AREVA

PRESS RELEASE

Paris, March 4, 2015

2014 annual results:

- **Revenue: €8.336bn (-7.2% LFL)**
- **EBITDA[1]: €735m (-€257m vs. 2013)**
- **Free operating cash flow before tax[1]: -€372m (-€537m vs. 2013)**
- **Consolidated net income: -€4.834bn**
  - **Provisions for impairment of assets in the nuclear operations (€1.460bn) and write-down of deferred tax assets (€938m)**
  - **Additional losses on three major nuclear projects (€1.097bn, including €720m for the OL3 EPR project)**
  - **Provisions for end-of-lifecycle operations (€300m)**
  - **Provisions for impairment, losses at completion and contingencies in discontinued renewables operations (€557m)**

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Transformation plan*

- **Strategic roadmap**
  - **Refocus on core nuclear processes**
  - **Reforge the partnership with EDF**
  - **Strengthen the development of our presence in China**
- **Operating performance**
  - **Competitiveness plan : €1bn of operational gains compared to 2014 and a plan to reorganize engineering services**
  - **Strengthened management of major projects: Olkiluoto 3, Flamanville 3, Jules Horowitz research reactor**
- **Social dialogue**
  - **Dialogue will begin in a few days concerning the company's situation, its strategic directions and their implications**

[1] Restated for asset disposals (Euriware, Duisburg, AREVA TA's Command & Control for Transportation (CCT) and Aerospace Assembly Line activities, electrical panels business in Brazil, and land-based wind turbine business)

- **Financing plan**
  Definition of a 3-year financing plan to be presented before publication of half-year results. The company will focus its efforts on:
  - **strong selectivity in Capex**
  - **deployment of the competitiveness plan**
  - **asset disposals and partnerships with an equity component**
  - **financing of operating assets and optimized cash management**

  The company is also studying ways to adequately strengthen its equity.
- **Financial outlook*: outlook of positive net cash flow in 2018**

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

AREVA's Board of Directors met yesterday under the chairmanship of Philippe Varin to approve the financial statements for the period ended December 31, 2014. Concerning the financial results,

Philippe Varin, Chairman of the Board of Directors, said:

"On behalf of the Board of Directors, I welcome the efforts made by the AREVA group to draw up a detailed diagnosis of the situation and undertake a transformation plan commensurate with the stakes involved. AREVA's know-how is recognized all over the world, and France needs a strong nuclear industry. The group must now follow the road to recovery by making substantial sacrifices. The Board of Directors will be demanding as to the implementation of this plan. I wish to express my confidence in the ability of the executive management team and of all AREVA employees to turn the group around."

Philippe Knoche, Chief Executive Officer, made the following statement:

"The scale of the net loss for 2014 illustrates the twofold challenge confronting AREVA: continuing stagnation of the nuclear operations, lack of competitiveness and difficulties in managing the risks inherent in large projects. The group understands how serious this situation is. A comprehensive strategic review of operations was undertaken beginning in November 2014 and is being carried out without compromise. As a result, AREVA is now able to announce a solid transformation plan that sets a challenging but economically realistic course for our teams.

First, AREVA will refocus on its core business: mastery of key nuclear processes essential to operators around the globe. This strategic redeployment will lead to the revision of certain goals, whether in the management of new reactor projects or in renewable energies. AREVA's objective is to achieve excellence as a high value-added supplier of products and services.

Secondly, AREVA, whose resources had been marshaled to support a spurt of growth in nuclear power, must now adapt to new market realities and become competitive once again. The group's most urgent task is recovery and securing its future by immediately launching a far-reaching competitiveness plan founded on organizational simplification, quality of operations, and a completely revamped approach to managing risk in large projects.

Last but not least, AREVA must ensure sustainable financing for its activities. A financing plan will be clarified before publication of the half-year financial statements.

The commitment of AREVA's employees, which has always been absolute in serving the group's customers, is more necessary than ever today, for it will be the key to success.

The challenge for all of us today is to implement the transformation plan in all its aspects, to make AREVA, in the French nuclear industry, a refocused, simplified, competitive group in a position of recovery."

I – Key financial data of the group

In application of IFRS 5 and IFRS 11, the financial statements for the year ended December 31, 2013 were restated to present pro forma information using a consolidation scope comparable to that at December 31, 2014. Income from renewables operations in the process of being pooled or whose disposal is under negotiation is presented on a separate line, “net income from discontinued operations”.

The group’s key figures (including reported data) are included in the Appendix 1 - Key financial data of the group.

(in millions of euros)	**2014**	**2013 proforma**	***Change 2014/2013***
Backlog	46,866	41,440	*+€5,426m*
Revenue	8,336	9,062	*-7.2% LFL*
Of which nuclear operations[1]	8,210	8,864	*-7.3% LFL*
Of which renewables operations	52	68	*-21.4% LFL*
Restated EBITDA[2]	**735**	**991**	*-€257m*
In percentage of sales revenue	*8.8%*	*10.9%*	*-2.1 pts.*
Of which impact of 4 large loss-generating projects	-446	-584	*+€138m*
Restated free operating cash flow before tax[2]	-372	165	*-€537m*
Restated operating income[2]	-2,624	34	*-€2,658m*
Restated operating income[2] **excluding impairment**	-1,150	154	*-€1,304m*
Net income attributable to owners of the parent from discontinued operations	-635	-246	*-€389m*
Net income attributable to owners of the parent	-4,834	-494	*-€4,340m*
Earnings per share	-€12.64	-€1.30	*-€11.34*
	12.31.14	**12.31.13**	
Net debt (+) / cash (-)	5,809	4,468	*+€1,340m*
Net cash flow	-€1,340	-€162	*-€1,178m*

Financial indicators are defined in the financial glossary in Appendix 10 - Definitions.

[1] Nuclear operations: operations in the Mining, Front End, Reactors & Services and Back End Business Groups and in Engineering & Projects (recognized under Corporate & Other)
[2] Restated for asset disposals (Euriware, Duisburg, AREVA TA’s Command & Control for Transportation (CCT) and Aerospace Assembly Line activities, electrical panels business in Brazil, and land-based wind turbine business)

Backlog and revenue

The group had 46.9 billion euros in backlog at December 31, 2014, a sharp increase from that at December 31, 2013 (41.4 billion euros). The group had consolidated revenue of 8.336 billion euros in 2014, a decrease of 8.0% on a reported basis and of 7.2% like for like compared with 2013 (see press release of February 2, 2015).

Earnings before interest, taxes, depreciation and amortization (EBITDA) – analysis by Business Group in Appendix 6

Restated EBITDA[1] was down compared to 2013, going from 991 million euros in 2013 to 735 million euros in 2014 due to the downturn in activity and an unfavorable basis of comparison in relation to 2013, when it had benefitted from non-recurring contracts in the Mining and Back End BGs. These items were offset only in small part by a lower level of spending on the Olkiluoto 3 EPR project.

Reported EBITDA went from 991 million euros in 2013 to 711 million euros in 2014, a reduction of 280 million euros.

Free operating cash flow before tax

Restated free operating cash flow before tax[1] decreased by 537 million euros compared with 2013 (-372 million euros in 2014 versus 165 million euros in 2013).

- The change in restated operating WCR[1] was positive, reaching 39 million euros in 2014 compared with 552 million euros in 2013, when it had benefitted from significant decreases in inventory and actions to control trade accounts payable.
  (analysis by Business Group in Appendix 7)
- The group's gross operating Capex was controlled at 1.159 billion euros in 2014, compared with 1.423 billion euros in 2013. This decrease is in line with the progress achieved in the construction of the Georges Besse II and Comurhex II plants.
  (analysis by Business Group in Appendix 8)

  Restated net operating Capex[1] after optimization measures amounted to 1.151 billion euros in 2014, versus 1.371 billion euros in 2013, a decrease of 220 million euros.

Reported free operating cash flow before tax was -403 million euros in 2014 versus 165 million euros in 2013.

Operating income – analysis by Business Group in Appendix 9

The group had a restated operating loss[1] of 2.624 billion euros in 2014, compared with income of 34 million euros in 2013. In 2014, operating income included:

- provisions for impairment of assets in the nuclear operations in all four Business Groups (€1.460bn);

[1] Restated for asset disposals (Euriware, Duisburg, AREVA TA's Command & Control for Transportation (CCT) and Aerospace Assembly Line activities, electrical panels business in Brazil, and land-based wind turbine business)

- additional losses and provisions for losses on three major nuclear projects in the Reactors & Services BG (€1.097bn, including €720m for the OL3 EPR project);
- provisions for end-of-lifecycle operations in the Back End BG (€289m).

The group reported an operating loss of 2.645 billion euros in 2014, compared with operating income of 34 million euros in 2013.

Consolidated net income

The net loss attributable to owners of the parent was 4.834 billion euros in 2014, compared with a loss of 494 million euros in 2013.

- The net loss from discontinued operations attributable to owners of the parent was 635 million euros in 2014, compared with a loss of 246 million euros in 2013. Consolidated net income was impacted by:
    - impairment of fixed assets (including goodwill) in Wind Energy and Solar Energy pursuant to the revised commercial outlook for these businesses in the total amount of 135 million euros;
    - losses at completion set up for several contracts in the Wind Energy and Solar Energy businesses in the total amount of 215 million euros;
    - provisions for contingencies and warranties on contracts in the Wind Energy and Solar Energy businesses in the amount of 205 million euros.
- The share in the net loss of joint ventures and associates was 154 million euros in 2014, compared with a loss of 13 million euros in 2013.
- Net financial income came to -397 million euros in 2014, compared with -248 million euros in 2013. Net borrowing costs were -243 million euros in 2014, compared with -213 million euros in 2013. The change in net financial income is attributable to the share related to end-of-lifecycle operations, which deteriorated over the period (31 million euros in 2014 versus 165 million euros in 2013).

  The net tax expense reached 1 billion euros in 2014, compared with net tax income of 59 million euros in 2013. It includes impairment of deferred tax assets at the beginning of the period in the amount of 938 million euros pursuant to the revision of the group's activity and profitability outlook in the regions consolidated for tax purposes of France and Germany, consistent with assumptions used for the impairment tests of certain assets.

Net debt and liquidity

The group's net borrowings totaled 5.809 billion euros at December 31, 2014, compared with 4.468 billion euros at December 31, 2013. In addition to negative free operating cash flow before tax for the year, the increase in net borrowings is explained by:

- tax disbursements (-140 million euros);
- increased net debt in the discontinued operations of Wind Energy and Solar Energy (-366 million euros); and
- the impact on cash of net financial income (-322 million euros).

The group's cash flow was -1.340 billion euros in 2014, compared with -162 million euros in 2013.

In 2014, two major financial transactions were carried out:

- a 9-year bond issue in the total amount of 750 million euros maturing in 2023 with an annual coupon of 3.125%;
- establishment of innovative project financing on a limited recourse basis for the Georges Besse II enrichment plant with a group of 10 banks in the amount of 650 million euros.

AREVA's outstanding debt was thus 5.9 billion euros at December 31, 2014. The group does not have a major debt repayment deadline before September 2016.

At December 31, 2014, the group had:

- net cash[1] of 1.062 billion euros (compared with 1.180 billion euros at December 31, 2013);
- confirmed, undrawn lines of credit in the total amount of 2.1 billion euros (syndicated credit of 1.25 billion euros maturing in 2018 and bilateral lines of credit in the amount of 845 million euros maturing in 2016 and 2017), on which AREVA could be led to draw (as it had done from 2007 to 2010 on its syndicated line of credit), depending on needs for liquidity necessary to its activities.

End-of-lifecycle operations

In addition to the value of its property, plant and equipment, the group recognizes the future share of the group's share of end-of-lifecycle operations (nuclear facility dismantling, decontamination and waste disposal) for which it has financial responsibility; the group's share is amortized according to the same schedule as the underlying property, plant and equipment. It also recognizes a third party asset for the share of dismantling and waste retrieval and packaging operations to be funded by certain customers. Conversely, a provision is recorded to cover its total estimated end-of-lifecycle costs as soon as a facility starts up, including any share funded by third parties.

At December 31, 2014, the net carrying value of provisions for end-of-lifecycle operations was 6.985 billion euros, compared with 6.437 billion euros at December 31, 2013.

This increase is primarily due to:

- the strengthening of end-of-lifecycle provisions (impact of 289 million euros and 11 million euros respectively on operating income and net financial income pursuant to the "follow-up letters" from the regulator received in the first and second halves of 2014 to strengthen coverage of uncertainties related to dismantling operations and waste retrieval and repackaging in the Back End BG);
- the change in the discount and inflation rates (+112 million euros), which were lowered from 4.75% to 4.50% and from 1.90% to 1.75% respectively;
- the gradual ramp-up of the Georges Besse II plant and the triennial review of cost estimates, particularly for the Melox plant.

Concerning the removal and disposal of medium- and high-level waste (MLW, HLW) covered by the law of December 30, 1991:

[1] Net cash available: cash and cash equivalents less current borrowings (including , at December 31, 2014, 172 million euros in commercial paper and 200 million euros maturing in December 2015 related to the loan from the European Investment Bank)

- On December 18, 2014, the Minister of Ecology, Sustainable Development and Energy formally forwarded a cost estimate to AREVA, EDF, CEA and ASN for comment. After a discussion phase during which the waste producers had two months to submit their comments on new avenues for optimization, the Minister will finalize a cost estimate that will also take into account recommendations from ASN.
- The discussion phase regarding the CIGEO cost estimate had not ended as of the closing date of the financial statements for the year ended December 31, 2014. In view of the uncertainties as to the resulting costs, AREVA will wait for the regulatory authorities to release a final estimate before revising its provision.

II – Diagnostic

Following the difficulties generated by the Olkiluoto 3 project in Finland, the acquisition of UraMin in 2007 and the Fukushima accident in 2011, throughout 2014 the group coped with, among others, a deterioration of the economic situation (no reactor restart in Japan, lower price levels in uranium, conversion and enrichment, decrease of utility maintenance budgets, end of HEU and waste packaging contracts).

At the end of 2014, the group's performance was burdened by the recurring difficulties encountered on three major projects, by insufficient profitability levels in most businesses faced with declining revenue and a changing product mix, and by additional losses related to its renewables operations.

III – Strategic roadmap

Despite this economic situation, the fundamentals of energy demand confirm the growth prospects of the nuclear market. According to the available estimates, world nuclear generating capacity is destined to rise 50% by 2030, led by the Asian market in particular.

While the growth of the global installed base is confirmed, **the fundamentals of this market have changed in recent years**:

- **In mature nuclear markets** (Europe and the United States), AREVA's traditional customers are under heightened economic pressure, passed on suppliers. Profitability requirements and power plant aging, together with growing used fuel inventories, are creating new demand in the utilities market.
- **Concerning the new builds market,** the competition will become more pronounced, certain competitors benefit from the growth of their essentially captive domestic markets (China, South Korea and Russia) and from the ability to finance the projects they are building.

With this as a backdrop, and while keeping **nuclear and occupational safety at the top of the priorities** for the group and for our customers, AREVA has established its **strategic roadmap** to meet the 3 following objectives:

- **Refocus on core nuclear processes:**
    - **give priority to mastery of key nuclear processes in the nuclear supply chain for which global leadership and long-term competitiveness are within AREVA's reach;**
    - **control the risks related to the management of large nuclear facility construction or modernization projects;**
    - **streamline the renewables asset portfolio** by continuing offshore wind operations via a joint venture with Gamesa and seeking partners in the solar and bioenergy operations.
- **Reforge the partnership with EDF:**

Reforge the industrial relationship between AREVA's skills and technologies and EDF, to which it is a supplier, to deal with:

- a new challenge to the entire industry for market competitiveness, at a time when AREVA is completing a cycle of capital investment in its fuel cycle facilities and entering a new cycle of investment for EDF's reactor fleet ("Grand Carénage" program of major refits);
- successful completion of Flamanville 3 and new reactor projects expected in the coming decade, beginning with Hinkley Point, building on valuable lessons learned from the difficulties encountered on current projects;
- the need to optimize the reactor line;
- the geographic displacement of markets to emerging economies.

- **Strengthen the development of our presence in China:**
    - pursue the strategy undertaken with subsidiaries and joint ventures;
    - grow the strategic agreement signed by AREVA and CNNC in March 2014 concerning the entire range of activities;
    - pursue the partnership with CGN by capitalizing on the progress of the Taishan 1 and 2 reactor project;

IV – Operating plan

The group is rolling out a **competitiveness plan that aims for annual baseline cost savings of 1 billion euros by 2017** in relation to 2014.

The success of the competitiveness plan hinges on organizational simplification and a better quality of operations.

This plan will require unprecedented efforts to adjust the group to the reality of its markets. It relies in particular on new drivers in purchasing and on greatly improved productivity and quality, by streamlining organizations and optimizing the geographic footprint. These savings, which may be revised as the situation evolves, will be supplemented by a plan for capturing new opportunities sales.

New measures have been decided for the management of large projects, i.e. Olkiluoto 3 (OL3), Flamanville 3 (FA3) and the Jules Horowitz Reactor construction project for the CEA (RJH). In addition, the group will make changes in its engineering organization to move it towards today's best Engineering, Procurement and Construction (EPC) practices.

All of these measures aim to give AREVA the ability to reach profit levels comparable to those of its principal competitors in global markets within three years.

V – Social dialogue

The group's strategic directions and their industrial and social implications will give rise to wide-ranging dialogue with employee representatives. This dialogue will be conducted in accordance with a **schedule for social dialogue** as follows:

- starting March 4, presentation of the roadmap to the group's employee representative bodies;
- identification by each entity of its competitiveness drivers;
- starting at the end of March, opening of a period of dialogue with employee representatives on a proposed framework agreement or agreement on method related to jobs, compensation and working hours;

- based on the directions negotiated during this period, formal consultations or renegotiations of agreements specific to each of the group's legal entities may then begin.

VI – Financing plan

AREVA will present a financing plan for the 2015-2017 period before publication of the half-year financial report. It will incorporate the effects of the competitiveness plan and include the following measures:

- strong selectivity **in capital expenditure**, which will be brought back to a total of less than 3 billion euros over the period (versus 4.6 billion euros from 2012 to 2014), with priority given to investments in the nuclear and occupational safety of our facilities, their maintenance, and the completion of current Capex programs in the group's strategic projects;
- the **raising of bank financing backed by industrial assets ─** as in 2014 with project financing for the Georges Besse II plant ─ and **use of operational financing instruments**;
- a more **extensive asset disposals program** than was announced on October 7, 2014
- **partnerships with an equity component;**

In addition, AREVA is studying **means for strengthening its equity which would supplement the financing described above as needed. These means will be clarified at the same time as the remainder of the plan.**

VII – Financial outlook

At constant consolidation scope and foreign exchange, excluding the impacts of asset disposals, equity-based transactions and refinancing.

For 2017 and 2018, in a context of a slight increase in activity (modest growth of organic revenue), and taking into account remaining expenses for the three large loss-making projects, the costs for deployment of the competitiveness plan and expected future gains, AREVA's objectives are:

- positive operating cash flow in 2017;
- positive net cash flow in 2018.

For 2015, in a context of a slight decrease in activity (with a decrease in organic revenue of up to -5%), and taking into account remaining expenses for the three large loss-making projects, AREVA's objective is:

- net cash flow, excluding the competitiveness plan and related deployment costs, of between -1.7 and -1.3 billion euros.

Dividend policy

The Board of Directors defines the dividend distribution policy based on its review of the financial results, the interim budget for 2015, taking into account the company's requirements for the recovery of its financial situation and the economic context, and debt management. Accordingly, the Board of Directors does not plan to propose a dividend distribution to the Shareholders convened to approve the financial statements for the year ending December 31, 2015.

Upcoming events and publications

March 4, 2015 – 08:00 CET **Press conference and webcast**
2014 results and strategic announcements

To access the press conference, which will be held today at 8:00 am (Paris time), please follow the link below:
French version: http://webcast.areva.com/20150304/press/resultats_annuels_2014/
English version: http://webcast.areva.com/20150304/press/2014_annual_results/

March 4, 2015 – 09:30 CET **Financial analysts conference and webcast**
2014 results and strategic announcements

To access the press conference with the financial analysts, which will be held today at 9:30 am (Paris time), please follow the link below:
French version: http://webcast.areva.com/20150304/analysts/resultats_annuels_2014/
English version: http://webcast.areva.com/20150304/analysts/2014_annual_results/

April 29, 2014 – 17:45 CEST **Press release**
First quarter 2015 revenue and related information

May 21, 2015 – 15:00 CEST **Combined Annual General Meeting of Shareholders**
Tour AREVA – 1 place Jean Millier, 92400 Courbevoie – France

July 30, 2015 **Press release and telephone conference**
Half-year 2015 financial results

Complete information on the 2014 results is available on our website:
http://areva.com/EN/finance-1153/publications-financieres-du-leader-des-metiers-de-l-energie-nucleaire-et-renouvelables.html

Note

- Status of audit of the 2014 financial statements:

The audit procedures on the consolidated financial statements are finished and the audit report is in progress

- Forward-looking statements:

This document contains forward-looking statements and information. These statements include financial forecasts and estimates as well as the assumptions on which they are based, and statements related to projects, objectives and expectations concerning future operations, products and services or future performance. Although AREVA's management believes that these forward-looking statements are reasonable, AREVA's investors and shareholders are hereby advised that these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee and generally beyond AREVA's control, which may mean that the expected results and developments differ significantly from those expressed, induced or forecast in the forward-looking statements and information. These risks include those explained or identified in the public documents filed by AREVA with the AMF, including those listed in the "Risk Factors" section of the Reference Document registered with the AMF on March 31, 2014 (which may be read online on AREVA's website, www.areva.com). AREVA makes no commitment to update the forward-looking statements and information, except as required by applicable laws and regulations.

Appendix 1 – Key figures of the group

(in millions of euros)	**2014**	**2013 pro forma**	***Change 2014/2013***
Backlog	46,866	41,440	*+€5,426m*
Revenue	8,336	9,062	*-7.2% LFL*
Of which nuclear operations[1]	8,210	8,864	*-7.3% LFL*
Of which renewables operations	52	68	*-21.4% LFL*
Restated EBITDA[2]	**735**	**991**	*-€257m*
In percentage of sales revenue	*8.8%*	*10.9%*	*-2.1 pts.*
Of which impact of 4 large loss-generating projects	-446	-584	*+€138m*
Reported EBITDA	711	991	*-€280m*
In percentage of sales revenue	*8.5%*	*10.9%*	*-2.4 pts.*
Restated free operating cash flow before tax[2]	-372	165	*-€537m*
Reported free cash flow from operations before tax	-403	165	*-€568m*
Restated operating income[2]	-2,624	34	*-€2,658m*
Restated operating income[2] **excluding impairment**	-1,150	154	*-€1,304m*
Reported operating income	-2,645	34	*-€2,679m*
Net income attributable to owners of the parent from discontinued operations	-635	-246	*-€389m*
Net income attributable to owners of the parent	-4,834	-494	*-€4,340m*
Earnings per share	-€12.64	-€1.30	*-€11.34*
	12.31.14	**12.31.13**	
Net debt (+) / cash (-)	5,809	4,468	*+€1,340m*
Net cash flow	-€1,340	-€162	*-€1,178m*

[1] Nuclear operations: operations in the Mining, Front End, Reactors & Services and Back End Business Groups and in Engineering & Projects (recognized under Corporate & Other)
[2] Restated for asset disposals (Euriware, Duisburg, AREVA TA's Command & Control for Transportation (CCT) and Aerospace Assembly Line activities, electrical panels business in Brazil, and land-based wind turbine business)

Appendix 2 – Income Statement

(in millions of euros)	**2014**	**2013 pro forma**	**Change 14/13**
Revenue	**8,336**	**9,062**	*-8.0%*
Other income from operations	18	26	*-€8m*
Cost of sales	(8,744)	(7,861)	*-€883m*
Gross margin	**(390)**	**1,227**	*-€1,617m*
Research and development expenses	(231)	(273)	*+€42m*
Marketing and sales expenses	(188)	(212)	*+€24m*
General and administrative expenses	(316)	(388)	*+€72m*
Other operating income and expenses	(1,520)	(320)	*-€1,200m*
Operating income	**(2,645)**	**34**	*-€2,679m*
Share in net income of associates and joint ventures	(154)	(13)	*-€141m*
Operating income after share in net income of joint ventures and associates	**(2,799)**	22	*-€2,821m*
Income from cash and cash equivalents	32	44	*-€12m*
Gross borrowing costs	(275)	(257)	*-€18m*
Net borrowing costs	**(243)**	**(213)**	*-€30m*
Other financial income and expenses	(155)	(35)	*-€120m*
Net financial income	**(397)**	**(248)**	*-€149m*
Income tax	(1,000)	59	*-€1,059m*
Net income from continuing operations	**(4,197)**	**(167)**	*-€4,030m*
Net income from discontinued operations	(648)	(256)	*-€392m*
Net income for the period	**(4,845)**	**(423)**	*-€4,422m*
Including net income attributable to minority interests	(11)	71	*-€82m*
Net income attributable to owners of the parent	**(4,834)**	**(494)**	*-€4,340m*
Comprehensive income	**(5,190)**	**(504)**	*-€4,686m*
Average number of shares outstanding, excluding treasury shares	382,347,301	380,590,309	*1,756,992*
Basic earnings per share (in euros)	- 12.64	- 1.30	*-11.34*

Appendix 3 – Consolidated Cash Flow Statement

(in millions of euros)	**2014**	**2013**	**Change 14/13**
Cash flow from operations before interest and taxes	348	823	*-€475m*
Net interest and taxes paid	(358)	(335)	*-€23m*
Cash flow from operations after interest and tax	**(10)**	**488**	*-€498m*
Change in working capital requirement	199	541	*-€342m*
Net cash flow from operating activities	**190**	**1,030**	*-€840m*
Net cash flow from investing activities	**(1,076)**	**(1,371)**	*+€295m*
Net cash flow from financing activities	**939**	**250**	*+€689m*
Increase (decrease) in securities recognized at fair value through profit and loss	(2)	211	*-€213m*
Impact of foreign exchange movements	19	(16)	*+€35m*
Net cash from discontinued operations	(97)	26	*-€123m*
Increase / (decrease) in net cash	**(26)**	**130**	*-€156m*
Net cash at the beginning of the period	1,582	1,451	*+€131m*
Cash at the end of the year	**1,556**	**1,582**	*-€26m*
Short-term bank facilities and non-trade current accounts (credit balances)	122	106	*+€16m*
Net cash from (used in) operations held for sale	9	4	*+€5m*
Cash and cash equivalents	**1 686**	**1 692**	*-€6m*
Short-term borrowings	624	512	*+€112m*
Available net cash	**1 062**	**1 180**	*-€118m*

Appendix 4 - Simplified balance sheet[1]

In millions of euros	**December 31, 2014**	**December 31, 2013**
ASSETS		
Goodwill	3,667	3,764
Property, plant and equipment (PP&E) and intangible assets	10,986	11,241
Assets earmarked for end-of-lifecycle operations	6,203	6,256
Investments in associates and joint ventures	143	254
Other non-current financial assets	273	261
Deferred taxes (assets – liabilities)	371	1,099
Operating working capital requirement	(1,830)	(1,305)
Assets of activities held for sale*	375	643
LIABILITIES AND EQUITY		
Equity	(244)	4,982
Provisions for end-of-lifecycle operations	6,985	6,437
Other provisions and employee benefits	5,975	4,779
Other assets and liabilities	1,271	1,158
Net debt	5,809	4,468
Liabilities of activities held for sale	392	389
Total – Simplified balance sheet	**20,188**	**22,213**

* Excluding equity from discontinued operations

[1] Assets and liabilities, including operating working capital, net debt and deferred taxes are offset in the simplified balance sheet. These items are not offset in the detailed balance sheet presented in the consolidated financial statements.

Appendix 5 – Significant items impacting 2014 net income

In millions of euros	Impairment		Provisions for losses at completion		End-of-lifecycle provisions		Provisions for contingencies	
Nuclear	Mining assets	300	Olkiluoto 3	720	Provisions for end-of-lifecycle operations	300	Construction project for a research reactor	187
	Comurhex II	599	Power plant modernization contract in Europe	155				
	Capitalized EPR reactor development expenses	362						
	Impact of treatment-recycling agreement with EDF	105						
Renewable energies	Wind and Solar Energy operations, including goodwill	135	Wind and Solar contracts	215			Wind and Solar contracts	205
	Bioenergy goodwill	14						
Group	Deferred tax assets	938						
	Associates	130						
Total		**~2,600**		**~1,100**		**~300**		**~400**

Appendix 6 – Earnings before interest, taxes, depreciation and amortization (EBITDA) by Business Group

In the **Mining BG**, EBITDA reached 451 million euros in 2014 compared with 647 million euros in 2013. This change is essentially due to:

- the anticipated drop in volumes sold (-28%) following the completion of sales under the HEU agreements at the end of 2013 and the large inventory decreases carried out over the same period in 2013;

and to a lesser extent to:

- an increase in production costs related among other things to the application in 2014 of the 2006 mining law in Niger and the one-time impact of the delayed calciner startup in Kazakhstan;
- a slight decrease in the average price of uranium sold under contract compared with 2013;
- demobilization costs for the Imouraren project in Niger connected with the decision to postpone it pending better market conditions.

Restated EBITDA[1] in the **Front End BG** amounted to 431 million euros in 2014 compared with 296 million euros in 2013. This significant increase is explained in particular by:

- the higher level of activity compared with the same period in 2013;
- the ramp-up of the Georges Besse II enrichment plant, which operated at 88% of its nominal capacity at the end of 2014;
- the positive impact of performance improvement plans across all of the BG's operations.

In the **Reactors & Services BG**, restated EBITDA[2] was -229 million euros in 2014, an improvement in comparison to 2013 (-283 million euros). This change is due in particular to a lower level of activity on the Olkiluoto 3 EPR project, which was focused on the critical path constituted by the instrumentation and control system in 2014, and to cost-reduction actions undertaken by the BG.

The **Back End BG** recorded EBITDA of 232 million euros in 2014, compared with 532 million euros in 2013. This sharp decrease is the result of:

- an unfavorable basis of comparison in relation to 2013, when the BG's EBITDA had benefitted from strong business under contracts signed with foreign customers for MOX fuel fabrication campaigns;
- the one-time negative impact of the agreement reached with EDF on the terms of the treatment and recycling agreement for the 2013-2020 period, in particular as concerns commercial concessions;
- this despite high volumes in the La Hague and Melox plants and good production cost control.

EBITDA in the **Renewable Energies BG** was -24 million euros in 2014, unchanged from 2013 (-26 million euros). The performance improvement plans in the Bioenergy business helped offset the costs of restructuring and litigation related to old customer contracts.

[1] Restated for the Duisburg disposal.
[2] Restated for asset disposals: AREVA TA's Command & Control for Transportation (CCT) and Aerospace Assembly Line activities, and land-based wind turbine business

Appendix 7 – Change in operating WCR by BG

The change in the **Mining BG**'s operating WCR was negative by 29 million euros (versus a positive contribution of 206 million euros in 2013 following significant decreases in inventory).

The change in the **Front End BG**'s operating WCR was negative by 120 million euros, compared with a positive contribution of 217 million euros in 2013, when it had benefitted from actions to control trade accounts payable.

The change in restated operating WCR[1] in the **Reactors & Services BG** was positive by 128 million euros (compared with a positive contribution of 174 million euros in 2013), reflecting the optimization of customer accounts.

The change in operating WCR in the **Back End BG** was positive by 23 million euros (compared with a positive contribution of 67 million euros in 2013).

The change in operating WCR in the **Renewable Energies BG** was negative by 1 million euros (compared with a positive contribution of 2 million euros in 2013).

Appendix 8 – Capex by BG

Net operating Capex in the **Mining BG** totaled 440 million euros in 2014, compared with 328 million euros in 2013. This increase continued at a high level due to the ramp-up of the Cigar Lake mine in Canada and the end of capital spending on the Imouraren project, where it was decided to postpone the project pending more favorable market conditions.

Net operating Capex in the **Front End BG** came to 441 million euros, down from 2013 (748 million euros), in accordance with the planned pace of construction and ramp-up of the enrichment and conversion facilities.

The **Reactors & Services BG** posted restated net operating Capex[1] in the total amount of 101 million euros in 2014, down from 128 million euros in 2013. The decrease is due to lower spending on development of the group's line of reactors.

The **Back End BG** had 141 million euros in net operating Capex, an increase compared with 2013 (115 million euros), due to increased Capex on the La Hague facilities.

Restated net operating Capex[2] in the **Renewable Energies BG** came to 4 million euros in 2014, down from 2013 (12 million euros).

[1] Restated for asset disposals: AREVA TA's Command & Control for Transportation (CCT) and Aerospace Assembly Line activities, and land-based wind turbine business

[2] Restated for the disposal of the electrical panels business in Brazil.

Appendix 9 – analysis of operating income by BG :

The **Mining BG** reported an operating loss of 73 million euros, versus operating income of 499 million euros in 2013. Operating income was affected by:

- a partial write-down of goodwill in the Uranium Mines cash-generating unit (CGU) in the amount of 200 million euros resulting from the calculation of the value in use of the Mining BG's CGU based on a downward revision of natural uranium price forecasts compared with that of June 30, 2014;
- the write-down of Somaïr mining assets in Niger in the amount of 25 million euros related to the change in the mine's operational framework, partially offset by the expected impacts of the cost savings plan developed in the second half of 2014;
- the write-down in the amount of 100 million US dollars (75 million euros) of the Trekkopje mining assets in Namibia following revision of natural uranium price forecasts used by AREVA.

Restated operating income[1] in the **Front End BG** amounted to a loss of 405 million euros, compared with income of 61 million euros in 2013. It was affected in particular by the impairment of Comurhex II assets in the amount of 599 million euros pursuant to the increase in the cost to completion of the first phase of that capital investment program in the first half of 2014, and by the decision made in the second half of 2014 to postpone beyond 2030 the increase in plant production capacity from 15,000 metric tons to 21,000 metric tons per year following a study of the outlook for supply and demand in the uranium conversion market.

The **Reactors & Services BG** reported a restated operating loss[2] of 1.240 billion euros, compared with a loss of 547 million euros in 2013. The BG's operating income is impacted by:

- provisions for losses at completion totaling 782 million euros for several reactor construction and modernization projects, including:
    - 576 million euros for the Olkiluoto 3 EPR in view of the detailed revaluation of costs to be incurred and residual project risks (chiefly related to the completion of reactor construction) connected with the finalization in the second half of 2014 of the detailed reactor completion schedule, to which the customer TVO did not make any major objection. Added to these provisions for project losses at completion are 144 million euros in costs for the period that did not effectively contribute to the project's completion, in application of paragraph 32 of IAS 11;
    - 155 million euros for a reactor modernization contract in Europe to reflect the deferral of the project's completion date due to the complexity of the work environment, software configuration changes requested by the customer, and the deferral of the operator training program at the customer's initiative. The amount of the additional provision does not reflect the value of any of AREVA's claims submitted to the customer for these items.
- a provision for contingencies in the amount of 187 million euros constituted for the Jules Horowitz Reactor construction project for the CEA as part of the search for a negotiated solution to the dispute between AREVA and its customer concerning payment of existing and probable project cost overruns, both in the scope of the two contracts held by AREVA TA, a subsidiary of AREVA, and in contracts awarded by the CEA to other industrial companies;
- write-downs of capitalized R&D expenses in the amount of 362 million euros for several components of the generation III nuclear reactor line, and in particular the design of the US EPR, in view of the lack of

[1] Restated for the Duisburg disposal.

[2] Restated for asset disposals: AREVA TA's Command & Control for Transportation (CCT) and Aerospace Assembly Line activities, and land-based wind turbine business

identified opportunities for this particular model in the United States or elsewhere abroad in the foreseeable future.

The **Back End BG** recorded an operating loss of 495 million euros in 2014, compared with income of 308 million euros in 2013. Operating income was affected by:

- the one-time negative impact of the agreement signed with EDF on the terms of the treatment and recycling agreement for the 2013-2020 period. Added to the impact on EBITDA was the impairment of industrial assets at La Hague and Melox, given the capital financing terms agreed upon with EDF for these sites in 2013;
- additional provisions for end-of-lifecycle obligations (i) in the amount of 289 million euros to strengthen the coverage of potential contingencies in project execution connected with dismantling and waste retrieval and repackaging operations, pursuant to formal discussions with the regulator in the first and second halves of 2014; (ii) in the amount of 138 million euros to cover risks identified in dismantling and waste retrieval and packaging projects; and (iii) in the amount of 15 million euros for the triennial revision of the future dismantling cost estimate for the Melox plant.

The **Renewable Energies BG** had an operating loss of 42 million euros in 2014, compared with a loss of 31 million euros in 2013. This includes goodwill impairment in the amount of 14 million euros in Bioenergy.

Appendix 10 – Definitions

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; unhedged orders are valued at the rate in effect on the last day of the period. The backlog reported for long-term contracts recognized 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.

Cash flow from end-of-lifecycle operations: This indicator encompasses all of the cash flows linked to end-of-lifecycle operations and to assets earmarked to cover those operations. It is equal to the sum of the following items:

- income from the portfolio of earmarked assets
- cash from the sale of earmarked assets
- 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.

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.
Note: AREVA modified its definition of EBITDA as of June 30, 2014 in order to exclude all non-cash items of operating income for purposes of greater consistency. The definition used previously was "EBITDA is equal to operating income plus net amortization, depreciation and operating provisions (except for provisions for impairment of working capital items)."

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.

Free operating cash flow: Free operating cash flow represents the 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.

Gearing : Ratio of net debt / (net debt + equity)

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

Net debt: Net debt is defined as the sum of current and non-current borrowings, minus cash and cash equivalents.
Note: AREVA's definition of net debt was modified at December 31, 2013 in order to comply with the definition published by the French Accounting Standards Authority. The definition used previously was "net debt is defined as the sum of current and non-current borrowings, minus cash, cash equivalents and other current financial assets."

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

- operating cash flow;

- cash flow from end-of-lifecycle operations cash flow;
- change in non-operating receivables and liabilities;
- financial income;
- tax on financial income;
- cash from non-operating investment or divestment activities;
- Dividends paid to minority interests

Net cash flow is equal to the change of net debt except for transactions with AREVA shareholders.

Operating working capital requirement (OWCR): 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.