

# 2016 Extraordinary General Shareholders' Meeting

Thursday November 3<sup>rd</sup>, 2016  
Paris La Défense



# Introduction





- Implementation of the strategic roadmap
- Reports of the contribution appraisers
- Summary of resolutions
  - **Continued operation of the company**
  - **Approval of the partial contribution of assets from the company to its subsidiary New AREVA Holding (“NewCo”)**
- Questions from the shareholders
- Vote on the resolutions

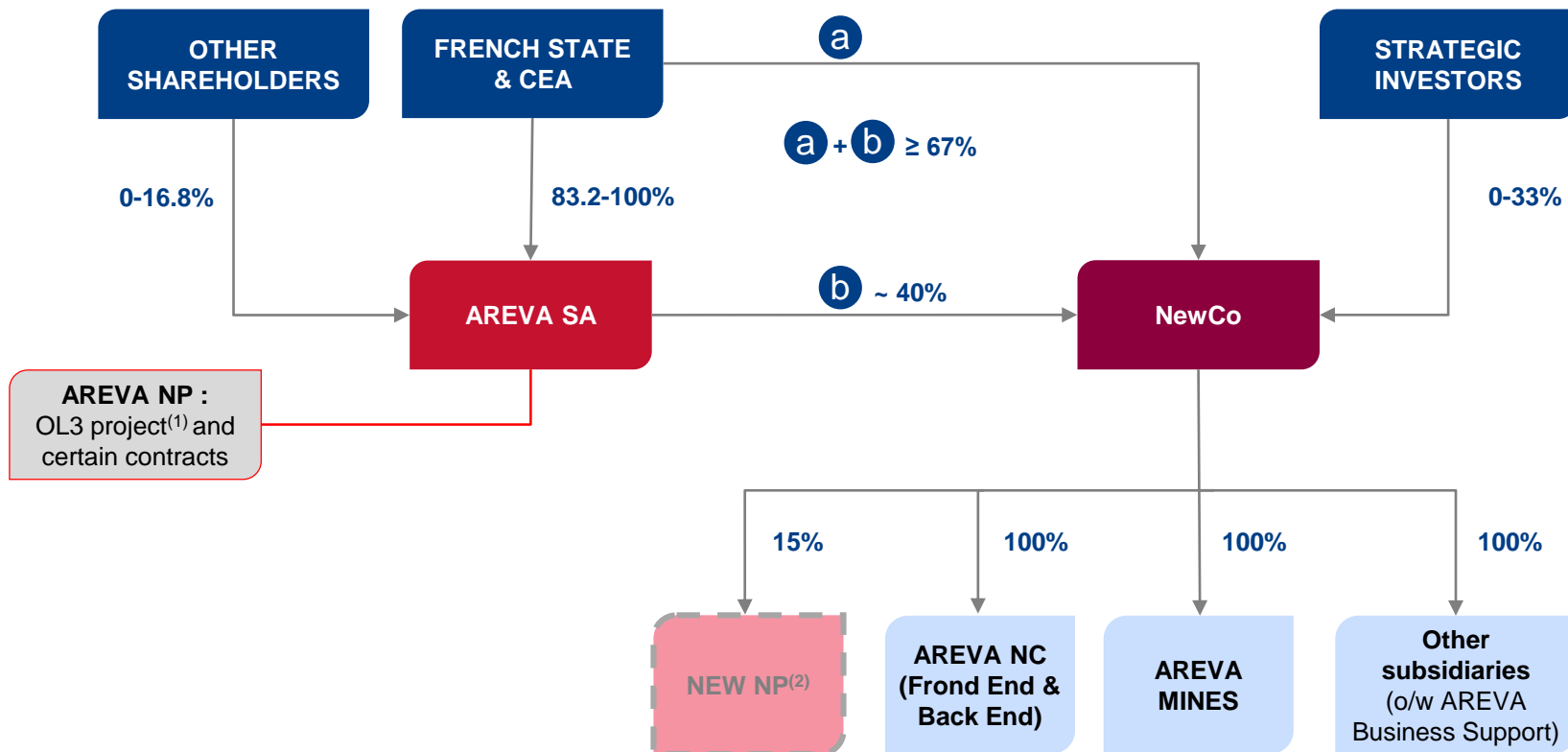
# Implementation of the strategic roadmap

# Our roadmap

- **Projects for strategic refocusing and strengthening of the balance sheet, in 3 parts:**
  - **Creation of NewCo**
  - **Capital increases<sup>(1)</sup> of AREVA SA and NewCo**
  - **Asset sales**
  
- **At completion of the roadmap, 3 main distinct entities:**
  - **AREVA SA, configured to meet its commitments**
  - **NewCo, autonomous and refocused on fuel cycle operations**
  - **NEW NP, sold to EDF and third-party investors**

(1) Subject to approval by the European Commission and the success of ongoing discussions with several potential investors

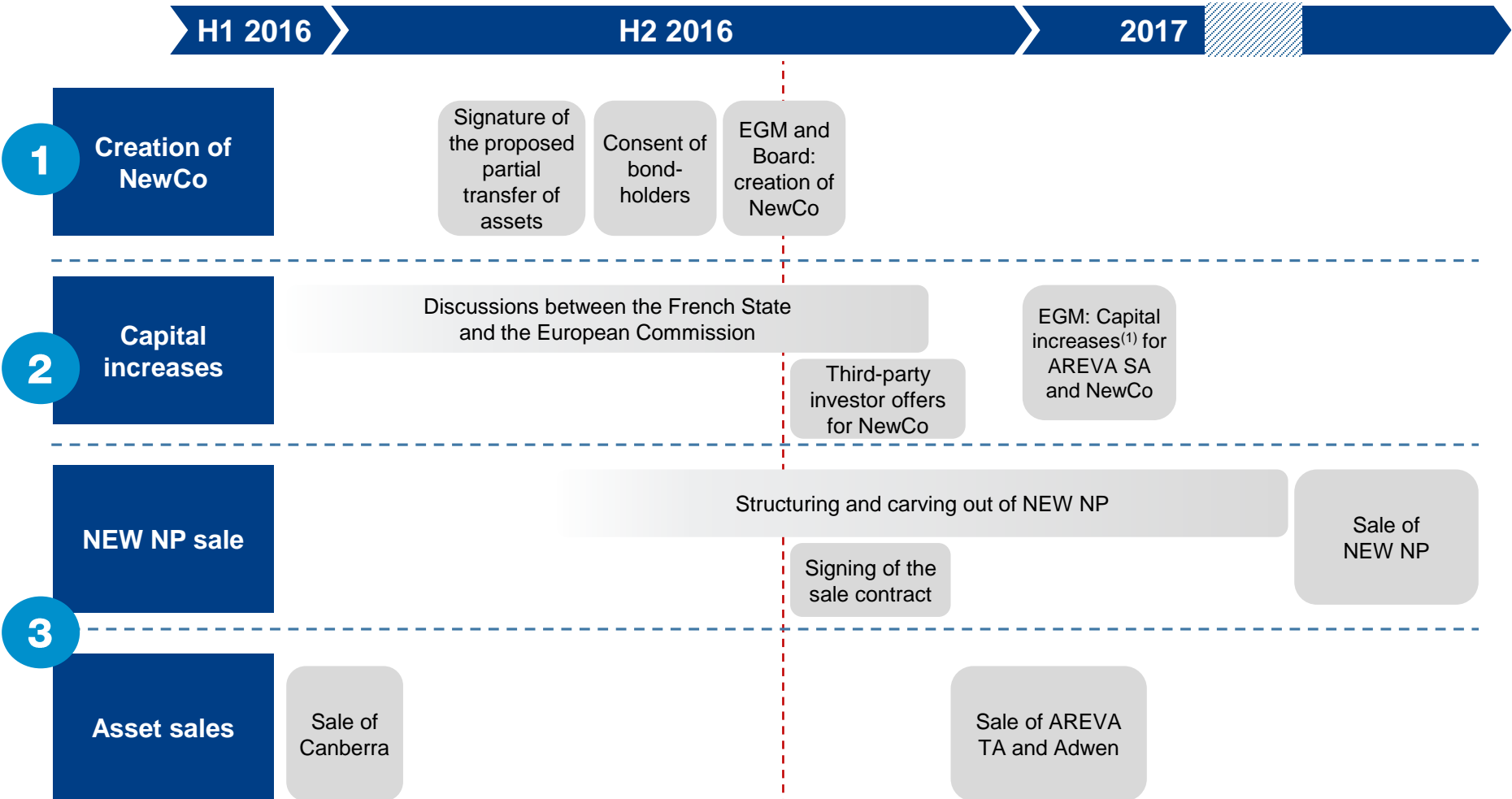
# Targeted structure post-reorganization



(1) AREVA NP will ensure the completion of the OL3 project, with personnel continuing to be fully mobilized, in compliance with contractual obligations

(2) NEW NP: AREVA NP operations, excluding the OL3 project and certain component contracts

# Targeted sequence of events



(1) Subject to approval by the European Commission and the success of ongoing discussions with several potential investors

## Milestones met for the creation of NewCo

- **Fair value of contributed assets and liabilities estimated at approximately €1.4 billion by a bank, corresponding to a post-contribution valuation of NewCo equity of approximately €2 billion, after recognition of asset items held before the contribution by New AREVA Holding (“NewCo”) and after the impact of tax consolidation**
- **Adoption of the proposed partial contribution of assets by the AREVA SA Board of Directors on August 29, 2016**
- **Approval of the proposed partial contribution of assets by the bondholders:**
  - **On September 19, 2016 by holders of listed bonds**
  - **On September 27, 2016 by the sole holder of the 2018 bond**
- **On September 30, 2016, submittal of the independent capital contribution auditors’ reports on the terms of the capital contribution (equitable nature of consideration) and on the value of the capital contributions**
- **Implementation underway for certain conditions related to the consent of co-contractors, typical for this type of transaction (banks, etc.)**

**The partial contribution of assets is subject to the approval of the shareholders of AREVA SA and of NewCo at the General Meetings held today. Subject to this approval, the Boards of Directors of the two companies will then acknowledge the final completion of the contribution.**



# Valuation of and consideration for the contribution

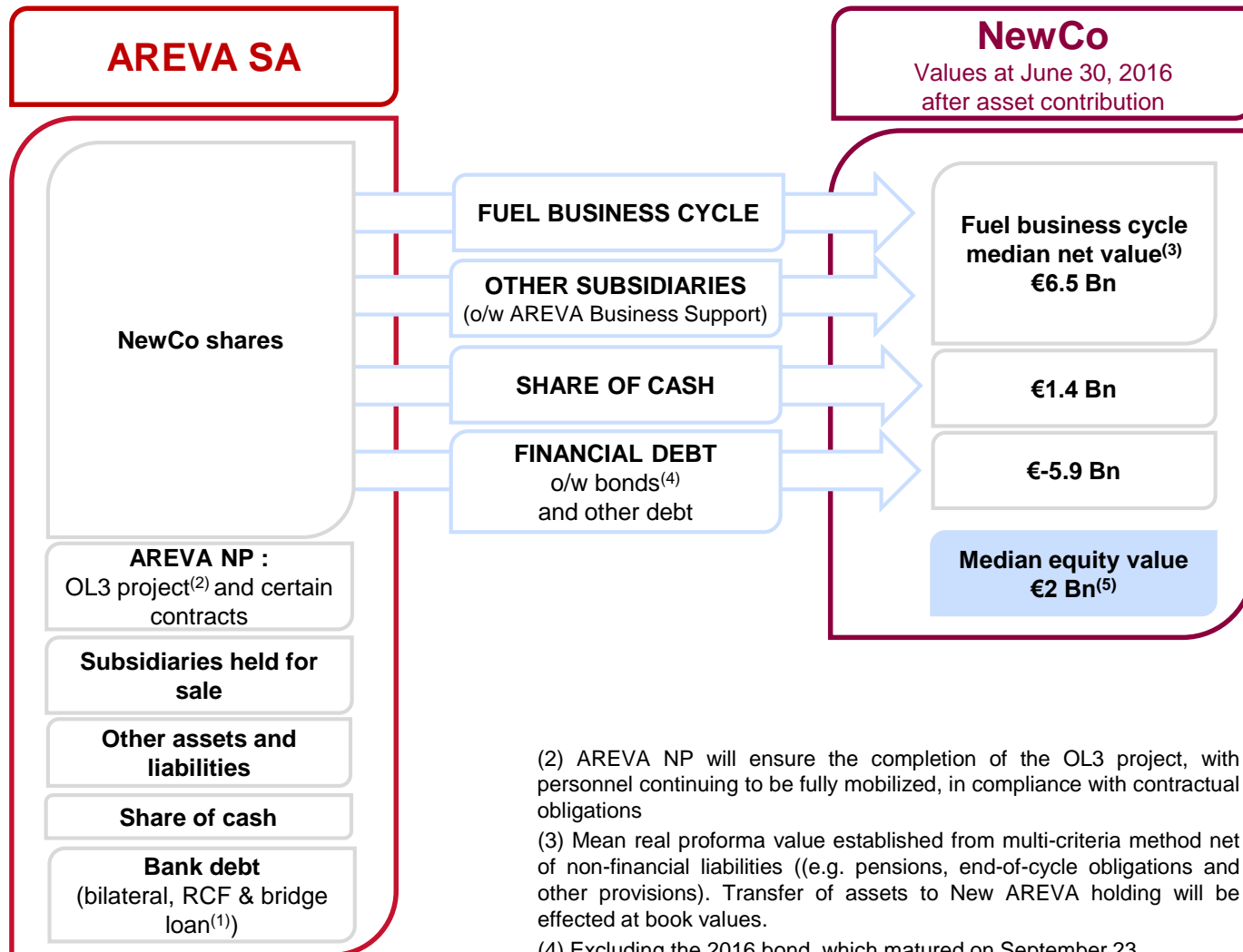
## Value of the contribution

- Valuation of the capital contribution to net carrying value, AREVA SA and New AREVA Holding being placed under joint control
- Capital contribution retroactive to July 1, 2016
- Carrying value of net contributed assets: €83.9 million

## Consideration for the contribution

- Consideration determined based on:
  - actual value of the contributed operations: €1.4 billion
  - actual value of the receiving company: €259.4 million
- Issue of 89,161,110 new shares by New AREVA Holding at a par value per share of €0.50, i.e. a capital increase of €44.6 million on the tax and accounting levels

# Snapshot of NewCo after transfer of assets and bond debt



(1) Bridge loan currently undrawn

(2) AREVA NP will ensure the completion of the OL3 project, with personnel continuing to be fully mobilized, in compliance with contractual obligations

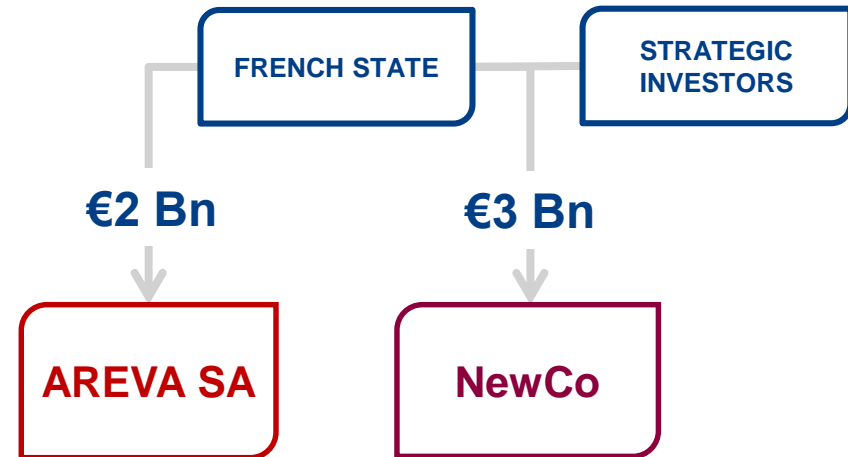
(3) Mean real proforma value established from multi-criteria method net of non-financial liabilities ((e.g. pensions, end-of-cycle obligations and other provisions). Transfer of assets to New AREVA holding will be effected at book values.

(4) Excluding the 2016 bond, which matured on September 23

(5) After recognition of asset items held before the contribution by New AREVA Holding and after the impact of tax consolidation

## Considered capital increases

- Capital increases for AREVA SA and NewCo planned for early 2017
- Subject to the agreement of the European Commission on the group's restructuring
- Terms of transactions to be communicated in the coming weeks
- Submittal of binding offers from third-party investors expected in the coming weeks for an equity interest in NewCo alongside the French State



# NEW NP: sold to EDF and third-party investors

## Structuring and sale

- **Transfer of AREVA NP operations, excluding the OL3 project and the resources and means necessary for the completion of the project, and excluding certain component contracts, to an ad hoc entity (NEW NP) and receipt of necessary authorizations for the transactions**
- **Completion of the sale expected in the 2<sup>nd</sup> half of 2017, subject to the receipt of the necessary authorizations from the competent authorities**

## Valuation

- **Price of €2.5 billion (for 100% of its equity, excluding potential closing adjustments and price supplements) for AREVA NP operations, excluding the OL3 project and certain component contracts**

## Shareholding after sale

- **Majority owned by EDF and third-party investors**
- **Target interest of NewCo in NEW NP: 15%**

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- ✓ **Solar energy**  
**End of AREVA's operational involvement in solar operations in March 2016**
- ✓ **Bioenergy**  
**Decision made to cease operations as soon as projects in progress in France and Asia have been completed**
- ✓ **Canberra**  
**Sale to Mirion completed on July 1, 2016**
- **Adwen**  
**Objective: sale of Adwen in early 2017**
- **AREVA TA**  
**Closing targeted for late 2016 or early 2017**

# AREVA SA would be configured to meet its commitments

## Mission

- **AREVA SA, together with its subsidiary AREVA NP, would ensure the completion of the OL3 project, for which the teams remain fully mobilized, with the necessary resources**
- **Finalize the remaining renewables projects**
- **Support the ongoing asset sales processes**
- **Carry expired component contracts and any potential outstanding component contracts for which anomalies may have been identified and not resolved between now and completion of the NEW NP sale**

## Balance sheet

- **Strengthened capital structure, partly from the capital increase<sup>(1)</sup> of €2 Bn and partly from the proceeds of asset sales in progress**
- **Objective to be in a position to repay debt on time and to meet its obligations, as described in the company's Reference Document**
- **Residual interest in NewCo of about 40 %**

## Shareholders

- **The terms of the AREVA SA capital increase will be determined at a later date and will be specifically communicated**

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# NEW CO: refocused on fuel cycle operations

## Strategic process

- **Combine the nuclear fuel cycle operations (Mining, Front End, Back End)**
- **Take advantage of any anticipated market recovery, particularly internationally**

## Balance sheet

- **Entity that would receive a capital increase<sup>(1)</sup> of €3 Bn and in a position to repay debt on time**
- **Entity aiming to secure financing in the markets starting in the early 2020s**

## Shareholders

- **More financially solid structure to allow third-party investors / strategic partners into the share capital in 2017**
- **Majority held by the French State**

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## Conclusion



- Exhaustive legal and financial restructuring, which has changed the group's profile
- AREVA SA and NewCo configured to receive the capital increases<sup>(1)</sup> and to meet their obligations
- Residual interest in NewCo of about 40 % held by AREVA SA representing a significant amount

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# Reports of the Contribution Appraisers

## Audit context

- **AREVA SA contributes its nuclear fuel cycle operations to New AREVA Holding.**
- **The capital contribution mainly concerns:**
  - **the Mining, Chemistry/Enrichment and Back End operations, as well as cash;**
  - **the bond issues.**
- **In this regard, the law provides for an audit by the contribution appraisers in order to verify:**
  - **that the capital contributions are not overvalued;**
  - **that the consideration received by AREVA for the capital contributions is equitable.**
- **We were appointed for this purpose by Order of the President of the Nanterre Commercial Court dated July 11, 2016.**
- **We issued our reports on September 30, 2016.**

## Summary and findings of our reports

- **We have examined the value of the capital contributions and the consideration for the capital contributions with regard to the economic value of the operations contributed and to the New AREVA Holding company.**
- **In summary, we note that:**
  - **the capital contributions are booked at their net carrying value, as this appears in the corporate financial statements of AREVA SA at June 30, 2016;**
  - **as is customary, the economic value of the capital contributions is based on the operating forecasts for the contributed operations; by nature, these forecasts are uncertain and subject to unforeseen events, in particular with respect to changes in the regulations or in the geopolitical context;**
  - **following this capital contribution, the contributed operations are on track to secure the necessary financing for its operations (investment of 3 billion euros in the short term from the French State and strategic investors; reestablishment of financial ratios enabling access to additional medium-/long-term refinancing);**
  - **the State's investment is subject to the consent of the European Commission and could give rise to compensatory measures, as yet unknown.**
- **Based on this audit, we find:**
  - **that the capital contributions, in net carrying value, were not overvalued;**
  - **that the consideration for the capital contributions, determined in economic value, was equitable.**

# Summary of resolutions

## Resolution 1

# Continuation of the activity of the Company in accordance with the provisions of Article L. 225-248 of the French Commercial Code

- The annual Ordinary General Meeting of 19 May 2016 acknowledged negative net assets of € 1,560,931,000 for share capital of € 1,456,178,437.60, i.e. net assets below half of the share capital of the Company
- Decision for the continuation of the activity of the Company in accordance with the Article L. 225-248 of the French Commercial Code
- The situation of the Company should be regularized by 31 December 2018 at the latest

## Resolution 2

**Approval of a draft contribution of assets agreement subject to the demerger regime contributed by the Company to its subsidiary, New AREVA Holding; examination and approval of the draft contribution of assets agreement, approval of the valuation and remuneration of the aforesaid contribution, allocation of the contribution premium**

- **Contribution of assets and liabilities in connection with the nuclear fuel cycle activities (Mining, Enrichment/Chemistry and Back-End), the bond debt being due as from 2017 and the associated central divisions**
- **The net assets contributed by the Company equal to € 83,888,893.30**
- **Remuneration of the contribution by the issue of 89,161,110 new shares by New AREVA Holding, by way of a share capital increase of € 44,580,555 for the benefit of the Company, resulting in a contribution premium of € 397,699,163.49**

## Resolution 3

# Delegation of power to the Board to acknowledge the final completion of the contribution of assets

- Delegation of power to the Board to:
  - **Acknowledge the satisfaction of the conditions precedent and, consequently, acknowledge the definitive completion of the contribution**
  - **Acknowledge the issue of new shares in remuneration of the contribution by New AREVA Holding**
  - **Take any measures or formalities required to realize the contribution**

## **Powers for formalities**

- Resolution enabling the publication and filing formalities required by law



# Shareholders' questions



Final quorum

Vote on resolutions





## **Resolution 1**

**Continuation of the activity of the Company in accordance  
with the provisions of Article L. 225-248  
of the French Commercial Code**

## Resolution 2

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## Resolution 3

**Delegation of power to the Board to acknowledge the final completion of the contribution of assets**

**Powers for formalities**

# 2016 Extraordinary General Shareholders' Meeting

*This is a free translation into English of the AREVA presentation for the 2016 Extraordinary General Shareholders' Meeting, which is issued in the French language, and is provided solely for the convenience of English speaking readers.*

*Whilst every effort has been made to ensure that the English version is a faithful and accurate translation of the French text, in case of discrepancy between the two versions, the French version shall prevail.*

Thursday November 3<sup>rd</sup>, 2016

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