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## PRESS RELEASE

### **Implementation of the capital increases of AREVA SA on July 12 and of NewCo<sup>1</sup> capital no later than July 31**

### **The French State files the draft public takeover bid on AREVA SA's shares on July 13**

### **Approval of binding agreements with strategic partners for the acquisition of an equity stake in New NP<sup>2</sup>**

Paris, July 12, 2017

- **Conclusion today of the AREVA SA capital increase of 2 billion euros reserved for the French State**
- **Decision by the NewCo Board of Directors to launch the process for the capital increase of 2.5 billion euros reserved for the French State, and placement in trust of the JNFL and MHI subscriptions for 500 million euros in anticipation of the completion of these transactions no later than July 31**
- **Recomposition of the governance of AREVA SA and of NewCo:**
  - **Proposal of the appointment of Mr. Philippe Knoche as Chief Executive Officer of NewCo**
  - **Proposal of the appointment of Mr. Philippe Soulié as Chief Executive Officer of AREVA SA**
  - **Convening of the General Meeting of NewCo Shareholders for purposes of appointing the members of its Board of Directors**
- **Reasoned opinion of the AREVA SA Board of Directors on the draft public takeover bid of the French State**
- **Filing by the French State on July 13 of the draft public takeover bid concerning AREVA SA shares with the Autorité des Marchés Financiers, after which a compulsory withdrawal will be implemented as applicable**
- **Approval by AREVA SA Board of Directors of binding agreements with MHI and Assystem for the acquisition of an equity stake in New NP**

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<sup>1</sup> Temporary name of the entity which combines all of the operations of AREVA related to the nuclear fuel cycle, whose legal name is New AREVA Holding.

<sup>2</sup> New NP combines the operations of AREVA NP, excluding the OL3 contract and the means needed for its completion, and, as appropriate, certain Component contracts affected by serious anomalies which might be identified in connection with the ongoing quality audit.

## AREVA SA capital increase

The AREVA SA Board of Directors, meeting today, initiated the implementation and recorded the conclusion of the AREVA SA capital increase of 2 billion euros<sup>1</sup> reserved for the French State (by conversion into capital of the advance from the shareholder current account granted to AREVA SA in the first half of 2017). The French State now holds 92.22%<sup>2</sup> of the capital and 91.69% of the voting rights of AREVA SA, directly and indirectly via the CEA.

This capital increase follows on from the AREVA SA Board of Directors' recording of the fulfillment of the preconditions set by the European Commission in its decision of January 10, 2017:

- On May 29, 2017, the European Commission gave its consent to the merger of EDF and New NP;
- On June 28, 2017, the College of the nuclear safety authority (ASN) rendered its draft opinion on the results of the demonstration program concerning the carbon segregation issue identified in parts of the EPR reactor vessel of the Flamanville 3 project, indicating that "the mechanical characteristics of the vessel bottom head and closure head are sufficient in relation to the loads to which those parts are subjected, including in case of accident"; and, on July 12, 2017, EDF notified AREVA of its decision to waive the condition precedent stipulated in the agreement for the purchase of New NP shares related to the EPR reactor of the Flamanville 3 project as concerns the carbon segregation identified in the parts of that reactor's vessel.

The new shares were issued at the price of 4.50 euros per share with cancellation of the preemptive subscription right of AREVA SA's shareholders in favor of the French State, as approved by the shareholders during the General Meeting of Shareholders of February 3, 2017.

The purpose of this capital increase, as a supplement to the income from asset sales in progress, is to enable AREVA SA to meet its cash requirements and in particular to ensure the successful completion of the OL3 project.

## Launch of the NewCo capital increases

Also taking note of the fulfillment of the preconditions set by the European Commission, during its meeting of today the NewCo Board of Directors decided to make use of the delegation of authority granted by the General Meeting of Shareholders on February 3, 2017 to implement the share of the NewCo capital increase reserved for the French State.

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<sup>1</sup> The exact amount of the AREVA SA capital increase is 1,999,999,998 euros.

<sup>2</sup> The French State now holds in AREVA SA (i) 67.05 % of the capital and 56.31 % of the voting rights directly, and (ii) 25.17 % of the capital and 35.37 % of the voting rights indirectly via the Commissariat à l'énergie atomique et aux énergies alternatives (CEA).

Thus, the NewCo capital increases in the total amount of 3 billion euros will be carried out in two stages, subject to the fulfillment of certain preconditions (in particular the customary regulatory conditions related to the acquisition of an equity stake by MHI and JNFL):

- By a decision of the NewCo Board of Directors of today, the capital increase reserved for the French State in the amount of 2.5 billion euros is planned to be carried out no later than July 31, 2017. The NewCo Board of Directors will meet again following that transaction to record its conclusion. Concomitantly, funds corresponding to the total amount of the investment of JNFL and MHI, i.e. 500 million euros, will be placed in trust;
- Later, once the majority control of New NP has been sold to EDF, expected at the end of 2017, the NewCo Board of Directors will implement the capital increase reserved for JNFL and MHL in the amount of 500 million euros. Then it will meet again to record the conclusion of that transaction once the funds placed in trust have been released.

The objective of the NewCo capital increases is to enable it to meet its financial obligations and to develop, before being in a position in the medium term to refinance on the markets.

### **Recomposition of the governance of AREVA SA and of NewCo following the NewCo capital increase**

The conclusion of the NewCo capital increase reserved for the French State, expected no later than July 31, after which the State will hold 55.6% of the capital and voting rights of NewCo, will be followed by a recomposition of the governance of AREVA SA and of NewCo.

In this regard, the NewCo Board of Directors proposed the appointment of Mr. Philippe Knoche as Chief Executive Officer of NewCo, and the AREVA SA Board of Directors proposed the appointment of Mr. Philippe Soulié as Chief Executive Officer of AREVA SA. These two appointments by decree will take effect once the NewCo capital increase has been completed, no later than July 31.

Pending that date, Philippe Knoche is confirmed as of this date in his duties as Chief Executive Officer of AREVA SA by decision of the Ministry of Economy, in accordance with the provisions of order no. 2014-948 of August 20, 2014.

Moreover, the composition of the Boards of Directors of AREVA SA and of NewCo will be revised, consistent with the new shareholder structure of these companies. The General Meeting of NewCo Shareholders was convened for that purpose for July 31 at the latest.

### **Public takeover bid concerning AREVA SA shares**

In view of AREVA SA's loss of control of NewCo as a result of the NewCo capital increase reserved for the French State to occur no later than July 31, and in view of the plan to sell the majority control of New NP to EDF, in accordance with article 236-6 of the general regulations of the Autorité des Marchés Financiers (AMF), the French State will file on July 13, 2017 a draft public takeover bid concerning the AREVA SA shares not held by the French State, directly or indirectly through the CEA. Following the public takeover bid, a compulsory withdrawal will be implemented if the conditions necessary to that transaction are

in place. The price of the public takeover bid and, as applicable, of the compulsory withdrawal, will be identical to the issue price of the AREVA SA capital increase, i.e. 4.50 euros per share.

The AREVA SA Board of Directors, having perused (i) the conclusions of the report from the Finexsi firm, designated independent expert to express an opinion on the fairness of the offer price, and, as applicable the compulsory withdrawal, and (ii) recommendations from the Ad Hoc Committee, and after having deliberated on them today, estimates that the draft public takeover bid, and as applicable the compulsory withdrawal which may follow it, are consistent with the interests of the group, of its employees and of its shareholders. It decided to issue a favorable opinion of the draft bid and to recommend that its shareholders contribute their shares to the offer.

The report from the Finexsi firm and the reasoned opinion of the Board of Directors will be reproduced in AREVA SA's draft response note, which will be published after the draft bid has been filed with the AMF, expected on July 13.

The public takeover bid and as applicable the compulsory withdrawal which may follow it remain subject to the AMF's review.

### **Approval of binding agreements with MHI and Assystem for the acquisition of an equity stake in New NP**

The AREVA SA Board of Directors examined and approved the signature of binding agreements for the acquisition of an equity stake in New NP by:

- MHI<sup>1</sup>, for a stake of between 15% and 19.5% inclusive; and
- Assystem, for a 5% stake.

The sales price for 100% of the equity value of New NP has been confirmed at 2.5 billion euros, excluding potential earn-out provisions and adjustments and with no transfer of financial debt at the closing date.

EDF and these third-party investors will simultaneously acquire their respective equity stake in New NP, aiming for the various transactions to be completed by the end of the second half of 2017.

Discussions are also initiated between EDF and AREVA on the conditions for the implementation of the European Commission decision requiring AREVA to fully exit New NP at the latest by the end of the AREVA restructuring plan, slated for 2019.

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<sup>1</sup> Subject to the consent of its Board of Directors.



## Upcoming events and publications

### July 13, 2017:

The French State files its draft circular and AREVA files its draft response note with the AMF

### July 27, 2017:

- Publication of AREVA's half-year financial results
- Availability of NewCo half-year financial statements

### No later than July 31, 2017:

- Conclusion of the NewCo capital increase reserved for the French State, and placement of JNFL and MHI subscriptions in trust
- New governance of AREVA SA and NewCo

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## MORE ABOUT AREVA

AREVA supplies high added-value products and services to support the operation of the global nuclear fleet.

The company is present throughout the entire nuclear cycle, from uranium mining to used fuel recycling, including nuclear reactor design and operating services.

AREVA is recognized by utilities around the world for its expertise, its skills in cutting-edge technologies and its dedication to the highest level of safety. AREVA's 36,000 employees are helping build tomorrow's energy model: supplying ever safer, cleaner and more economical energy to the greatest number of people.