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**PARTIAL CONTRIBUTION OF ASSETS
UNDER THE DEMERGER REGIME
BY AREVA
TO NEW AREVA HOLDING**

**REPORT OF THE CONTRIBUTION APPRAISERS
ON THE REMUNERATION OF THE CONTRIBUTION**

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ON THE REMUNERATION OF THE CONTRIBUTION**

Ladies and Gentlemen,

In fulfilment of the assignment entrusted to us by Ordinance of the Chief Judge of the Commercial Court of Nanterre dated 11 July 2016, concerning the partial contribution of assets under the dermerger regime, to be performed by AREVA in favour of NEW AREVA HOLDING, we have drawn up this report on the remuneration of the contribution pursuant to Article L236-10 of the Commercial Code, it being stated that we have made a separate report on the value of the items contributed.

The remuneration for the contribution arises from the values finalised in the draft agreement for the partial contribution of assets under the dermerger regime, which Agreement was signed by the representatives of the companies concerned on 30 August 2016 (hereafter, the “Contribution Agreement”).

It is our task to express an opinion as to the fairness of the consideration proposed for the partial transfer of assets. To this end, we conducted our investigations as prescribed by the professional standards of *the Compagnie Nationale des Commissaires aux Comptes* [French auditors’ national professional body] applicable to this assignment. Those standards require us to conduct investigations designed first, to ensure the relevance and appropriateness of the values assigned to the activity division contributed and to the beneficiary company's shares and secondly, to analyse the positioning of the consideration proposed in comparison to values regarded as appropriate.

Our assignment comes to an end with the filing of our report. We are not required to update it in the light of events and circumstances subsequent to the date of its signature.

We would ask you to acquaint yourselves with our observations and findings set out below, according to the following outline:

1. Overview of the transaction and description of the contribution
2. Valuation methods and relative values assigned to the Activity contributed and to the beneficiary company’s shares
3. Appraisal of the fairness of the consideration
4. Summary of the facts
5. Conclusion

1. OVERVIEW OF THE TRANSACTION AND DESCRIPTION OF THE CONTRIBUTION

1.1. Background to the transaction

On 15 June 2016, AREVA published a press release giving details of its planned reorganisation, which features the creation of a new entity refocusing on the nuclear fuel cycle.

Under this scheme, AREVA wishes to contribute the following to NEW AREVA HOLDING the following (hereafter, the “Contribution”): the assets and liabilities owned by it connected with the nuclear combustion cycle, particularly including its Mining activities (comprising the Mining business unit), Upstream activities (comprising the Chemical & Enrichment business unit) and Downstream activities (comprising the Recycling, Dismantling & Services and Logistics business units), its bond debt maturing as from 2017 and the related central management entities (hereafter, the “Transferred Activity”). As consideration for its intended Contribution, AREVA shall receive shares newly issued by NEW AREVA HOLDING.

AREVA shall not, among others, contribute to NEW AREVA HOLDING the activities relating to reactors and renewable energy sources, propulsion and research reactors.

The Contribution shall be completed on the date when the conditions precedent prescribed in the Contribution Agreement have all been fulfilled (hereafter, the “Completion Date”), as set out in paragraph 1.5 below.

After the Contribution, NEW AREVA HOLDING is intended to receive capital financing from the French State and from strategic investors of a contemplated total amount of three billion euros (€3bn).

Upon completion of the Contribution and upon provision of the capital financing referred-to in the previous paragraph, and as announced by AREVA, the French State “*will hold not less than 2/3 of the capital of NEWCO (NEW AREVA HOLDING) directly or via AREVA SA, alongside the strategic shareholders*” (AREVA press release of 30 August 2016).

As stated in the recitals to the Contribution Agreement, “*These transactions are subject to the approval of the European Commission pursuant to European regulations on State subsidies. For this purpose, the French State formally notified them to the European Commission on 29 April 2016. On 20 July 2016, the European Commission notified the French State of a decision to formally begin the examination procedure. This decision was published in a press release by the European Commission on 19 July 2016. As at the date hereof, this procedure is pending.*”

1.2. Companies concerned by the transaction

1.2.1. AREVA (the contributing company)

AREVA is a *société anonyme* [public limited company] in French law, with a board of directors. Its registered office is situated at 1 place Jean Millier, Tour AREVA, 92400 COURBEVOIE. It is registered in the Nanterre trade and companies register under number 712 054 923.

AREVA was incorporated on 12 May 1971 for a term expiring on 12 November 2070, unless extended or dissolved earlier.

Its financial year begins on 1 January and ends on 31 December each year.

The registered capital of AREVA amounts to 1,456,178,437.60 euros, divided into 383,204,852 fully paid-up shares with a nominal value of 3.80 euros each, all of the same class. AREVA has not issued or granted other rights or securities giving access to its share capital.

All the shares in AREVA are listed in the A compartment of the NYSE Euronext regulated market in Paris under the Euroclear code 062059150 and the ISIN code FR 0011027143.

At the date of this report, the shareholdings in AREVA are as follows:

- Commissariat à l’Energie Atomique et aux énergies alternatives [Office for Atomic Energy and alternative energy sources]: 54.37%;
- The French State, 28.83%;
- la Kuwait Investment Authority, 4.82%;
- Other shareholders account for 11.98% of the share capital.

Pursuant to Article 3 of its articles of association, AREVA’s corporate object is “*in France and abroad:*

- *the management of all industrial and commercial activities, in particular in the fields of nuclear energy, renewable energy sources, IT and electronics and notably in this respect:*
 - *entering into any agreements relating to these activities;*
 - *studying any project relating to the creation, extension or transformation of industrial concerns;*
 - *carrying out these projects or contributing to their carrying-out through all appropriate means, and more specifically, through the taking of interests in any existing or future concerns;*
 - *financing industrial concerns, particularly through the taking of interests in their share capital and the contracting of loans;*
- *taking direct or indirect interests, in any form whatsoever in any companies or concerns, both French and foreign, that carry out financial, commercial, industrial, real estate or moveable property transactions;*
- *the purchase, sale, exchange, subscription and management of any securities, whether held long-term or short-term;*
- *the provision of any services, particularly for the benefit of any companies of the group; and*
- *generally, the realisation of any industrial, commercial, financial, real estate or moveable property operations directly or indirectly related to the foregoing, and which may be conducive to the corporate purpose or facilitate its fulfilment and development.”*

The AREVA group was formed on 3 September 2001 from the merger of two groups directly and indirectly majority-held by CEA-Industrie:

- COGEMA (Compagnie Générale des Matières Nucléaires [nuclear materials undertaking]), which became AREVA NC, the company formed in 1976 to take over most of the activities of the former production division of *the Commissariat à l’Energie Atomique* [Office for Atomic Energy]: mining, uranium enrichment and reprocessing of spent fuel;

- FRAMATOME, a company formed in 1958, specialising in the design and construction of nuclear plant, in nuclear fuel and the supply of services related to these activities.

For the financial year ended 31 December 2015, AREVA's consolidated revenue came to €4,199 billion, on which the group share of the consolidated net loss was €2,038 billion. The group share of its consolidated equity capital came to a negative total of €2,516 billion. At the 2015 financial year-end, the AREVA group employed a workforce of 39,761.

AREVA has issued nine listed bond issues, on which the total debt outstanding at the date of the Contribution Agreement, stood at approximately €5.8 billion.

1.2.2. NEW AREVA HOLDING (the beneficiary company of the Contribution)

At the date of this report, NEW AREVA HOLDING is a *société par actions* simplifiée [simplified joint-stock corporation] in French law, with a sole shareholder. No later than the Completion Date, NEW AREVA HOLDING will be transformed into a *société anonyme* [French public limited company].

Its registered office is situated at 1 place Jean Millier, Tour AREVA, 92400 COURBEVOIE. It is registered in the Nanterre trade and companies register under number 330 956 871.

NEW AREVA HOLDING was formed on 6 November 1984, with the corporate name COMPAGNIE D'ETUDE ET DE RECHERCHE POUR L'ENERGIE – CERE [energy study and research company], for a term expiring onset 6 November 2083 unless extended or dissolved earlier.

Under a resolution of its sole shareholder dated 18 July 2016 the company changed its corporate name to NEW AREVA HOLDING.

Its financial year begins on 1 January and ends on 31 December each year.

At the date of signing the Contribution Agreement, NEW AREVA HOLDING's registered capital amounted to 247,500,000 euros, divided into 16,500,000 fully paid-up shares with a nominal value of 15 euros each, all of the same class. NEW AREVA HOLDING has not issued or granted other rights or securities giving access to its share capital.

Under a resolution dated 15 September 2016, the beneficiary company's sole shareholder reduced the NEW AREVA HOLDING's share capital by reducing the nominal value of its shares from 15 euros to 0.50 euro. On completion of this reduction, NEW AREVA HOLDING's share capital will amount to 8,250,000 euros, comprised of 16,500,000 shares with a nominal value of 0.50 euro each.

To date, AREVA, being the contributing company for purposes of this Contribution, holds the whole of the share capital of NEW AREVA HOLDING.

Pursuant to Article 3 of its articles of association, NEW AREVA HOLDING's corporate object is "in France and abroad:

- *the management of all industrial and commercial activities, in particular in the fields of nuclear energy, renewable energy sources, IT and electronics and notably in this respect:*
 - o *entering into any agreements relating to these activities;*
 - o *studying any project relating to the creation, extension or transformation of industrial concerns;*

- *carrying out these projects or contributing to their carrying-out through all appropriate means, and more specifically, through the taking of interests in any existing or future concerns;*
- *financing industrial concerns, particularly through the taking of interests in their share capital and the contracting of loans;*
- *taking direct or indirect interests, in any form whatsoever in any companies or concerns, both French and foreign, that carry out financial, commercial, industrial, real estate or moveable property transactions;*
- *the purchase, sale, exchange, subscription and management of any securities, whether held long-term or short-term;*
- *the provision of any services, particularly for the benefit of any companies of the group; and*
- *generally, the realisation of any industrial, commercial, financial, real estate or moveable property operations directly or indirectly related to the foregoing, and which may be conducive to the corporate purpose or facilitate its fulfilment and development. ”*

At the date of this report, NEW AREVA HOLDING carries on business as a holding company and manages a portfolio of marketable securities. In this respect, it holds among others bonds issued by AREVA which are due to mature in 2016 and 2017.

For the financial year ended 31 December 2015, NEW AREVA HOLDING had no revenue and returned negative net earnings of 137,000 euros. At that date, its equity capital stood at 259.4 million euros. NEW AREVA HOLDING has no employees.

1.2.3 Relationship between the companies

As stated in the previous paragraph, to date, AREVA is the sole shareholder in NEW AREVA HOLDING.

Furthermore, NEW AREVA HOLDING holds bonds issued by AREVA for a total amount of some 14 million euros, due to mature in 2016 and 2017.

1.3. Description of the transaction

1.3.1. Description of the contribution

Under the terms of the Contribution Agreement, AREVA intends to contribute to NEW AREVA HOLDING the whole of the assets and liabilities relating to its activity connected with the nuclear combustion cycle, including the Mining, Chemicals/Enrichment and Downstream activities, and including the equity investments held directly in the subsidiaries listed in Schedule (C) (i) of the Contribution Agreement, while excluding the assets and liabilities specifically excluded from the Contribution, as described in Articles 3.3 and 4.3 of the Contribution Agreement.

An organisation chart listing all the subsidiaries and interests directly or indirectly contributed by AREVA to the NEW AREVA HOLDING is set out in Schedule (C) (ii) of the Contribution Agreement.

The Contribution shall also include the following:

- the cash and cash equivalents considered necessary for carrying on the Transferred Activity;

- the bond loans issued by AREVA, except for the loan with a redemption date falling earlier than the Completion Date.

1.3.2. Valuation of the contribution

Under the Contribution Agreement, the terms for the Contribution were laid down on the basis of the interim financial statements of the companies parties to the transaction at 30 June 2016, since for accounting purposes, the Contribution will take effect retroactively at 1 July 2016.

Pursuant to Regulation 2014-03 of the *Autorité des Normes Comptables* [French accounting standards authority] concerning the *plan comptable général* [general chart of accounts], the Contribution is valued at the net book value of the assets contributed and liabilities transferred as arising from the financial statements of AREVA at 30 June 2016, since AREVA and NEW AREVA HOLDING are regarded as jointly controlled within the meaning of the said Regulation.

On this basis, the net assets contributed amount to 83,888,893.30 euros, breaking down as shown below.

1.3.2.1. Contributed assets

The assets contributed, as referred-to in Article 3.1 of the Contribution Agreement, break down as shown below. It is understood that such designation is for information purposes only and is not exhaustive, as all the assets connected with the Transferred Activity as at the Completion Date must be transferred to the NEW AREVA HOLDING, irrespective of whether they are listed in this Contribution Agreement, and in the condition in which they stand on the Completion Date.

a) Long-term investments

<i>data in euros at 30 June 2016</i>	Gross value	Depreciation / impairment	Net value
Shareholding interests	3,038,343,716.59	(529,127,604.92)	2,509,216,111.67
Loans to affiliates	3,677,531,338.97	(114,093,081.48)	3,563,438,257.49
Other non-current financial assets	7,061,000.00	-	7,061,000.00
Total contributed non-current assets (A)	6,722,936,055.56	(643,220,686.40)	6,079,715,369.16

Schedule 3.1 (A) of the Contribution Agreement breaks down the long-term investments contributed.

b) Current assets

<i>data in euros at 30 June 2016</i>	Gross value	Depreciation / impairment	Net value
Current-account financial assets	148,502,754.40	(2,632,881.12)	145,869,873.28
Other receivables	181,526,681.92	-	181,526,681.92
Cash & cash equivalents	1,247,000,000.00	-	1,247,000,000.00
Total net contributed assets (B)	1,577,029,436.32	(2,632,881.12)	1,574,396,555.20

Schedule 3.1 (B) to the Contribution Agreement breaks down the current assets contributed, consisting mainly of cash.

c) Other assets

<i>data in euros at 30 June 2016</i>	Gross value	Impairment losses	Net value
Deferred charges	8,766,422.85	-	8,766,422.85
Redemption premiums	15,217,822.92	-	15,217,822.92
Total other current assets contributed (C)	23,984,245.77	-	23,984,245.77

Schedule 3.1 (C) of the Contribution Agreement breaks down the other current assets contributed.

d) Total assets contributed

Total assets contributed amount to 7,678,096,170.13 euros (A+B+C).

1.3.2.2. Liabilities transferred

The liabilities transferred, as referred-to in Article 4 point one of the Contribution Agreement, break down as shown below. It is understood that such designation is for information purposes only and is not exhaustive, as all the liabilities connected with the Activity as at the Completion Date must be transferred to the NEW AREVA HOLDING, irrespective of whether they are listed in this Contribution Agreement, and whatever the condition in which they stand on the Completion Date.

<i>data in euros at 30 June 2016</i>	Book value
Deferred income	(103,859,457.76)
Provision for interest rate risk	(4,707,504.91)
Other provisions for risk	(226,128.03)
Bond issues	(4,933,424,401.68)
Borrowings from affiliates	(1,052,170.10)
Financial current-account liabilities	(2,374,643,551.79)
Other current liabilities	(189,823,943.80)
Financial Instruments	13,529,881.24
Total liabilities transferred	(7,594,207,276.83)

Schedule 4.1 of the Contribution Agreement Breaks down the liabilities included in the contribution.

1.3.2.3. Net assets contributed

By calculating the difference between the amount of assets contributed, namely 7,678,096,170.13 euros, and the amount of liabilities transferred, namely 7,594,207,276.83 euros, the net assets contributed amount to 83,888,893.30 euros.

Pursuant to Articles L236-10 and L225-147 of the Commercial Code, we have reported separately on the valuation of the contributions.

1.4. Consideration for the contribution

The Remuneration was determined on the basis of the true value of the Net Assets contributed of approximately 1.4 billion euros, and the true value of the beneficiary company's shares, set at 259 million euros for 16,500,000 shares, at 15.72 euros per share.

NEW AREVA HOLDING, as consideration for the Contribution, shall issue 89,161,110 new shares with a nominal value of 0.50 euro each and shall accordingly increase its share capital to 44,580,555 euros.

The share capital of NEW AREVA HOLDING shall thus be increased from 8,250,000 euros (the amount following the capital reduction referred-to in paragraph 1.2.2 of this report) to 52,830,555 euros. The share capital shall be divided into 105,661,110 shares with a nominal value of 0.50 Euro each, fully paid and all of the same class.

The difference between the amount of the Contribution, namely 83,880,893.30 euros and the amount of the increase in the capital of NEW AREVA HOLDING, namely 44,580,555 euros, shall constitute a premium on the contribution for an amount of 39,308,338.30 euros.

1.5. Main legal and tax aspects of the transaction

Under the terms of the Contribution Agreement:

- the Contribution falls under the demergers regime as described in Articles L236-16 to L236-21 of the Commercial Code;
- the Contribution shall take legal effect upon fulfilment of all the conditions precedent stated in Article 9 of the Contribution Agreement and as set out at the end of this paragraph;
- the Contribution shall take effect, from a tax and accounting point of view, retroactively at 1 July 2016;
- the transaction is carried out under the general rules pertaining to corporate income tax;
- as regards registration duty, the transaction is chargeable to the fixed duty provided in Articles 816 et seq. of the *Code Général des Impôts* [French general tax code].

In addition, the Contribution is subject to the conditions precedent provided in Article 9 of the Contribution Agreement, which must be fulfilled in combination, namely:

- the prior procurement of the bank authorisations listed in Schedule 9.1 (a) of the Contribution Agreement;
- the prior procurement of the authorisations required under the articles of association of certain companies, the list of which is set out in Schedule 9.1 (b) of the Contribution Agreement;
- approval of the Contribution, its valuation and the consideration therefor by a resolution of the general meeting of AREVA's shareholders;

- approval of the Contribution, its valuation and the consideration therefor, together with the corresponding share capital increase by a resolution of the general meeting of the NEW AREVA HOLDING shareholders; and
- the prior procurement of the reports of the contribution appraisers on the procedures for the Contribution and the value of the contributions in application of Articles L. 23610 and L. 225-147 of the Commercial Code.

If any of the conditions precedent has not been satisfied by 31 December 2016, the Contribution Agreement shall be automatically deemed to have lapsed without giving rise to any indemnity from either party, unless the board of AREVA and the Chairman of NEW AREVA HOLDING or, as the case may be, its board, have waived their right to enforce the non-satisfied condition(s) precedent before that date.

2. VERIFYING THE APPROPRIATENESS OF THE VALUES ASSIGNED TO THE ACTIVITY CONTRIBUTED AND TO THE BENEFICIARY COMPANY'S SHARES

2.1. Investigations conducted by the contribution appraisers

We conducted the investigations we considered necessary by reference to the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* [French auditors' national professional body] in order to satisfy ourselves of the appropriateness of the values assigned both to the Transferred Activity and to the beneficiary company's shares.

Our assignment is designed to clarify for the shareholders the economic values adopted in determining the consideration for the contribution and to determine whether that consideration is fair. This assignment cannot be regarded as a due diligence assignment carried out for a lender or a purchaser, and it does not include all the tasks necessary for an assignment of this kind. Our report cannot be used for due diligence purposes.

Moreover, the transaction submitted to your approval constitutes a reorganisation on which it is your task to decide and for which we formulate no opinion whatsoever, whether of a financial, asset-management, tax, legal or accounting nature.

As is customary, we have assumed truthful, fair and exhaustive the information and documents communicated to us by AREVA, its subsidiaries and their advisers.

Our work included in particular the following tasks:

- we spoke with the managers of the companies concerned who are in charge of the contemplated transaction, at both operational and financial level, to acquaint ourselves with its context while also understanding its business, accounting, legal and tax implications;
- we attended the steering-committee meetings for the transaction organised by the AREVA finance department, and two meetings of the Board of Directors specifically addressing the matter;
- we visited the sites of Georges Besse II and La Hague;
- we met the company's mining experts, and had discussions with the operational and

financial actors of the Transferred Activity;

- we reviewed the Contribution Agreement and its Schedules;
- we acquainted ourselves with the AREVA financial-communication material;
- we acquainted ourselves with the AREVA consolidated financial statements as at 31 December 2015;
- we acquainted ourselves with the individual annual financial statements of AREVA and NEW AREVA HOLDING as at 31 December 2015 and those of AREVA's main direct included in the Contribution;
- we satisfied ourselves that those financial statements had been certified without qualification by the statutory auditors responsible for auditing them;
- we acquainted ourselves with the AREVA consolidated financial statements as at 30 June 2016;
- we acquainted ourselves with the intermediate individual financial statements of AREVA and NEW AREVA HOLDING as at 30 June 2016 pursuant to Article R236-3 of the Commercial Code;
- we satisfied ourselves that those financial statements had been certified without qualification by the statutory auditors responsible for their limited review;
- we discussed with the AREVA management the exchanges between the French state and the European commission from the standpoint of European regulations on State subsidies;
- we examined the business plans of the various business units relating to the Transferred Activity, prepared by the operational and financial divisions and covering periods representative of the activity of each business unit;
- we examined the business plans of NEW AREVA HOLDING, used to estimate that company's cash position in the short and medium term;
- we examined the financial valuation performed by AREVA's advising banker and relating to the Transferred Activity; this valuation underpinned the real-value calculation of the consideration for the items contributed under the Contribution;
- we also examined the impairment tests performed by AREVA at 31 December 2015 and at 30 June 2016 for the purpose of drawing up its financial statements;
- we conducted alternative simulations and tested the sensitivity of the valuations produced for the Transferred Activity to changes in the assumptions relating to the main valuation parameters;
- we satisfied ourselves that there were no factors likely to lead to a real value for NEW AREVA HOLDING differing from the net book value used by the parties to calculate the consideration;
- we requested the management of AREVA and NEW AREVA HOLDING to confirm to us the exhaustiveness of the information supplied in relation to this operation;

We also based ourselves on the work we had carried out as contribution appraisers tasked with appraising the value of the items contributed.

2.2. Valuation methods and relative values assigned to the Transferred Activity and to the beneficiary company's shares

In order to determine the terms of the consideration proposed, the parties calculated the true values first, of the Transferred Activity and secondly, of the beneficiary company's shares.

2.2.1. Economic value adopted for the Transferred Activity

For purposes of determining the consideration for the contribution, AREVA's advising bank conducted a financial valuation of the Transferred Activity, in order to estimate its economic or true value, estimated at 1.4 billion euros.

Having regard to the structure of the Contribution, the AREVA valuation was arrived at by summing the individual true values of the various assets and liabilities included in the Contribution, as set out in paragraphs 1.3.2.1 and 1.3.2.2 of this report.

The approaches adopted by category of asset and liability are set out below.

2.2.1.1. Shareholding interests

In order to value the main lines of shareholding interests included in the contribution, particularly AREVA MINES and AREVA NC, AREVA's advising banker adopted the following approaches:

- as its main approach, an intrinsic approach referring to the method of discounting future operating cash flows;
- for indication purposes, an approach by analogy applying the method using observed peer-company multiples.

The method of discounting future operating cash flows ("DCF") was implemented on the basis of the business plans drawn up by the AREVA management in July 2016 and approved by the AREVA Board of Directors at its meeting of 29 August 2016, covering periods representative of the activity of each business unit, namely:

- until depletion of the respective reserves of each mine already in operation;
- over a longer term for certain assets which are or will be exploited indirectly by AREVA NC.

At the elapse of the time horizon covered by the business plans, a terminal value was determined, representing the economic value of the items valued at that time horizon, unless the useful life of the asset valued is finite (as in the case of mining deposits).

The business plans drawn up by the AREVA management in July 2016 set forth the financial projections for each business unit of the Transferred Activity:-

- For AREVA MINES:
 - o The Mining business unit, which carries on the Prospecting, Development, Exploitation and Re-development of uranium deposits that are exploited or under development (particularly in Canada, Niger, Kazakhstan, the Central

African Republic, Mongolia and Namibia) or under prospectation by the AREVA group; the Mining business unit also includes a trading activity;

- For AREVA NC:
 - o the Chemicals & Enrichment business unit, which converts natural uranium into uranium tetrafluoride, then into uranium hexafluoride (Chemicals, Malvési plant and Comurhex plant at Tricastin) and performs uranium hexafluoride enrichment (Enrichment, Georges Besse II plant at Pierrelatte);
 - o The Downstream activity comprising the following business units:
 - Logistics: storage and shipment of nuclear materials;
 - Recycling: separation of recyclable materials from ultimate waste (La Hague plant) and manufacture of recycled fuel (Melox plant in the Gard), at the downstream end of the cycle;
 - Dismantling & Services: provision of services at the downstream end of the cycle relating to projects for dismantling nuclear plant, together with related logistical services;
 - International Projects: support services provided for the construction of new plant or assistance in the operation of existing sites;
 - o the AREVA MED activity, which develops new therapies for combating cancer.

These business plans set out operating cash flow projections including revenue, gross margin, gross operating surplus, operating profit/loss, change in working capital requirement and investment.

It should also be noted that:

- the management has prudently included in these business plans amounts of disbursements for “contingencies”, duly factored into the valuation performed by AREVA’s advising banker;
- as is the usual practice, AREVA’s advising banker has applied to the future operating cash flows, determined on the basis of the business plans, a discount rate determined specifically for each activity;
- AREVA’s advising bank has also offset the valuation of the shareholding interests of AREVA MINES and AREVA NC by a respective share of each company in the negative value of the future administration costs of NEW AREVA HOLDING.

2.2.1.2. Loans to affiliates, borrowings from affiliates, financial current account assets and liabilities

These assets and liabilities constitute debit or credit positions of AREVA with respect to the subsidiaries whose securities are included in the Contribution, or to companies directly or indirectly owned by those subsidiaries.

These receivables and payables have been included at their book value in determining the true value of the Transferred Activity necessary to determine the consideration for the contribution.

Symmetrically, in each case, a payable or receivable of like amount has been included in the valuation of the counterparty subsidiaries

2.2.1.3. Bond issues

For purposes of calculating the true value of the Transferred Activity necessary to determine the consideration for the contribution, AREVA's advising bank has valued the bond loans included in the Contribution at their book value on the assumption of their redemption at maturity.

2.2.1.4. Other current assets and liabilities

In calculating the true value of the Transferred Activity necessary to determine the consideration for the contribution, the other assets and liabilities included in the Contribution are recognised at book value.

2.2.2. Economic value adopted for the beneficiary company's shares

The parties considered the net book value of the Transferee Company to be representative of its true value, no difference having been noted between the two values.

2.3. Contribution appraisers' appraisal of the valuation methods and relative values assigned to the Transferred Activity and to the beneficiary company's shares

2.3.1. Appraisal of the value assigned to the Transferred Activity

We reviewed the valuation procedures for the various constituent items of the Transferred Activity, performed by AREVA's advising banker

In this respect, we note that:

- the method of discounting future operating cash flows is the main valuation method for the significant investments in affiliates included in the contribution; this method is commonly used to value businesses; it applies the fundamental financial principle that the value of an asset is equal to the sum of the net income it is likely to generate in the future; in order to factor in the date when net income arises and the risk attached to its arising, a discount rate is applied to it. This method is used to arrive at a company's value on the basis of the following:
 - o its forecast profitability, which itself is based on the management's medium or long term operating forecasts;
 - o its financial situation, through the level of its net debt;
 - o the market's appraisal of its activity risk, using the discount rate;
- valuation by analogy, comparing multiples observed for comparable listed companies; this was used to a subordinate extent, being also a method commonly used to value a business:
 - o as concerns activities currently under development and relating to (i) starting up the operation of new industrial sites and (ii) the conclusion of new contracts, this method is inappropriate;

- to value as-yet unexploited mining assets directly or indirectly owned by AREVA MINES, this method was used as the main method since, in view of the state of progress in their development, these assets do not have an operating plan necessary for implementing the method of discounting future operating cash flows;
- the economic valuation of the other assets and liabilities included in the Transferred Activity, based on their net book value, does not call for any comment from us since they do not harbour any unrealised capital gains or losses.

After examining the valuation calculations performed by AREVA's advising bank, we conducted our own valuations, and performed sensitivity testing of the value to the main operating, economic and financial assumptions underlying the valuation:

- assumptions concerning trends in the prices of uranium, converted uranium and enriched uranium;
- materialisation of certain significant commercial prospects;
- financial assumptions, such as the discount rate and the constant growth rate.

We also performed an overall multi-criteria valuation of the Transferred Activity and estimated the risks and opportunities identified by AREVA's operating divisions, in order to assess their impact on the economic value of the Transferred Activity.

We also sought to appraise the economic value assigned to the Transferred Activity:

- on the basis of AREVA's stock market valuation as observed before the announcement of the Contribution;
- from which we subtracted the true value of the assets and liabilities of AREVA not included in the Contribution, particularly the shareholding interests of AREVA NP and AREVA TA, the bank debt and the commitments relating to the OL3 project;
- to deduce from the difference between the foregoing the value of the Transferred Activity.

Our investigations do nothing to cast doubt on the true value assigned to the Transferred Activity, namely 1.4 billion euros, which falls within the range of values arising from our own analyses.

However, our appraisal of that value calls for the following comments:

- (i) The Transferred Activity is valued (i) within the legislative and regulatory framework and (ii) in the current geopolitical context:

The Transferred Activity is governed by increasingly-stringent national and international regulations in the area of nuclear energy and the environment.

Moreover, the valuation of the Transferred Activity was performed, with particular reference to the mining assets of AREVA MINES, with allowance for a level of geopolitical risk estimated under current conditions.

A change in the regulations, or of the geopolitical context, or the occurrence of significant events likely to have an impact on the nuclear electricity industry, are not taken into account in valuing the Transferred Activity owing to the fact that such developments are unpredictable and cannot be quantified.

(ii) As part of our investigations, we have appraised the AREVA management estimates, reflected in the medium-term business plan; those estimates are based on activity forecasts and market data determined having regard to the current characteristics of the Transferred Activity, which are inherently uncertain and may subsequently yield different outturns. Particularly the following:

- The individual value of the shareholding interests of AREVA MINES and AREVA NC is sensitive, respectively, to fluctuations in the price of uranium and fluctuations in the price of converted uranium and enriched uranium; should future prices prove to differ from those assumed by AREVA for the business plans of the Transferred Activity, this is likely to modify, in some cases significantly, the appraisal of the value of those equity investments;
- The individual value of the shareholding interests of AREVA MINES is inter alia dependent on the fulfilment of the mining forecasts for the uranium reserves included in the mining plans; the revision of those forecasts and/or of the mining reserve calculations is likely to modify, in some cases significantly, the individual contribution value of AREVA MINES;
- The individual value of the shareholding interests of AREVA NC and AREVA MINES is partly based on the sales forecast included in the business plans presented; the revision of those forecasts is likely to modify, in some cases significantly, the individual contribution value of AREVA MINES and AREVA NC;
- Generally, the economic value of the AREVA MINES and AREVA NC equity investments is based on forecast data; given that these are forecast data, there can be no assurance, accordingly, that the forecasts will be fulfilled. In this respect, we note that the business plan factors in contingencies unfavourably affecting fulfilment, and that the true value of the contribution, as adopted for determining the consideration for the contribution, is similar to the multicriteria economic valuation of the Transferred Activity.

(iii) The business plan for the Transferred Activity plans for recourse to additional financing:

- the continuing of the Transferred Activity is factored into our appraisal of the consideration for the contribution. That continuity assumes that, on completion of the Contribution, NEW AREVA HOLDING obtains the financing necessary for it to operate; in this respect, the business plan of the Transferred Activity plans for:
 - o the carrying-out of capital investment amounting to 3 billion euros as mentioned in paragraph 1.1 of this report, which would in addition reduce the level of NEW AREVA HOLDING's net debt;
 - o the return to financial ratios that would enable NEW AREVA HOLDING to seek additional financing which may be required to meet bond maturities in the medium/long term;

- as mentioned in the last paragraph in section 1.1 of this report, the capital investment by the French State in AREVA or NEW AREVA HOLDING, included in the business plan for NEW AREVA HOLDING as mentioned in the preceding sub-paragraph, is subject to the agreement of the European Commission under European regulations concerning State subsidies which may, in certain circumstances, give rise to compensating measures that are not known to date, and that are likely to alter the financial prospects of the Transferred Activity and hence, its economic value.

2.3.2. Appraisal of the value of the beneficiary company's shares

For purposes of determining the consideration for the contribution, the beneficiary company's true value was considered to be equal to its net book value as at 30 June 2016 in the absence of any differences observed between the two values.

At the Completion Date, we note that:

- the beneficiary company carries on the activity of a holding company and as the manager of its marketable securities portfolio; pursuant to the accounting regulations, impairment was recognised on those securities where their carrying amount was lower than their book value;
- that company employs no staff and carries on no operating activity;
- its net assets mainly consist of items of which the true value can be considered to be the net book value.

The investigations we conducted did not lead us to identify any assets or liabilities of the beneficiary company which, if revalued, would be likely to yield a value significantly different from that adopted by the parties in determining the consideration for the contribution.

3. APPRAISAL OF THE FAIRNESS OF THE CONSIDERATION

3.1. Investigations conducted

We conducted the investigations we judged to be necessary in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* [French auditors' national professional body] to determine whether the consideration proposed was fair.

In particular, we based ourselves on the work previously described, which we conducted to verify the appropriateness of the values assigned to the Transferred Activity and to the beneficiary company's shares.

We also determine whether the consideration proposed was fair in comparison to the values so determined.

3.2. Consideration proposed

The consideration was determined on the basis of both the true value of the Transferred Activity, set by the parties at an amount of approximately 1.4 billion euros, and the true value of the beneficiary company's shares, set at 259.4 million euros for 16,500,000 shares, working out at approximately 15.72 euros per share.

Thus, as consideration for the Contribution, NEW AREVA HOLDING will issue 89,161,110 new shares.

3.3. Appraisal of the fairness of the consideration proposed for the contribution

In our view, the valuation methods used to value the Transferred Activity and the beneficiary company's shares are appropriate.

Bearing in mind the observations formulated in paragraph 2.3.1 of this report, we have noted no factor likely to cast doubt on the consideration for the contribution as proposed in the Contribution Agreement.

The simulations carried out to gauge the sensitivity of the Transferred Activity's economic value to changes in the main parameters and in the key assumptions followed by the parties in performing the valuation do not cast doubt on the projected terms and procedures governing the consideration for the contribution.

It should be pointed out in this respect that, since the beneficiary company of the contribution is wholly owned by the contributing company, the Contribution, of which the terms and procedures are submitted to your approval, is internal to the AREVA group. Whatever economic value is assigned to the Transferred Activity and to the beneficiary company's shares, we would point out that on completion of that Contribution, the contributing company will retain the whole of the beneficiary company's share capital.

4. SUMMARY

In our view, the valuation methods used to value the Transferred Activity and the beneficiary company's shares are appropriate.

It should nevertheless be noted that the value assigned to the Transferred Activity is based on AREVA management estimates, themselves based on forecasts and market data which are inherently uncertain, and we have performed sensitivity analyses on them.

In the present context of the business forecasts and market data as reflected in the business plan, the value of the Transferred Activity adopted to determine the consideration for the contribution is similar to its multi-criteria economic valuation.

The Transferred Activity is valued within the current legislative and regulatory framework and in the current geopolitical context: A change in the regulations, or of the geopolitical context, or the occurrence of significant events likely to have an impact on the nuclear electricity industry, are not taken into account in valuing the Transferred Activity owing to the fact that such developments are unpredictable and cannot be quantified.

The continuing of the Transferred Activity is factored into our appraisal of the consideration for the contribution. That continuity assumes that, on completion of the Contribution, NEW AREVA HOLDING obtains the financing necessary for it to operate; in this respect, the business plan of the Transferred Activity plans for:

- the carrying-out of capital investment amounting to 3 billion euros as mentioned in paragraph 1.1 of this report, which would in addition reduce the level of NEW AREVA HOLDING's net debt;

- the return to financial ratios that would enable NEW AREVA HOLDING to seek additional financing which may be required to meet bond maturities which will arise in the medium/long term;

Bearing in mind the remarks previously detailed in paragraph 2.3.1 of this report, the investigations we have conducted lead us to consider that, in the current context, the consideration proposed falls within the range of levels obtained on the basis of our analyses.

In addition, since the beneficiary company for the contribution is wholly owned by the contributing company, the Contribution is internal to the AREVA group. Whatever economic value is assigned to the Transferred Activity and to the beneficiary company's shares, we would point out that on completion of that Contribution, the contributing company will retain the whole of the beneficiary company's share capital. Hence, the terms governing the consideration for the contribution have no effect on the capital structure of NEW AREVA HOLDING.

5. CONCLUSION

On the basis of our investigations and at the date of this report, recalling the important points mentioned in the summary appearing in section 4 of this report, we view as fair the remuneration proposed for the contribution leading to the issue of 89,161,110 shares in NEW AREVA HOLDING.

Signed in Paris, on 30 September 2016

The contribution appraisers

LEDOUBLE SAS

Agnès PINIOT

Jean-Jacques DEDOUIT