AREVA

PRESS RELEASE

At September 30, 2015:

- **Rise in revenue to €2.947bn: +10.3% vs. September 2014 (+8.7% like for like)**
- **Backlog of €31.595bn**
- **Discontinued operations, including AREVA NP:**
    - Revenue of €2.732bn: -7.5% vs. September 2014
    - Backlog of €12.872bn

Progress on the transformation plan in the third quarter:

- **Social dialogue: signature of the group agreement on the employment plan and submittal of documents describing the group's reorganization plans to employee representation bodies as part of a job-saving plan**
- **Continued deployment of actions for operational performance**
- **Strategic partnership with EDF: finalization of due diligence for the sale of AREVA NP**
- **Decisions on capital increase taken before the end of 2015**

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Paris, October 29, 2015

Concerning the deployment of the transformation plan and AREVA's outlook, CEO Philippe Knoche stated:

"After the phase of strategic choices and definition of competitiveness objectives, AREVA entered the phase of operational execution of its transformation plan. Despite a still depressed market environment, we are beginning to measure the first results of our efforts to restore our financial situation. Thanks to the actions undertaken, the cash consumption pace was sharply slowed down compared to what had been anticipated, with the result that our objective now is to end the year at the upper end of the range of our forecasts, initially set at -1.7 to -1.3 billion euros in net cash flow from company operations."

Revenue *(in millions of euros)*	9 months 2015	9 months 2014	Change	Change LFL
Mining BG	1,064	658	+61.6%	+46.0%
Front End BG	580	627	-7.5%	-8.3%
Back End BG	1,097	1,023	+7.2%	+4.2%
Corporate and other operations[1]	207	364	-43.2%	-30.6%
Total	**2,947**	**2,672**	**+10.3%**	**+8.7%**
Revenue – France	1,290	1,396	-7.6%	
Revenue – International	1,657	1,276	+29.9%	

In application of IFRS 5, revenue and backlog for the first nine months of 2014 were restated to present pro forma financial information comparable to the first nine months of 2015; operations subject to a call for bids or whose disposal is under negotiation were classified under “discontinued operations” and are not included in orders received or in revenue.

It should be noted that revenue may vary significantly from one quarter to the next in the nuclear operations. Accordingly, quarterly data should not be viewed as a reliable indicator of annual trends.

Over the first nine months of 2015, AREVA generated **consolidated revenue** of 2.947 billion euros, an increase of 10.3% (+8.7% like for like) compared with the same period in 2014.

Foreign exchange had a positive impact of 105 million euros, mainly in the Mining and Back End BGs. Changes in consolidation scope over the period had a negative impact of 65 million euros.

Revenue for the third quarter of 2015 totaled 1.017 billion euros, an increase of 18.9% (+13.6% LFL) in comparison to the third quarter of 2014. Foreign exchange had a positive impact of 47 million euros and changes in the consolidation scope had a negative impact of 7 million euros over the period.

Over the first nine months of 2015, revenue in France was 1.290 billion euros, a 7.6% decrease compared with the first nine months of 2014. Over that same period, international revenue was 1.657 billion euros, a 29.9% increase compared with the first nine months of 2014. This change is mainly due to increased international business in the Mining BG, whereas enrichment volumes sold in France declined.

At September 30, 2015, AREVA’s backlog reached 31.595 billion euros, down 3.5% in relation to December 31, 2014 (32.755 billion euros). This represents more than 7 years of revenue.

The order intake for the first nine months of the year amounted to 1.4 billion euros, versus 6 billion euros over the same period last year, when the treatment and recycling agreement with EDF for the 2013-2020 period was posted to backlog.

[1] Includes the Corporate, Propulsion & Research Reactors, and Bioenergy operations

I. Comments on backlog and revenue by Business Group

Mining Business Group

The backlog for the Mining BG totaled 9.381 billion euros at September 30, 2015. Against the backdrop of a still uncertain natural uranium market, where supply remains higher than demand, the order intake was 405 million euros over the first 9 months of the year.

Revenue for the Mining division totaled 1.064 million euros over the first 9 months of 2015, an increase of 61.6% (+46.0% LFL), compared with the first 9 months of 2014.
This change is due to the strong upturn in volumes sold over the period (+49.8%) attributable to a favorable delivery schedule, particularly to Asian customers, whereas the first 9 months of 2014 had been impacted by delivery postponements. Foreign exchange had a positive impact of 71 million euros over the period.

Front End Business Group[1]

The backlog for the Front End BG totaled 11.972 billion euros at September 30, 2015. The order intake for the first 9 months of the year amounted to 247 million euros.

Revenue from the Front End BG reached 580 million euros in the first 9 months of 2015, a 7.5% decrease (-8.3% LFL) compared with the first 9 months of 2014.
This change is due to a decline in enrichment volumes sold in France and to an unfavorable international delivery schedule. Foreign exchange had a positive impact of 6 million euros over the period.

Back End Business Group

The backlog for the Back End BG totaled 9.096 billion euros at September 30, 2015. The order intake for the first 9 months of 2015 amounted to 521 million euros, versus 4.675 billion euros over the same period in 2014, when the treatment and recycling agreement with EDF was posted to backlog.

The Back End division had revenue of 1.097 billion euros over the first nine months of 2015, up from the same period in 2014 (+7.2% reported, +4.2% like for like).
It benefitted from an increase in volumes for the International Projects, Recycling and Dismantling & Services operations. Foreign exchange had a positive impact of 29 million euros over the period.

Corporate and other operations[2]

The backlog for Corporate and other operations totaled 1.146 billion euros at September 30, 2015. The order intake for the first 9 months of the year amounted to 270 million euros.

Corporate and other operations had revenue of 207 million euros at September 30, 2015, down from the same period in 2014 (-43.2% reported, -30.6% like for like).
This change is mainly explained by an accounting adjustment made in 2015 to revenue from the project to build the Jules Horowitz research reactor for the CEA linked to excess costs for which a provision was set up in 2014 in the Propulsion & Research Reactors business in 2014. The transfer of the Euriware information systems subsidiary to Capgemini in May 2014 and the sales of the Command and Control for Transportation (CCT) and Aeronautic Assembly Line (FAL) businesses of AREVA TA in the 4th quarter of 2014 generated a negative impact on consolidation scope of 65 million euros over the period.

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[1] Includes the Chemistry-Enrichment business following application of IFRS 5 to the Fuel business
[2] Includes the Corporate, Propulsion & Research Reactors, and Bioenergy operations

II. Key business data

Mining Business Group

- Over the first nine months of the year, AREVA's consolidated financial share[1] of natural uranium production came to 7,562 metric tons, versus 5,618 metric tons over the first nine months of 2014. AREVA's available share[2] amounted to 5,918 metric tons of uranium, versus 4,286 metric tons over the first nine months of 2014.
- On September 23, AREVA and Cameco officially celebrated the start of operations at the Cigar Lake mine and the McClean Lake mill. On September 19, 2015, the McClean Lake mill had processed and produced 6.1 million pounds of uranium concentrates from ore mined at Cigar Lake.
- AREVA Med began the construction in the United States of a second lead-212 production plant to develop cancer treatments. This facility will also become the head office of AREVA Med in the United States and will host the offices and laboratories of its subsidiary Macrocyclics.

Front End Business Group[3]

- The Georges Besse II plant continued to increase capacity, with 108 cascades in production at the end of September (an additional 12 cascades compared with September 2014). In accordance with the project schedule, more than 96% of the plant's nominal capacity is now in service.
- Concerning the Eurodif enrichment plant dismantling project, AREVA has completed the "rinsing" phase. This operation was carried out several weeks ahead of the target schedule and within the initial budget. The next step will be to complete the cleanup of gaseous diffusion groups in 2016.

Back End Business Group

- The Dismantling & Services business signed a contract with the CEA to clean up a facility at the Saclay site. This five-year contract, valued at several million euros, involves radiological clean-up of the Decontamination, Examination and Packaging Facility (ADEC), which began operating in 1962 and has been shut down since 2011. AREVA Dismantling & Services will clean up a 2,250 m2 area containing radioactive waste stored in liquid and solid form.

Operations held for sale and discontinued operations

The operations of AREVA NP, Nuclear Measurements, Solar Energy and Wind Energy (for the period from January 1 to March 8, 2015) met IFRS 5 criteria for classification as discontinued operations at September 30, 2015.

The backlog from discontinued operations was 12.872 billion euros at September 30, 2015.

Revenue from discontinued operations totaled 2.732 billion euros at September 30, 2015, a decrease of 7.5% compared with the same period in 2014.
This change is explained by less revenue on AREVA NP's Large Projects linked to the status of construction projects, and by lower volumes in AREVA NP's Installed Base and Manufacturing businesses.

- The Installed Base business won several contracts in the third quarter, including:

[1] Share of production consolidated in AREVA's financial statements
[2] Share of resources and production sold/distributed to AREVA by the mining joint ventures
[3] Includes the Chemistry-Enrichment business following application of IFRS 5 to the Fuel business

- a contract for unit outage and maintenance services for five nuclear power plants in the United States representing several tens of millions of dollars over three years. Beginning in 2016, AREVA will provide integrated maintenance services to two boiling water reactors and six pressurized water reactors. This contract calls for the inspection and maintenance of the reactor vessel, vessel internals and steam generators, and refurbishment of the primary pump motors;
- a contract with the utility E.ON for scheduled unit outage services at the nuclear power plants of Isar 2, Brokdorf and Grohnde in Germany. The contract includes maintenance and in-service inspections of primary cooling system components, the opening and closing of the reactor vessel head, and refueling operations.

- Internal vessel equipment was delivered to the construction site of **Flamanville 3** in France in early August (AREVA scope: engineering, supply and installation of the nuclear steam supply system), in accordance with the milestone scheduled with EDF, and installation in the reactor building began in September.
  Concerning the reactor vessel, the Standing Group of ESPN experts met on September 30 in the presence of ASN and AREVA representatives to issue their opinions and recommendations on the full report of the supplementary testing program and related demonstrations of vessel conformity. Their conclusions will be taken into account in the ASN follow-up letter expected to be issued soon.

- At the **Taishan** project in China (AREVA scope: engineering and equipment for two nuclear islands), the third quarter of 2015 progressed as follows:
  - the first systems tests were launched on unit 1;
  - the last welds of the fourth loop of the primary cooling system were completed in unit 2.

- The operational instrumentation and control cabinets were delivered to the construction site of **Olkiluoto 3** in Finland at the end of August (AREVA scope: a complete power plant in consortium with Siemens). The next objective is the completion of the instrumentation and control testing campaign on the remaining safety equipment and delivery of this equipment to the site next winter.

Market environment

- In the uranium market, the spot price indicator went from $35 per pound at the end of September 2014 to $36.50 per pound at the end of September 2015. The long-term price indicator went from $45 per pound in late September 2014 to $44 per pound at September 30, 2015 (*sources: UxC / TradeTech).*
- In the enrichment market, the spot price indicator went from $88 per SWU at the end of September 2014 to $62 per SWU at the end of September 2015. The long-term price indicator went from $90 per SWU in late September 2014 to $77 per SWU at September 30, 2015 (*source: UxC).*

III. Transformation plan

Operational performance

- Specific action plans were implemented, in particular to reduce inventories and product provisions and to optimize work-in-progress.
- Supply chain action plans were also launched: to buy only as needed and to get suppliers involved earlier in the process are the two actions currently being deployed at all sites. Some actions to control demand have produced results at this date. For example, travel expenses have been cut by 25% since the beginning of the year.

Social dialogue

- In connection with the implementation of a far-reaching recovery plan, AREVA opened negotiations with the labor organizations in France in early July on methods of steering and managing employment over the 2015-2017 period. On October 19, 2015, four labor unions representing more than 75% of the group's employees in France signed the draft employment agreement that had been under negotiation since last July. Going forward, this agreement is the benchmark for voluntary departure plans to be implemented – following a period of information and dialogue with employee representation bodies – in the six companies involved: AREVA BS, AREVA Mines, AREVA NC, AREVA NP, Eurodif Production and SET.
- On October 20 and 21, the documents describing the reorganization plans for the new AREVA and AREVA NP, together with their impacts on employment, were presented to the Works Committees and Central Works Committees. These documents identify the proposed staff reductions to be made to achieve the objective of the competitiveness plan necessary to both companies. In all, the plans call for 2,700 jobs to become redundant in France by 2017, in line with the objective of 3,000 to 4,000 job cuts announced last May, due to departures outside of the plan that have already occurred since the beginning of the year.

Strategic partnership with EDF

- Concerning the sale of AREVA NP, our teams are working closely with EDF as part of the due diligence process and a firm offer is expected at the end of November. Following the transaction, AREVA would keep a strategic interest of between 15% and 25%. Minority investors could participate in the project.

Financing plan

- Along with these proactive measures, which will deeply alter the group's profile, and in accordance with what was announced last July, AREVA continues to work with the French State on the size of a capital increase. The decisions for this transaction will be taken before the end of the year.

IV. Financial outlook

- The group's efforts helped control cash consumption over the past months. As a result, AREVA has now set the objective of reaching a level close to the high end of the range for net cash flow from company operations[1], initially established in a range of -1.7 to -1.3 billion euros, excluding the competitiveness plan and related implementation costs.
- AREVA confirms its intention of making use of all or part of its lines of credit to secure its financing during the transition period preceding the sale of AREVA NP and the strengthening of its equity.
- The criteria established in IAS 37 having now been met, AREVA plans to book a significant amount of provisions in the fourth quarter of 2015 for social measures undertaken.

[1] Data at constant consolidation scope and foreign exchange, excluding the impacts of asset disposals, equity-based transactions and refinancing

Appendix 1 - Consolidated revenue by quarter

Millions of euros	2015	2014 pro forma	*Change 2015/2014 in percentage*	*Change 2015/2014 in percentage like for like**
1st quarter				
Mining BG	344	145	*+136.8%*	*+151.4%*
Front End BG	132	184	*-28.2%*	*-28.6%*
Back End BG	340	325	*+4.7%*	*+2.4%*
Corporate and other operations**	17	139	*-88.1%*	*-83.5%*
Total	**833**	**793**	***+5.0%***	***+10.3%***
2nd quarter				
Mining BG	394	312	*+26.3%*	*+10.9%*
Front End BG	215	216	*-0.6%*	*-1.9%*
Back End BG	392	370	*+5.7%*	*+2.7%*
Corporate and other operations**	97	125	*-22.4%*	*-8.4%*
Total	**1,098**	**1,024**	***+7.2%***	***+3.4%***
1st half				
Mining BG	738	457	*+61.3%*	*+49.9%*
Front End BG	347	400	*-13.3%*	*-14.2%*
Back End BG	732	695	*+5.2%*	*+2.5%*
Corporate and other operations**	114	264	*-57.0%*	*-45.0%*
Total	**1,930**	**1,817**	***+6.2%***	***+6.3%***
3rd quarter				
Mining BG	326	201	*+62.3%*	*+37.8%*
Front End BG	233	226	*+2.9%*	*+2.1%*
Back End BG	365	328	*+11.3%*	*+7.7%*
Corporate and other operations**	93	100	*-7.2%*	*+1.4%*
Total	**1,017**	**855**	***+18.9%***	***+13.6%***
9 months				
Mining BG	1,064	658	*+61.6%*	*+46.0%*
Front End BG	580	627	*-7.5%*	*-8.3%*
Back End BG	1,097	1,023	*+7.2%*	*+4.2%*
Corporate and other operations**	207	364	*-43.2%*	*-30.6%*
Total	**2,947**	**2,672**	***+10.3%***	***+8.7%***

* At constant exchange rates and consolidation scope
** Includes the Corporate, Propulsion & Research Reactors, and Bioenergy operations

Appendix 2 – Order intake and backlog

Order intake *(in millions of euros)*	9 months 2015	9 months 2014	Change
Mining BG	405	278	+45.7%
Front End BG	247	683	-63.9%
Back End BG	521	4,675	-88.9%
Corporate and other operations*	270	408	-33.9%
Total	**1,443**	**6,045**	**-76.1%**

Backlog *(in millions of euros)*	At 9/30/15	At 12/31/14	Change
Mining BG	9,381	9,539	-1.7%
Front End BG	11,972	12,496	-4.2%
Back End BG	9,096	9,665	-5.9%
Corporate and other operations*	1,146	1,056	+8.6%
Total	**31,595**	**32,755**	**-3.5%**

* Includes the Corporate, Propulsion & Research Reactors, and Bioenergy operations

Upcoming events and publications

February 25, 2016 - 07:30 AM CET: Press release - 2015 revenue and annual results

Note:

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

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

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

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

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.

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, 2015 (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.