreased SWU volumes sold over the period. Foreign exchange had a positive impact of 13 million euros over the period.
- Back End revenue amounted to 1.523 billion euros, a decrease of 5.3% like for like compared with 2015. This change in revenue is due to a lower level of activity on International Projects and to an unfavorable contract mix in the Recycling operations.
- Revenue from "Corporate and other operations" was 13 million euros at the end of 2016, compared with 29 million euros at the end of 2015.

NewCo's **EBITDA** at the end of 2016 rose slightly compared with the end of 2015 (1.349 billion euros compared with 1.316 billion euros). Against a backdrop of difficult conditions in the uranium, conversion and enrichment markets, this growth is explained in particular by the positive impacts of the performance plan implemented starting in 2015.

- Mining EBITDA was 747 million euros, compared with 604 million euros for the same period in 2015, because of higher production volumes, particularly with the ramp-up of the Cigar Lake mine in Canada, the reduction of supply chain costs and the impacts of the competitiveness plan.
- In the Front End, EBITDA amounted to 354 million euros compared with 389 million euros in 2015, which had benefitted from additional sales. This change is mainly explained by a drop in production volumes in inventory in 2016, partly offset by a reduction of costs generated by the performance plan.
- The Back End recorded EBITDA of 299 million euros, down 16 million euros compared with 2015, with the results of the competitiveness plan partly offsetting the unfavorable impact of contracts in the Recycling and Dismantling & Services operations.

- EBITDA from "Corporate and other operations" was -52 million euros, compared with 8 million euros in 2015. This change is explained chiefly by expenses in 2016 connected with the Voluntary Departure Plan in France.

NewCo's **operating income** totaled 440 million euros in 2016, compared with -100 million euros in 2015.

- In Mining, operating income was stable compared with 2015, totaling 183 million euros in 2016. In addition to the favorable operating items described to explain the change in EBITDA, operating income was impacted by impairment for the Imouraren mine in Niger resulting from the drop in uranium prices, in the amount of 316 million euros. In 2015, impairment of 194 million euros had been recognized.

- In the Front End, operating income was 158 million euros, compared with 101 million euros in 2015. Related with the decline of market indicators, Front End operating income was impacted:
    - in 2015 by inventory write-downs and by provisions for contingencies in the amount of 198 million euros;
    - in 2016 by inventory write-downs and by provisions for losses at completion for a SWU purchase contract in the total amount of 98 million euros.

- The Back End recorded operating income of 65 million euros in 2016, an improvement of 249 million euros compared with 2015, which had been impacted by an additional provision of 208 million euros for the Cigéo Project.

- Operating income from "Corporate and other operations" amounted to 34 million euros in 2016, compared with -200 million euros in 2015, which had included provisions for social restructuring undertaken in certain NewCo entities. It does not include the reallocation of the balance of AREVA SA corporate expenses not rebilled but intended to be borne by NewCo.

NewCo's **operating cash flow**, which is no longer recognized in reported operating cash flow, reached 517 million euros in 2016, a decrease of 256 million euros compared with 2015. In addition to the explanations relative to the change in EBITDA (see above), this decrease is explained among other things by:

- An unfavorable change in WCR, as expected, of -166 million euros in 2016 compared with +80 million euros in 2015, which had benefitted from the recognition of a customer payment in the Back End regularizing previous services;

- The increase in net CAPEX, which reached -668 million euros in 2016 compared with -619 million euros in 2015. The decrease of productive investments was more than offset by the acquisition of minority interests in subsidiaries of the Tricastin platform.

Implementation of the NewCo performance plan

The performance plan's impact on EBITDA was 383 million euros on an annual basis compared with 2014, i.e. more than 75% of the 500-million-euro objective for 2018.

The most significant actions taken during the year related to the execution of the voluntary departure plan, to the renegotiation of energy supply contracts, to transactions to optimize the group's property footprint, and to reductions of external spending.

The portfolio of projects to secure savings of approximately 500 million euros in the NewCo footprint in 2018 rose sharply during the year, amounting at December 31, 2016 to 702 million euros in actions valued for 2018.

NewCo's financial outlook for the year in progress

AREVA SA is expected to lose the control of NewCo at the end of the capital increase of the latter, subscribed by the French State, planned for the end of the first half. Consequently, at that time, NewCo's cash will no longer be included in the group's cash.

In 2017, the income of 2.5 billion euros from the capital increase subscribed by the French State as from the end of the first half and the income of 500 million euros from the capital increase subscribed by JNFL and MHI in the second half, during the sale of New NP, added to the cash position of 1.4 billion euros at December 31, 2016, should enable NewCo to meet the following expenses:

- Net cash flow from company operations of between -1.5 and -1 billion euros, including additions to the earmarked funds for end-of-lifecycle operations in the amount of -0.8 billion euros (in order to progress towards a coverage ratio of 100%);
- The bond repayment due of -0.8 billion euros;
- Bank payments due connected with the financing of Georges Besse II, in the amount of -0.1 billion euros.

Thus, NewCo's closing cash at the end of 2017 would be between 2.0 and 2.5 billion euros, enabling it to meet its financial obligations and to develop, before contemplating – in the medium term and if market conditions permit – refinancing on the markets.

In the event that the NewCo capital increase were to be delayed, which would translate into keeping its cash in the group's cash pool, the company could rely on a shareholder advance of 1.3 billion euros (NewCo's share out of a total of 3.3 billion euros to be granted by the French State to AREVA SA and NewCo), to be paid in August if necessary.

II. Key figures of other operations sold, discontinued or held for sale

This section presents the cumulative financial aggregates of New NP (AREVA NP operations to held for sale to EDF and to strategic investors, excluding the OL3 contract and the means necessary to complete the project), AREVA TA and Canberra (for the first six months of 2016). Consequently, the financial aggregates presented below are given for information purposes only and do not contribute to the group's consolidated aggregates.

The **backlog** of other operations sold, discontinued or held for sale, including AREVA NP and AREVA TA, came to 13.1 billion euros, compared with 13.8 billion euros in 2015.

Orders related to the Hinkley Point contract signed by AREVA NP in early 2017 are not included in backlog.

Revenue from other operations sold, discontinued or held for sale reached 3.5 billion euros in 2016, compared with 3.9 billion euros in 2015. Besides the negative consolidation scope impacts connected with the sale of Canberra in mid-2016, the change in revenue is explained among others by the drop in Fuel operations at AREVA NP's level, particularly in Germany, and in Installed Base operations in France and in Germany.

EBITDA in 2016 of other operations sold, discontinued or held for sale rose in relation to 2015 (23 million euros compared with -65 million euros in 2015). The end of the Solar Energy operations and the impacts of the performance plan at AREVA NP explain this change.

Operating income from other operations sold, discontinued or held for sale amounted to 193 million euros in 2016, compared with -72 million euros in 2015. This improvement is mainly the result of:

- the gain on the sale of Canberra in the amount of 146 million euros;
- the Solar Energy operations, whose operating income rose 90 million euros compared with 2015 in connection with the end of AREVA's operational commitment in those operations;
- AREVA NP, whose operating income rose 44 million euros. The impacts of performance actions, the drop in restructuring costs (as a reminder, 2015 had been impacted by 184 million euros in provisions and costs), and the neutralization of amortization and depreciation for the full year of 2016 (positive impact of 118 million euros) more than offset the decreased business observed over the period and the impact of the problems encountered in the manufacturing plants.

In addition, the operating income of other operations sold, discontinued or held for sale did not include the reallocation of the balance of AREVA SA's Corporate expenses not rebilled but intended to be borne by New NP.

The **operating cash flow** of other operations sold, discontinued or held for sale, which are no longer recognized in reported operating cash flow, came to -157 million euros in 2016, compared with 46 million euros in 2015. This decrease is chiefly due to unfavorable changes in WCR for the AREVA TA and Solar Energy operations.

III. Key reported figures

Pursuant to IFRS 5, financial aggregates of operations sold, discontinued or held for sale are presented on a specific line of the statement of income, the statement of cash flows and the statement of financial position.

AREVA's aggregates consequently reflect, for the most part, the Olkiluoto 3 EPR contract in Finland ("OL3"), the remaining Bioenergy operations and AREVA's bank financing. They do not include:

- New AREVA Holding and its subsidiaries, corresponding to the "NewCo" consolidation scope
- AREVA NP (excluding the OL3 contract) and its subsidiaries, corresponding to the "New NP" consolidation scope
- Nuclear Measurements (Canberra)

- Propulsion and Research Reactors (AREVA TA)
- Solar Energy
- Wind Energy (ADWEN

The statement of income and the statement of cash flows of 2015 were restated to present a consolidation scope comparable to the year of 2016.

In millions of euros	**2016**	**2015***	***Change 2016/2015***
Revenue	10	33	*-€22 m*
EBITDA	(684)	(630)	*-€54 m*
Operating cash flow	(590)	(475)	*-€116 m*
Operating income	(442)	(1,287)	*+€845 m*
Net income from operations sold, discontinued or held for sale**	(365)	(770)	*+€405 m*
Net income attributable to owners of the parent	(665)	(2,038)	*+€1,373 m*
Earnings per share	-€1.74	-€5.33	*+€3.59*
Net cash flow from company operations	(621)	(590)	*-€31 m*
	12/31/2016	**12/31/2015**	
Net debt (-) / net cash (+)	(1,473)	(6,323)	*+€4,850 m*

* Adjusted for application of IFRS 5
** Operations of NewCo, AREVA NP (excluding the OL3 project), Nuclear Measurements, Propulsion and Research Reactors, and Solar Energy

Financial indicators are defined in the financial glossary in Appendix 6 - Definitions.

Revenue from continuing operations fell, in connection with the gradual withdrawal from the bioenergy operations (10 million euros in 2016, compared with 33 million euros in 2015). As a reminder, in accordance with the provisions of paragraph 32 of IAS 11, AREVA stopped recognizing the revenue and costs of the OL3 contract as a function of its percentage of completion. Revenue recognized for the OL3 contract has currently stabilized at the level reached in the first half of 2013.

EBITDA from continuing operations came to -684 million euros in 2016, compared with -630 million euros in 2015. This change is explained by a decrease in billings of corporate services to the group's subsidiaries, offset in part by a reduction of expenses recognized in EBITDA from the OL3 contract. Additionally, EBITDA was penalized by corporate costs relative to the NewCo and New NP consolidation scopes, still borne by AREVA SA, pursuant to existing agreements and pending the signature of new rebilling agreements.

Operating income from continuing operations (i.e. excluding NewCo, New NP, AREVA TA, Canberra and Solar Energy) amounted to -442 million euros in 2016, compared with -1.287 billion euros in 2015. In 2015, operating income had been impacted in particular by an additional loss at completion of 905 million euros for the Olkiluoto 3 EPR and by a provision in the amount of 180 million euros connected with the cost estimate for legal and financial restructuring.

In 2016, it includes:

- An additional loss for additional operating costs at completion of 116 million euros for the Olkiluoto 3 EPR project;
- Provisions related to the revaluation of contingencies and charges borne by AREVA SA.

Net income attributable to owners of the parent was -665 million euros in 2016, compared with -2.038 billion euros in 2015.

Added on top of the operating income described above are:

- Net financial income from continuing operations in the amount of -68 million euros, a 22 million euros decrease compared with 2015, in particular due to the increased cost of borrowings following the draws on bilateral lines of credit and on the syndicated line of credit in early 2016 (as these bank debts remain within the AREVA SA consolidation scope);
- The tax income of AREVA SA, which amounts to 118 million euros in 2016, corresponds to the gain on tax consolidation for the period. It was 93 million euros in 2015. It does not reflect the group's total tax expense, but rather the tax expense of the consolidated subsidiaries owed to the consolidating company. The counterpart of the tax income is a tax expense in the financial statements of the subsidiaries, pursuant to IFRS 5;
- Net income from operations sold, abandoned or held for sale encompassing the net income from NewCo, New NP, AREVA TA, Canberra, Wind and Solar Energy operations. It amounted to -365 million euros in 2016, compared with -770 million euros in 2015.

  In 2015, income from operations sold, discontinued or held for sale had been impacted mainly by:

  - costs and provisions for social restructuring undertaken in the amount of -427 million euros;
  - an additional provision relative to the Cigéo Project in the amount of -208 million euros;
  - additional losses at completion and guarantees concerning projects in execution or already executed when ADWEN was created in the amount of -216 million euros.

  In 2016, it was impacted mainly by:

  - the change of discount rate (4.10% versus 4.50% previously) applied to provisions for end-of-lifecycle operations (including work still to be performed) in the amount of -246 million euros;
  - the impact of the problems encountered in the manufacturing plants in the amount of -121 million euros.

The other components of the change in net income from those operations are explained in parts I and II of this document.

Operating cash flow from continuing operations was -590 million euros in 2016, compared with -475 million euros one year earlier. This decrease is mainly explained by the reduction of billings of corporate services to the subsidiaries and by a less favorable change in WCR for the OL3 project. In fact, in 2015 the OL3 project had had a strong positive impact on the change in WCR connected with the acceleration of activities over that period.

Net cash flow from company operations

Net cash flow from company operations amounted to -621 million euros in 2016, compared with -590 million euros in 2015, in line with the adjusted guidance of approximately -0.6 billion euros given on January 11, 2017. As a reminder, the initial guidance presented in February 2016 had anticipated net cash flow from company operations for 2016 in the range of -2 billion euros to -1.5 billion euros. This improvement compared with the initial guidance is the consequence of the lifting of certain significant contingencies in the financial trajectory, the progress of the performance plan, the delaying of expenses and the measures taken to optimize cash levels.

Added to operating cash flow from continuing operations, whose change is explained above, were in particular:

- Net cash flow from operations sold, discontinued or held for sale (notably NewCo, New NP, Canberra, AREVA TA and Solar Energy) in the amount of 1 million euros, including the income from the sale of Canberra, sold on July 1, 2016;
- Cash outflows connected with borrowing costs (payment of interest, etc.) in the amount of -99 million euros;
- Tax receipts in the amount of 71 million euros corresponding to the payment of tax installments by the profit-making subsidiaries of AREVA SA, which heads up the group's tax consolidation.

Net financial debt and cash

The group's net borrowings amounted to 1.473 billion euros at December 31, 2016, compared with 6.323 billion euros at December 31, 2015.

- This change in net debt of 4.850 billion euros is explained chiefly by:
  - Net cash flow from company operations in the amount of -621 million euros;
  - Application of IFRS 5 to the share of external debt transferred to NewCo in November 2016 (bond debt and redeemable loan for structured financing of the Georges Besse II plant) in connection with the contributions, i.e. 5.636 billion euros. As a reminder, the bilateral lines of credit and the syndicated line of credit, drawn on January 4 and 5, 2016, continue to be borne by AREVA SA and represented a total of 2.045 billion euros at December 31, 2016;
  - The non-renewal at December 31, 2016 of factoring transactions carried out at the end of 2015 in the amount of -152 million euros.
- At December 31, 2016, the group's gross cash amounted to 848 million euros. After deduction of the cash from operations held for sale not included in the cash pool, which amounted to 162 million euros, the group's consolidated cash amounts to 686 million euros.
- AREVA SA's short-term borrowings came to 831 million euros. They consist mainly of upcoming repayments of bilateral lines of credit, which have all been drawn, for the total outstanding amount of 795 million euros, repayable in 2017.
- In addition, at December 31, 2016, the bridge loan of 1.2 billion euros negotiated with a banking pool in February 2016 and maturing on January 20, 2017, was not drawn in the end.

Financial outlook and 12-month liquidity for the period in progress

The consolidation scope of the AREVA group is destined to evolve considerably over the course of 2017. In particular, AREVA SA is expected to lose the control of NewCo at the end of the capital increase of the latter, planned for the end of the first half, and then to lose the control of New NP, sold to EDF and third-party investors in the second half.

The cash of all entities will remain in the group's cash pool until the above-mentioned transactions are completed. Then, the cash of AREVA SA, NewCo and New NP will be divided up.

AREVA SA, which had a negative cash balance of -600 million euros at December 31, 2016, will receive two shareholder advances in 2017 in the amounts of 1.1 billion euros in March and of 900 million euros in June, to be deducted from its capital increase, planned for the end of the first half. It will also receive the income from the sales of New NP, AREVA TA and ADWEN in the cumulative amount of 2.7 billion euros. This income will allow it to meet:

- expenses related to the OL3 project and to operations held for sale in the amount of -0.9 billion euros;
- the reimbursement of bilateral bank debt in the amount of -0.8 billion euros;
- the financial interest payments scheduled for this year in the amount of -0.1 billion euros;
- possible contingencies in an amount between -0.4 billion euros and +0.2 billion euros.

Subject to the completion of the New NP sale, AREVA SA should thus finish the 2017 financial year with gross cash of between 2.0 and 2.6 billion euros, enabling it to meet its later commitments, both for completion of the OL3 project and for reimbursement of the syndicated line of credit.

AREVA SA also obtained and accepted a commitment from its banking partners for interim "senior secured" financing of 300 million euros to assure its continuity of operations in the event that the sale of New NP is delayed in the fourth quarter.

The liquidity of both companies will be assured until the capital increases by shareholder advances in the cumulative amount of 3.3 billion euros.

The completion of the AREVA SA and NewCo capital increases and the sale of New NP remain major issues.

With regard to the milestones already met and the work remaining to be accomplished in connection with the process of selling New NP, AREVA's management has not identified items likely to compromise the completion of the New NP sale before the end of 2017. Moreover, AREVA is maintaining tight control of the sales process and of the fulfillment of the conditions precedent stipulated in the share purchase agreement.

Although it is not presently expected that the sale of New NP in 2018 will be delayed, alternative solutions are being examined in addition to the internal optimization measures already identified (monetization of receivables, factoring, etc.) with a view to being able to ensure AREVA's financing until the receipt of the income from the sale of New NP, if it were to be delayed in 2018.

The group continues to study other levers for optimizing its cash: sales of receivables, schedule of additions to the earmarked funds (subject to the consent of the authorities concerned), etc.

IV. Highlights of the recent period

Implementation of the strategic roadmap

- Creation of NewCo
  - The proposed partial asset contribution from AREVA SA to NewCo relative to the transfer of the nuclear fuel cycle operations and bond debt was approved by the AREVA SA shareholders at their Extraordinary General Meeting of November 3, 2016.
  - The partial asset contribution was completed on November 10, 2016.
- AREVA and NewCo capital increases
  - On January 10, 2017, the European Commission gave its consent, with conditions, for the French State's participation in the AREVA SA and NewCo capital increases at the maximum level of 4.5 billion euros out of a total amount of 5 billion euros.
  - Also on January 10, 2017, the European Commission authorized two advances from the shareholder current account of the French State, one for AREVA in the amount of 2 billion euros and the other for NewCo in the amount of 1.3 billion euros, to enable the group to meet its financial obligations until the completion of the planned capital increases.
  - The terms of the AREVA SA and NewCo capital increases were approved by their respective shareholders last February 3.
- Plan to sell New NP
  - AREVA, AREVA NP and EDF signed a share purchase agreement on November 15, 2016 setting the terms and conditions of the sale of an interest giving EDF the exclusive control of an entity tentatively called "New NP", a wholly owned subsidiary of AREVA NP, which will combine the industrial operations of the design and supply of nuclear reactors and equipment, fuel assemblies, and services to the installed base of the group, except for the contracts related to the OL3 project and the means necessary for its completion as well as, as applicable, certain component contracts affected by serious anomalies which might be identified in connection with the quality audit in progress.
  - The transaction is expected to close in the second half of 2017, with conditions, in particular receipt of favorable findings from the French nuclear safety authority ASN with regard to the results of tests concerning the primary cooling system of the Flamanville 3 reactor; the completion and satisfactory conclusion of quality audits at the Creusot, Saint-Marcel and Jeumont plants; and the approval of the competent authorities which regulate business mergers and nuclear safety. Furthermore, the closing of the transaction is conditioned on the transfer of AREVA NP's operations, excluding the OL3 contract and certain component contracts, to the New NP entity.
- Plan to sell AREVA TA
  - On December 15, 2016, the group signed a share purchase agreement for all of its shares in AREVA TA to a consortium of buyers composed of the Agence des participations de l'État, the Commissariat à l'Energie Atomique et aux énergies renouvelables, and DCNS.
  - The sale is scheduled to close in March or April 2017.
- Sale of ADWEN

Last September 14, AREVA exercised the option to sell its interest in ADWEN to Gamesa. The sale closed on January 5, 2017.

- Agreements with MHI and JNFL for their acquisition of a stake in NewCo

  On February 3, AREVA announced that the principle terms of the agreements for the acquisition of a 5% interest each in NewCo by Japan Nuclear Fuel Limited (JNFL) and Mitsubishi Heavy Industries (MHI) (i.e. a total amount of 500 million euros) had been accepted and that the negotiations were continuing with those two strategic investors with a view to finalizing the related documentation.

- Developments in China

  On February 21, 2017, NewCo and CNNC signed a framework agreement for industrial and commercial cooperation concerning nuclear fuel cycle operations. This contract bolsters the industrial negotiations in progress between NewCo and CNNC and opens the door to new industrial and commercial prospects between the two countries.

Implementation of the performance plan

- Adaptation of the group's workforce
  - In France, the voluntary departure plans launched in early April 2016 ended for the six companies involved, having achieved their workforce reduction objectives.
  - The reduction of the group’s combined workforce is in line with the objective of 6,000 job cuts by the end of 2017. At December 31, 2016, the AREVA group had a global workforce of 36,241 employees, versus 41,847 employees at December 31, 2014, a reduction of approximately 13.5% representing 5,632 employees (including 927 employees of Canberra, sold on July 1, 2016). The departures of employees opting for the VDPs will continue in 2017.

Status of component manufacturing

- The quality audit of the Creusot plant launched at the end of 2015 continued in 2016. In connection with the audit, all of the quality processes were reviewed and improvement measures are being taken.

- The quality audit was supplemented by an exhaustive analysis of a category of forged part manufacturing files (marked files). The deviations identified are being dealt with in coordination with the customers and the safety authorities concerned. To date, the analyses conducted on these files have found that no reported anomaly compromises the mechanical integrity of the parts concerned. Additional analyses and tests are in progress, in particular on two equipment items delivered to the Fessenheim 2 power plant and to unit 5 of Gravelines.

- A more extensive analysis of the manufacturing files (unmarked files) is in progress and concerns more than 6,000 files. In this regard, an anomaly on a steam generator delivered to the Flamanville 3 site was subjected to characterization.

- Since May 2016, the analyses have been extended to the Saint-Marcel and Jeumont sites as well. No similar anomalies have been identified at those two sites as of the closing date of these statements.

- In addition, following the deficiencies discovered in April 2015 concerning tensile test protocols at the Creusot laboratory, systematic verification was undertaken to justify the parts concerned through analyses or by retesting on test specimens. Deviations for the identified anomalies are being dealt with in coordination with the customers.

- For all of the above-mentioned quality topics encountered at le Creusot, and absent any claim received as of this date from customers or any identified losses for customers, no specific provision associated with potential liability actions has been set up for these quality topics. Some customers have nevertheless reserved their rights.

- The total impact of the problems related to the manufacturing plants in 2016 was 121 million euros, including (i) provisions for expenses intended to factor in external costs to be committed to analyze deviations and demonstrate the safety of the equipment delivered, and (ii) costs charged directly to contracts.

Progress of large projects

- Taishan 1 & 2
  - In the first half of 2016, the Taishan project entered the start-up testing phase of unit 1 of the plant.
  - After successful cold testing and leak testing of the containment building in March and June, the instrumentation and control system cabinets of unit 1 were reconfigured in preparation for hot start-up tests.
- Flamanville 3
  - In June, the power plant’s operational instrumentation and control system was successfully configured for the start of the reactor’s unit commissioning tests.

    The test program, conducted on vessel closure heads and bottom heads analogous to those of the Flamanville 3 EPR reactor, ended on December 7, 2016. The toughness properties measured in the sacrificial parts meet the requirements of ASN’s follow-up letter issued in December 2015. The final report was sent to the nuclear safety authority ASN on December 16, 2016, which will review it jointly with the IRSN. The review will end with an opinion from the ESPN Standing Group, expected in June 2017.
- Olkiluoto 3
  - In 2016, the construction of the Olkiluoto 3 EPR advanced in compliance with the milestones of the critical path.
  - The sequence of water filling of the primary system was completed in early November.
  - In parallel, tests of the full-scale simulator were also completed.
  - Open-vessel functional tests ended on January 13, 2017, as per the schedule.

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Allocation of 2016 income

In view of the company's financial situation, the Board of Directors decided to make a recommendation to the Annual General Meeting of Shareholders to allocate income for the period ended to accumulated retained earnings.

Upcoming events and publications

March 1, 2017 – 08:30 CET **Press conference and webcast**

2016 results

To access the press conference, which will be held today at 8:30 am (Paris time), please follow the links below:
French version:
http://webcast.areva.com/20170301/resultats_annuels_2016/startup.php
English version: http://webcast.areva.com/20170301/2016_annual_results/startup.php

May 18, 2017 – 11:00 CEST **Ordinary General Meeting of Shareholders**
AREVA Tower – 1, place Jean Millier
92400 Courbevoie, France

Note

Status of audit of the 2016 financial statements

The audit of the consolidated financial statements has been completed and the certification report is being issued.

Important information

This press release and the information it contains do not constitute an offer to sell or buy or a solicitation of a sale or purchase of AREVA shares in any jurisdiction whatsoever.

The broadcasting, publication or distribution of this press release in certain countries may constitute a violation of applicable legal and regulatory provisions. Consequently, persons physically present in those countries and in which this press release is broadcast, published or distributed must inform themselves and comply with those laws and regulations.

This press release constitutes communication of a promotional nature and not an offering circular under the meaning of Directive 2003/71/CE of the European Parliament and Council of November 4, 2003, as amended, in particular by Directive 2010/73/UE of the European Parliament and Council of November 24, 2010, and as transposed in each of the Member States of the European Economic Area.

This document does not constitute an offer to sell securities or the solicitation of an offer to sell securities in the United States. The securities mentioned in this document have not been and will not be recorded under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States in the absence of registration or a waiver of registration under the Securities Act. AREVA has no intention of registering an offer in whole or in part in the United States or to make an offering to the public in the United States.

This document contains forward-looking statements relative to the financial position, results, operations, strategy and outlook of AREVA. These statements include 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 investment certificate holders 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 April 12, 2016 (which may be read online on AREVA's website, www.areva.com). Thus, these forward-looking statements do not constitute guarantees as to AREVA's future performance. These forward-looking statements can be assessed only as of the date of this press release. AREVA makes no commitment to update the forward-looking statements and information, except as required by applicable laws and regulations.

Appendix 1 – Statement of Income

In millions of euros	2016	2015*	Change 2016/2015
Revenue	**10**	**33**	***-€23 m***
Other income from operations	1	0	*+€1 m*
Cost of sales	(419)	(950)	*+€531 m*
Gross margin	**(408)**	**(917)**	***+€509 m***
			+€0 m
Research and development expenses	(13)	(13)	*+€0 m*
Marketing and sales expenses	(9)	(3)	*-€6 m*
General and administrative expenses	(126)	(88)	*-€38 m*
Other operating income and expenses	115	(266)	*+€381 m*
Operating income	**(442)**	**(1,287)**	***+€845 m***
Share in net income of joint ventures and associates	(14)	(26)	*+€12 m*
Operating income after share in net income of joint ventures and associates	**(456)**	**(1,314)**	***+€858 m***
Income from cash and cash equivalents	38	87	*-€49 m*
Gross borrowing costs	(111)	(68)	*-€43 m*
Net borrowing costs	**(73)**	**19**	***-€92 m***
Other financial income and expenses	5	(65)	*+€70 m*
Net financial income	**(68)**	**(46)**	***-€22 m***
Income tax	118	93	*+€25m*
Net income after tax from continuing operations	**(405)**	**(1,267)**	***+€862 m***
Net income after tax from operations sold, discontinued or held for sale	(365)	(770)	*+€405 m*
Net income for the period	**(770)**	**(2,036)**	***+€1,266 m***
Including net income attributable to minority interests	(105)	2	*-€107 m*
Net income attributable to owners of the parent	**(665)**	**(2,038)**	***+€1,373 m***
Comprehensive income	**(809)**	**(1,905)**	***+€1,096 m***
Average number of shares outstanding, excluding treasury shares	382,248,430	382,295,981	*-47,551*
Basic earnings per share (in euros)	-€1.74	-€5.33	*+€3.59*

* Adjusted for application of IFRS 5

Appendix 2 – Statement of Consolidated Cash Flows

In millions of euros	**2016**	**2015***	**Change 2016/2015**
Cash flow from operations before interest and taxes	**(693)**	**(643)**	***-€50 m***
Net interest and taxes paid	(2)	89	*-€91 m*
Cash flow from operations after interest and tax	**(695)**	**(554)**	***-€141 m***
Change in working capital requirement	100	111	*-€11 m*
Net cash flow from operating activities	**(595)**	**(442)**	***-€153 m***
Net cash flow from investing activities	**25**	**(64)**	***+€89 m***
Net cash flow from financing activities	**1,207**	**(758)**	***+€1,965 m***
Decrease (increase) in securities recognized at fair value through profit and loss	0	35	*-€35 m*
Impact of foreign exchange movements	2	(1)	*+€3 m*
Net cash from operations sold, discontinued or held for sale	(597)	419	*-€1,016 m*
Increase (decrease) in net cash	**41**	**(811)**	***+€852 m***
Net cash at the beginning of the period	745	1,556	*-€811 m*
Cash at the end of the period	**786**	**745**	***+€41 m***
Short-term bank facilities and non-trade current accounts (credit balances)	6	91	*-€85 m*
Less: Net cash from operations held for sale	(107)	(32)	*-€75 m*
Cash and cash equivalents	**686**	**804**	***-€118 m***
Short-term borrowings	831	1,440	*-€609 m*
Available net cash	**(145)**	**(636)**	***+€491 m***

* Adjusted for application of IFRS 5

Appendix 3 – Condensed Balance Sheet

	12/31/2016	12/31/2015
Net goodwill	0	1,272
Property, plant and equipment (PP&E) and intangible assets	67	9,290
Assets earmarked for end-of-lifecycle operations	0	6,300
Operating working capital requirement – assets	408	3,022
Net cash	686	804
Deferred tax assets	1	212
Other assets	536	1,012
Assets of operations held for sale	27,032	7,076
Total assets	**28,729**	**28,987**
Equity and minority interests	(3,427)	(2,281)
Employee benefits	4	1,455
Provisions for end-of-lifecycle operations	0	6,921
Other current and non-current provisions	2,060	4,228
Operating working capital requirement – liabilities	517	5,740
Borrowings	2,182	7,345
Deferred tax liabilities	0	100
Other liabilities	4	162
Liabilities of operations held for sale	27,391	5,320
Total liabilities	**28,729**	**28,987**

Appendix 4 – Notable items with an impact on net income

In millions of euros	**2015***	**2016**
Additional losses on the OL3 project	(905)	(116)
Impairment in Mining	(194)	(316)
Write-downs of inventories and provisions for risk/losses at completion in the Front End	(198)	(98)
Provisions for end-of-lifecycle operations in the Back End	(208)	
Impact of reduction of the discount rate on end-of-lifecycle operations and provision for contract completion		(246)
Provisions for NewCo restructuring	(444)	(41)
Impact of manufacturing plant problems		(121)
Other provisions	(436)	(140)
Gain on the sale of Canberra		146
Total	**€(2.4) bn**	**€(0.9) bn**

* Adjusted for application of IFRS 5

Appendix 5 – Key NewCo figures

In millions of euros	**2016**	**2015**	***Change 2016/2015***
Backlog	**31,759**	**28,615**	***+€3,144 m***
of which:			
Mining	9,483	9,115	*+€368 m*
Front End	10,897	10,341	*+€556 m*
Back End	11,378	9,157	*+€2,221 m*
Corporate and other operations*	1	2	*-€1 m*
Revenue	**4,012**	**4,166**	***-€154 m***
of which:			
Mining	1,451	1,447	*+€4 m*
Front End	1,025	1,097	*-€72 m*
Back End	1,523	1,593	*-€69 m*
Corporate and other operations*	13	29	*-€16 m*
Operating income	**440**	**(100)**	***+€540 m***
of which:			
Mining	183	183	*-€0 m*
Front End	158	101	*+€57 m*
Back End	65	(184)	*+€249 m*
Corporate and other operations*	34	(200)	*+€234 m*
EBITDA	**1,349**	**1,316**	***+€33 m***
of which:			
Mining	747	604	*+€144 m*
Front End	354	389	*-€35 m*
Back End	299	315	*-€16 m*
Corporate and other operations*	(52)	8	*-€59 m*
Operating cash flow	**517**	**773**	***-€256 m***
of which:			
Mining	510	351	*+€158 m*
Front End	(109)	(78)	*-€30 m*
Back End	211	450	*-€239 m*
Corporate and other operations*	(95)	50	*-€145 m*

* Includes the Corporate operations and AREVA Med

Appendix 6 – Definitions

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

Operating working capital requirement (operating WCR): 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.

Backlog: The backlog is valued based on economic conditions at the end of the period. It includes firm orders and excludes unconfirmed options. Orders in hedged foreign currencies are valued at the rate hedged. Non-hedged orders are valued at the rate in effect on the last day of the period. The backlog reported for long-term contracts recorded under the percentage of completion method and partially performed as of the reporting date is equal to the difference between (a) the projected sales revenue from the contract at completion and (b) the sales revenue already recognized for this particular contract. Accordingly, the backlog takes into account escalation and price revision assumptions used by the group to determine the projected revenue at completion.

Net cash flow from company operations: the net cash flow from company operations is equal to the sum of the following items:

- operating cash flow,
- cash flow from end-of-lifecycle operations,
- change in non-operating receivables and liabilities,
- financial income,
- tax on financial income,
- dividends paid to minority shareholders of consolidated subsidiaries,
- net cash flow from operations sold, discontinued and held for sale, and cash flow from the sale of those operations,
- acquisitions and disposals of current financial assets not classified in cash or cash equivalents,
- financing of joint ventures and associates through shareholder advances, long-term loans and capital increases.

Net cash flow from company operations thus corresponds to the change in net debt, except for transactions with AREVA shareholders, and currency translation adjustments.

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.

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:

- revenue from the portfolio of earmarked assets, cash from disposals of earmarked assets
- full and final payments received for facility dismantling,
- minus acquisitions of earmarked assets,
- minus cash spent during the year on end-of-lifecycle operations,
- minus full and final payments paid for facility dismantling.