

2014 annual results

Introduction by Philippe Varin, Chairman of the Board of Directors of AREVA, to the press conference of March 4, 2015.

Good morning everyone.

As Chairman of the Board of Directors, I felt it was important to be by Philippe Knoche's side at this important time of discussion about AREVA's situation.

AREVA is in crisis. The crisis is the result of a combination of factors:

- unfortunate decisions,
- deficiencies in the management of certain major projects,
- non-adaptation to changes in the market after the Fukushima accident.

Before reviewing AREVA's situation, I would like to start by speaking about the importance of the nuclear industry to France and about AREVA's potential – and to tell you why you should believe in AREVA's future.

First, the importance of the nuclear industry to France:

It is because nuclear power makes a big contribution to France that France needs a strong nuclear industry.

- **France's nuclear industry is a key factor in its competitiveness and buying power**
 - EDF's fleet of nuclear reactors allows France to secure some of Europe's lowest electricity prices. This is a fact.
 - The French nuclear power sector represents as many jobs as the aeronautics industry. This is a fact.
- **The nuclear industry is also a factor for strategic independence**, which is what all of the governments that have placed their faith in the industry for the past 40 years have wanted. Security of supply is a fact.
- **The nuclear industry enables France** to deal with the challenges of climate change and the energy transition, forcefully and with conviction. The good performance of France's electricity mix in terms of greenhouse gases, from nuclear to renewables, is also a fact.

I believe in AREVA's potential within the French nuclear industry.

This group has **know-how recognized all over the world**. While I am quite lucid about the very heavy toll the Fukushima accident took on the markets, I can also see the breadth of industrial opportunities available in France and around the world:

- In France, where the French nuclear industry must prepare to meet the challenge of the "Grand Carénage" program [major retrofits] and future reactors. To succeed, it needs AREVA.
- And around the world, where the French nuclear industry must adapt more to demand from its markets, which remain long-term growth markets, with growth of 50% by 2030 according to the International Energy Agency, especially in China. To succeed in international markets, France once again needs AREVA.

When I look at emerging countries, particularly in Asia, I can see their huge energy needs and their respect for the French players in this sector: EDF, CEA, ASN, AREVA. When talking about nuclear power, French excellence is mentioned.

But here's the problem: one is forced to admit that the effectiveness of the French nuclear team is far from living up to its image.

Having made these preliminary remarks let me turn to the crisis situation in our company.

AREVA is suffering, and action must be taken immediately.

Paradoxically, it is both a world leader and a company in crisis.

- I wish to salute the efforts by Philippe Knoche and his teams to make a **fair and candid diagnosis of AREVA's situation and to undertake a transformation plan commensurate with the stakes involved.**
- **AREVA must count first and foremost on its own strengths to leave the crisis behind and follow the road to recovery.** The group will have to make **substantial sacrifices** as part of an ambitious competitiveness plan. As the Minister of Economy and Industry said, the group must first work on itself. *That is its priority.*
- But this is not limited to reducing costs; it must **bring each of AREVA's 44,000 employees on board by opening up their ability to take the initiative.**
- In my capacity as **Chairman of this company – which is unlike other commercial companies –** I and the Board of Directors will make sure two priorities are respected:
 1. that all decisions on transformation are the subject of **close social dialogue**, and
 2. that safety and security remain a central part of the company's DNA.

The strategic roadmap to be set for AREVA's teams should enable the group to build on its assets with:

- **A strategic refocusing on its nuclear expertise** – so that the group does better what it knows how to do and declines taking risks outside its area of expertise. This refocusing will lead it to **renounce some opportunities in order to concentrate more on high value-added businesses.**
- **A redefinition of the long-standing partnership with EDF**, for the **mutual benefit of both companies.** Work has begun on immediate operational topics, in particular reactor optimization. It will continue with strategic issues by exploring any option that makes industrial or commercial sense.
- **Priority given to the growth in China, the "new frontier" of global nuclear power.** France and China initiated preferred relations at the very start of the Chinese nuclear power program 30 years ago. It is essential for this **shared experience to continue.** In this regard, a decisive factor will be close collaboration among the players on the French nuclear team.

AREVA's future must be rebuilt on these strategic priorities.

This is my conviction, and in my capacity as Chairman of the Board and as a director of EDF, **I will personally work to develop these partnerships with EDF and with China.**

The Board of Directors will be exacting in the rapid and efficient implementation of the transformation plan, in all its parts.

I wish to express my **confidence in and support of the executive management team and all AREVA employees.**

The road we are taking will lead us to recovery.

Thank you.