Press release

Annual results for 2017

Paris, March 29, 2018

Restructuring completed, in accordance with the strategic roadmap

- Capital increase reserved for the French State completed on July 26, 2017, for €2.5 billion
- Capital increases reserved for JNFL and MHI completed on February 26, 2018 for a total amount of €500 million
- Performance targets achieved, with savings of almost €480 million on a yearly basis compared with 2014

Results consistent with forecasts, in a difficult market context

- 2017 net income stable compared with 2016, at -€252 million and including impairments in the amount of €492 million
- Net cash flow[1] target achieved, at -€1,066 million, including contribution of €812m to funds dedicated to end-of-life operations

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The Board of Directors of Orano, meeting yesterday under the chairmanship of Philippe Varin, approved the financial statements for the period ended December 31, 2017. When asked about the results, Philippe Knoche, Chief Executive Officer, stated:

"The 2017 results remain affected by the restructuring of the Group, in a difficult market context. With the completion of this restructuring, the acquisition of equity stakes by the Japanese groups JNFL and MHI, and the implementation of its performance plan, Orano now has at its disposal all of the technological, human and financial resources it needs to ensure its development over the coming years. Our Group is launching its strategic action plan which focuses on three main objectives: generating positive net cash flow as of this year, relying on our new performance plan "Value 2020", boosting our expansion in Asia, and developing our activities in services such as engineering, logistics and dismantling. Orano firmly believes that nuclear is still an industry with a future; it is competitive, a good source of employment and an effective tool in the fight against climate disruption."

[1] Net cash flow from company operations, as defined in Appendix 1.

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I. Analysis of Group key financial data

The financial information for the 2017 period presented below corresponds to Orano's specific 12-months financial statements. It is based on both the eight-month financial year ended August 31, 2017 and the four-month financial year ended December 31, 2017. The closing context of these financial statements is summarized at the end of this section.

In millions of euros	**2017**	**2016***	***Change***
Backlog	30,788	33,573	*-€2,785 M*
Revenue	3,926	4,401	*-€476 M*
Operating income	(34)	415	*-€449 M*
EBITDA	946	1,338	*-€392 M*
Net income attributable to owners of the parent	(252)	(239)	*-€13 M*
Operating cash flow	377	514	*-€137 M*
Net cash flow from company operations**	(1,066)	(915)	*-€151 M*

En millions d'euros	**31 Dec. 2017**	**31 Dec. 2016**	***Change***
Net debt (-) / net cash (+)	(3,036)	(4,389)	*+€1,353 M*

* Excluding the allocation in 2016 of corporate costs which continued to be borne by AREVA SA pursuant to existing agreements.
** Including, in 2016, the contribution of net cash from AREVA SA to Orano SA, for -€1,019 million, completed on November 10, 2016.

The financial indicators are defined in the financial glossary in **Appendix 1 - Definitions**.

Backlog

Orano's **backlog** amounted to €30.8 billion at December 31, 2017, lower than at December 31, 2016 (€33.6 billion). This is notably due to the impact of foreign exchange movements and orders amounting to €3.1 billion for revenue of €3.9 billion. The backlog still represents almost 8 years of revenue.

This order intake of €3.1 billion over the period includes orders relating to uranium supply and conversion and enrichment services associated with the Hinkley Point C (HPC) project as well as contracts signed with Asian and American clients.

Revenue

Orano's revenue totaled €3,926 million for the full year 2017, down compared with 2016 (€4,401 million, i.e. -10.8%; -7.1% on a like-for-like basis and excluding the impact of the change in the rebilling methods applicable to corporate costs). This decline is in line with the Company's expectations regarding the pace of its backlog schedule. The breakdown of Group revenue by operations is detailed in the Press Release published on February 27, 2018.

Earnings before interest, taxes, depreciation and amortization (EBITDA)

At the end of 2017, Orano's EBITDA stood at €946 million, lower than end-2016 when it stood at €1,338 million. This decrease is mainly due to the impact of the reduction in volumes sold, associated with (i) the processing of the backlog and (ii) the production difficulties encountered in the Recycling business.

However, EBITDA for 2017 did benefit from the positive impact of the performance plan, which represented an additional net amount of €73 million compared with 2016. Since its initial introduction in 2015, the performance plan has generated cumulative savings of €477 million on a yearly basis compared with 2014. The full-year effect of measures already introduced will enable Orano to meet its performance plan target in 2018 of €500 million in savings, compared with 2014.

In total, the fall in EBITDA, amounting to -€392 million between 2016 and 2017, is broken down as follows; the effects mentioned hereunder having been partly offset, for each business, by the positive contribution of the performance plan:

- A drop of -€104 million in **Mining,** where EBITDA amounted to €643 million in 2017, against €747 million in 2016. This corresponds to the drop in prices and volumes sold over the period, but also the anticipated reduction in production levels (-6.2%) compared with the previous year.

- A change of -€73 million in **Front End** EBITDA, which fell to €281 million from €354 million in 2016. This difference is due to (i) the fall in SWU (enrichment) and U_3O_8/UF_6 volumes sold over the period, (ii) reduced production volumes of conversion and defluorination operations, and (iii) the negative impact of the buyback of SWU stock from Eurodif SA by Orano Cycle.

- A decrease of -€55 million in **Back End,** where EBITDA stood at €245 million in 2017, compared with €300 million in 2016. This is due to the production difficulties experienced by the Recycling business, partly offset by a sale of shipping casks in the Logistics business.

- A fall of -€160 million in **"Corporate and other operations"** EBITDA which amounted to -€223 million, compared with -€64 million in 2016. This is due to:
  - corporate costs amounting to -€115 million, borne by Orano for the full year 2017, whereas such costs were borne by AREVA SA in 2016 pursuant to existing agreements; and
  - higher corporate restructuring expenses (-€37 million compared with 2016).

Operating income

Orano's operating income stood at -€34 million for 2017, against €415 million in 2016. This fall of -€449 million is notably the result of (i) impairments of €492 million, higher than the €306 million recorded in 2016, and (ii) corporate costs previously borne by AREVA SA pursuant to existing agreements (€115 million) and is broken down, by operation, as follows:

- A fall of -€72 million in operating income from **Mining** operations, which totaled €111 million in 2017, compared with €183 million in 2016. This fall is due to the negative change in EBITDA (-€104 million), offset in part by lower impairments than in 2016 (representing a favorable net change of €21 million). Operating income for 2017 was impacted by impairments in the amount of €308 million on mining assets, of which €285 million related to the Imouraren mine in Niger, as a result of unfavorable changes in the euro-dollar exchange rate and anticipated market prices, while 2016 operating income included impairments of €329 million, of which €316 million related to the Imouraren assets.

- A decline of -€146 million in **Front End** operating income, which amounted to €12 million in 2017, compared with €158 million in 2016. The aforementioned factors explaining the change of -€73 million in EBITDA had no impact on the change in operating income. Noticeably, the negative impact of the buyback of SWU stock from Eurodif SA by Orano Cycle is offset by the corresponding reversals of inventory provisions. Thus, the change in operating income over the period is mainly due to the following two factors:
  - the impairment recorded in 2017 on the Comurhex II industrial asset in the amount of €172 million, owing to the unfavorable change over the period of the euro-dollar exchange rate and, to a lesser extent, of conversion market prices;
  - partly offset by lower losses at completion and inventory write-downs than in 2016, representing a positive net change of €41 million.

- An improvement of €10 million in **Back End** operations, which recorded operating income of €77 million in 2017 compared with €67 million in 2016. In addition to the aforementioned factors explaining the change of -€55 million in EBITDA, the operating income benefitted in activities relating to end-of-lifecycle operations from lower provisions on a waste retrieval and packaging project compared with 2016, representing a positive net change of €67 million.

- Deterioration of -€241 million in operating income from **"Corporate and other operations"** which amounted to -€234 million in 2017, against €7 million in 2016. Added to the items mentioned in relation to EBITDA of -€160 million, this loss includes an -€80 million contingency for risks and uncertainties relating to the dismantling of facilities and waste retrieval and packaging in the Front End of the cycle.

Net income attributable to owners of the parent

Net income attributable to owners of the parent was broadly stable. It stood at -€252 million in 2017, compared with -€239 million in 2016.

In light of the aforementioned reduction in operating income of -€449 million, the stability of operating income has been established thanks to the following:

- An improvement of €248 million in net financial income, which for 2017 amounted to -€264 million, compared with -€512 million in 2016. As a reminder, the year 2016 was impacted by the change in discount rate applied to provisions for end-of-lifecycle operations and provisions for work still to be performed, representing a total of -€246 million on the statement of income.

- A reduction of -€276 million in the net tax expenses, which stood at -€56 million at end-2017, compared with -€332 million at end-2016. The introduction of Orano's new fiscal integration generated savings of €69 million and the recognition of €171 million in deferred tax assets for temporary differences, to offset either preexisting deferred tax liabilities which are now included in the scope of the tax consolidation group, or deferred tax liabilities generated during the period. No deferred tax assets were recognized at December 31, 2017 in connection with the tax loss carryforwards of the French entities included in the tax consolidation group.

Operating cash flow

Orano's operating cash flow totaled €377 million in 2017, down by -€137 million compared with 2016. This drop is attributable to the change in EBITDA, as described above, but has been partially offset by a favorable change in WCR (+€58 million in 2017, compared with -€171 million in 2016), which is explained by (i) the return to a nominal payment schedule for Front End suppliers, and (ii) the rebuilding of Mining inventories carried out during 2016.

Net CAPEX remains under control at €602 million for 2017, versus €654 million in 2016, associated with the decline in productive investments in the Mining and Front End operations. These amounts include:

- the acquisition of financial interests of €174 million in 2017, including the acquisition of Orano Projets shares from Framatome (formerly New NP), to reintroduce nuclear cycle engineering into the Orano scope, and the acquisition of minority interests in the Front End, which began in 2016 and continued throughout 2017;
- partial offsetting by cask sales completed in December 2017 in the Logistics business for €46 million.

Net cash flow from company operations

Net cash flow from company operations amounted to -€1,066 million in 2017, against -€915 million in 2016. The Group's achievement of its performance targets meant that its net cash flow from company operations met the upper end of the target range set for 2017 at between -€1.5 billion and -€1.0 billion.

Added to operating cash flow from continuing operations, whose composition is explained above, net cash flow from company operations is obtained by adding:

- Cash consumption linked to end-of-lifecycle operations for -€823 million (compared with -€16 million consumed in 2016), which includes a cumulative contribution of -€812 million to funds dedicated to end-of-lifecycle operations carried out during December 2017, in accordance with the forecasts announced in early March 2017. This contribution resulted in an increase in the ratio for end-of-lifecycle liabilities covered by earmarked assets to 101% as at December 31, 2017.

- The cash cost of borrowed capital of -€287 million, a decrease of -€75 million compared with 2016, associated with the accounting treatment of the financial restructuring of the Group carried out in 2016.

- Tax disbursements of -€309 million, €135 million higher than in 2016, due to the refund of tax payments for 2016 and prepayments made for 2017, based on the high level of performance achieved in 2016, particularly by the Mining business.

Net financial debt and cash

At December 31, 2017, Orano had net cash available of €1.9 billion, an increase of €0.5 billion on the same date in 2016. This increase is primarily due to:

- funds from the capital increase reserved for the French State for €2.5 billion carried out on July 26, 2017;
- the repayment of a bond issue of €0.8 billion on October 5, 2017; and
- the contribution in end-of-lifecycle assets of €0.8 billion.

Furthermore, the capital increases reserved for Japan Nuclear Fuel Ltd (JNFL) and Mitsubishi Heavy Industries (MHI), for a total amount of €500 million, were carried out on February 26, 2018 and will contribute to improving the net cash position for 2018.

Otherwise, at December 31, 2017, Orano's short-term borrowings amounted to €429 million and included in particular the repayment of a bond maturing in September 2018 and interest-bearing advances.

The Group's net financial debt totaled €3.0 billion at December 31, 2017, compared with €4.4 billion at December 31, 2016. This decrease of -€1.4 billion in net borrowings corresponds mainly to the proceeds of €2.5 billion from the capital increase completed on July 26, 2017, partly consumed by the net cash flow from company operations, for -€1.1 billion.

Closing context

As a reminder, in order to constitute Orano's own tax consolidation group with effect from September 1, 2017, the closing date of the financial year was temporarily modified, bringing forward the close of the financial year begun January 1, 2017 to August 31, 2017 (eight-month financial year). A closing date of December 31 was reinstated for the financial year begun September 1, 2017 (four-month financial year). Consequently, Orano was required to prepare consolidated financial statements for a first financial year of eight months, ended August 31, 2017, and a second financial year of four months, ended December 31, 2017.

For comparability purposes, specific consolidated financial statements were also prepared, so as to present financial information for the twelve-month period ended December 31, 2017. This financial information is based on both the eight-month financial year ended August 31, 2017 and the four-month financial year ended December 31, 2017 (see Appendix 3 – Reconciliation of the financial information for the 2017 period).

This press release presents an analysis of the key financial elements of these specific consolidated financial statements. The results for the four-month financial year begun September 1, 2017 and ended December 31, 2017 are appended to this document. These results are not comparable with those of the eight-month financial year ended August 31, 2017.

II. Group strategy and financial outlook

New strategic action plan

Thinking on future strategies has identified positive long-term prospects for the nuclear markets while Orano's main businesses face a challenging environment.

Consequently, the Group has launched the roll-out of its new strategic action plan, with a focus on 3 main objectives:

- **To generate positive net cash flow from company operations with effect from 2018**

This objective will be achieved through:

- The extended managerial transformation of the Group and the industrial platforms, through operational excellence, including industry 4.0, with the aim of improving safety, quality, costs and delivery times for customers;

- Continued efforts to reduce operating costs and boost productive investment, as part of a new performance program for the 2018-2020 period, entitled “**Value 2020**”, which concentrates on the following:
  - reducing operating and central costs through efforts focused on purchasing and on innovative initiatives such as digital transformation;
  - effective productive investment and end-of-lifecycle expenses through the digitization of the Group’s tools, while prioritizing investment in future performance and business development.

This performance program aims to achieve recurring cash gains (visible through net cash flow from company operations) of €250 million on an annual basis compared with 2017, with effect from 2020.

- **To mobilize more than one of every two employees in the service businesses from 2020**

- This change will primarily concern the back end of the cycle: engineering, logistics, dismantling-waste, but also the ancillary services of the Group’s industrial platforms.
- This transformation toward the service businesses will notably involve the development of operations and new sources of profitability, on the basis of the Group’s businesses and without increasing exposure to risk.

- **To derive 30% of revenue from Asia in 2020**

- This objective will be achieved thanks to the implementation of an ambitious business development plan in Asia, and in particular in China, Japan and South Korea, whilst continuing to work on satisfying our longstanding partners elsewhere in the world.

The human resources policies contribute to the achievement of these three objectives, with:
- a master plan aiming to retain and develop key skills for operations and customers;
- the continued modernization of articles of association in the Group, in order to facilitate the mobility needed to develop skills, and improve alignment with market practices and customer requirements;
- training and recruitment programs aligned with the Group’s growth objectives for its businesses, in particular services;
- a return to an active recruitment policy for engineers and management personnel, as well as operators and technicians.

2018 outlook

In the context of market price erosion, the Group intends to achieve the following in 2018:
- resilient EBITDA performance despite a moderate decline in revenue, with a margin of between 20% and 23%, notably thanks to the implementation of the **Value 2020** performance plan;
- positive net cash flow from company operations, thanks to the combined benefits of the restructuring of the Group and the performance plan.

These objectives reflect unfavorable one-off impacts linked to:
- the industrial transition in progress at the Comurhex I site towards Comurhex II;
- ongoing expenses linked to the Voluntary Departure Plan;
- the completion of transactions with minority partners (associated with the Tricastin platform), an element that will impact only net cash flow from company operations.

2020 outlook

The Group intends to achieve the following by 2020:

- an EBITDA margin of between 22% and 25%, in the context of a return to growth in revenue;
- sustainably positive net cash flow from company operations.

This 2020 outlook does not take into account the proposed spent fuel treatment and recycling plant in China which is currently under negotiation. It may also be reviewed following the revision of the Multi-Year Energy Program (*Programmation Pluriannuelle de l'Energie* - PPE) expected by the end of 2018.

III. Events since the last publication

Creation of the Group

- On January 23, 2018, New AREVA became Orano. The etymology of this name, deriving from uranium, and the new brand signature "Giving nuclear energy its full value," symbolize the Group's belief: that nuclear is and will continue to be an industry with a future, due to the fact that it is a low-carbon, competitive energy that offers plenty of employment opportunities. Orano has the potential to play a key role in this future.

- The Group's capital increases reserved for Japan Nuclear Fuel Limited (JNFL) and Mitsubishi Heavy Industries (MHI), for a total amount of €500 million, were carried out on February 26, 2018. This step marked the end of the creation phase of the Orano Group.

Other highlights of the period

- Conversion production at the Comurhex I plant was definitively discontinued in December 2017. Over 55 years of operation at the site, 455,000t of UF_6 were produced. Furthermore, the Comurhex II project, intended to replace the existing capacity of Comurhex I, made satisfactory progress over the financial year. UF_4 has been produced at the Malvési site since mid-2016 as a result of this new investment. The project continues as planned at the Tricastin site, with physical completion of 90%. Active mode testing will begin in the first half of 2018, enabling the first production of UF_6 before the end of 2018.

- In November 2017, Orano took note of Cameco Corporation's decision to temporarily suspend, from the end of January 2018, the mining operations at McArthur River and the Key Lake treatment plant, both located in Canada, because of persistently low uranium prices. This stoppage will not impact Orano's 2018 deliveries to its customers.

- Orano TN, the Orano subsidiary in charge of nuclear logistics, won a contract worth tens of millions of dollars in December 2017 in the field of dry spent-fuel storage with a US client covering the 2018-2025 period. This new success confirms Orano TN's position in the American market.

- On January 9, 2018, Orano and China National Nuclear Corporation (CNNC) signed a memorandum of understanding for the proposed Chinese plant for the treatment and recycling of spent fuel. Through this memorandum, Orano and CNNC reaffirmed their mutual commitment to completing the contract negotiations as soon as possible, in order to launch the project before the end of 2018.

Upcoming events

March 29, 2018 – 09:00 CEST Webcast and telephone conference

Annual results for 2017

To access the results presentation, which will be held today at 9:00 am (Paris time), please follow the links below:

French version: http://webcast.orano.group/20180329/resultats_annuels_2017/startup.php

English version: http://webcast.orano.group/20180329/2017_annual_results/startup.php

Note

Status of the audit of the annual financial statements for the financial year between September 1 and December 31, 2017:

The audit procedures on the consolidated financial statements have been completed and the Statutory Auditors have issued their certification report.

Important information

This document and the information it contains do not constitute an offer to sell or buy or a solicitation of a sale or purchase of Orano shares in any jurisdiction whatsoever.

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This document contains forward-looking statements relative to Orano’s financial position, results, operations, strategy and outlook. These statements include 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. These forward-looking statements are generally identified by the words “expect to”, “anticipate”, “believe”, “plan”, “could”, “foresee” or “estimate”, and by other similar terms. Although Orano’s management believes that these forward-looking statements are reasonable, bearers of Orano shares are hereby advised that these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee and generally beyond Orano’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 developed and/or identified in public Orano documents, including those listed in the Annual Activity Report for the first Orano financial year September 1 – December 31, 2017 (available on the Orano website at: www.orano.group). The attention of bearers of Orano shares is drawn to the fact that the realization of all or part of these risks is likely to have a significant unfavorable impact on Orano. Thus, these forward-looking statements do not constitute guarantees as to Orano’s future performance. These forward-looking statements can be assessed only as of the date of this document. Orano makes no commitment to update the forward-looking statements and information, except as required by applicable laws and regulations.

Appendix 1 – Definitions

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

- **Operating working capital requirement (Operating WCR):**

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.

- **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**

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 operations sold, discontinued and held for sale, and cash flow from the sale 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.

Net cash flow from company operations thus corresponds to changes in net debt (i) with the exception of transactions with Orano SA shareholders, accrued interest not yet due for the financial year and currency translation adjustments, and (ii) including accrued interest not yet due for the financial year N-1.

- **Operating cash flow (OCF):**

Operating cash flow (OCF): operating cash flow (OCF) represents the amount of 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.

- **Net debt:**

Net debt is defined as the sum of all short and long-term borrowings, less cash and cash equivalents, financial instruments recorded on the assets side of the balance sheet including borrowings, bank deposits constituted for margin calls on derivative instruments and collateral backed by structured financing.

- **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.

- **Cash flows 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:

- revenue from the portfolio of earmarked assets, cash from disposals 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.

Appendix 2 – Income statement

- **Income statement as at December 31, 2017 (12 months)**

In millions of euros	12/31/2017 (12 months)	12/31/2016 (12 months) (*)	Change 2017/2016
Revenue	**3,926**	**4,401**	***-€476 M***
Other income from operations	5	3	*+€2 M*
Cost of sales	(3,170)	(3,434)	*+€264 M*
Gross margin	**761**	**971**	***-€210 M***
Research and development expenses	(87)	(90)	*+€3 M*
Marketing and sales expenses	(52)	(37)	*-€15 M*
General and administrative expenses	(103)	(59)	*-€44 M*
Other operating income and expenses	(553)	(371)	*-€182 M*
Operating income	**(34)**	**415**	***-€449 M***
Share in net income of joint ventures and associates	(4)	10	*-€14 M*
Operating income after share in net income of joint ventures and associates	**(38)**	**425**	***-€463 M***
Income from cash and cash equivalents	16	9	*+€7 M*
Gross borrowing costs	(221)	(228)	*+€7 M*
Net borrowing costs	**(205)**	**(219)**	***+€14 M***
Other financial income and expenses	(59)	(293)	*+€234 M*
Net financial income	**(264)**	**(512)**	***+€248 M***
Income tax	(56)	(332)	*+€276 M*
Net income from continuing operations	**(358)**	**(419)**	***+€61 M***
Net income after tax from operations sold, discontinued or held for sale	(2)	70	*-€72 M*
Net income for the period	**(360)**	**(349)**	***-€11 M***
Including net income attributable to minority interests	(108)	(110)	*+€2 M*
Net income attributable to owners of the parent	**(252)**	**(239)**	***-€13 M***

(*) Pursuant to IAS 8, the financial statements for the 2016 financial year were corrected for the error in provisions for employee benefits as compared to the data reported the previous year.

Income statement as at December 31, 2017 (4 months)

In millions of euros	12/31/2017 (4 months)	8/31/2017 (8 months)	Chg. 4M / 8M
Revenue	**1,585**	**2,339**	***-€754 M***
Other income from operations	5	1	*+€4 M*
Cost of sales	(1,234)	(1,936)	*+€702 M*
Gross margin	**355**	**403**	***-€48 M***
Research and development expenses	(36)	(51)	*+€15 M*
Marketing and sales expenses	(19)	(33)	*+€14 M*
General and administrative expenses	(20)	(82)	*+€62 M*
Other operating income and expenses	(35)	(519)	*+€484 M*
Operating income	**244**	**(281)**	***+€525 M***
Share in net income of joint ventures and associates	(13)	9	*-€22 M*
Operating income after share in net income of joint ventures and associates	**230**	**(272)**	***+€502 M***
Income from cash and cash equivalents	6	10	*-€4 M*
Gross borrowing costs	(73)	(152)	*+€79 M*
Net borrowing costs	**(67)**	**(142)**	***+€75 M***
Other financial income and expenses	(140)	84	*-€224 M*
Net financial income	**(207)**	**(58)**	***-€149 M***
Income tax	(4)	(49)	*+€45 M*
Net income from continuing operations	**20**	**(378)**	***+€398 M***
Net income after tax from operations sold, discontinued or held for sale	0	(2)	*+€2 M*
Net income for the period	**20**	**(380)**	***+€400 M***
Including net income attributable to minority interests	12	(120)	*+€132 M*
Net income attributable to owners of the parent	**8**	**(260)**	***+€268 M***

Appendix 3 - Reconciliation of the financial information for the 2017 period

- **Reconciliation of the financial information for the 2017 period based on the eight-month period ended August 31, 2017 and the four-month period ended December 31, 2017.**

In millions of euros	8/31/2017 (8 months)	12/31/2017 (4 months)	Δ - exchange rate differential	12/31/2017 (12 months)
Revenue	**2,339**	**1,585**	***+€2 M***	**3,926**
Other income from operations	1	5	*-€1 M*	5
Cost of sales	(1,936)	(1,234)	-	(3,170)
Gross margin	**403**	**355**	***+€3 M***	**761**
Research and development expenses	(51)	(36)	-	(87)
Marketing and sales expenses	(33)	(19)	-	(52)
General and administrative expenses	(82)	(20)	*-€1 M*	(103)
Other operating income and expenses	(519)	(35)	*+€1 M*	(553)
Operating income	**(281)**	**244**	***+€3 M***	**(34)**
Share in net income of joint ventures and associates	9	(13)	-	(4)
Operating income after share in net income of joint ventures and associates	**(272)**	**230**	***+€4 M***	**(38)**
Income from cash and cash equivalents	10	6	-	16
Gross borrowing costs	(152)	(73)	*+€4 M*	(221)
Net borrowing costs	**(142)**	**(67)**	***+€4 M***	**(205)**
Other financial income and expenses	84	(140)	*-€3 M*	(59)
Net financial income	**(58)**	**(207)**	***+€1 M***	**(264)**
Income tax	(49)	(4)	*-€3 M*	(56)
Net income from continuing operations	**(378)**	**20**	**-**	**(358)**
Net income after tax from operations sold, discontinued or held for sale	(2)	0	-	(2)
Net income for the period	**(380)**	**20**	**-**	**(360)**
Including net income attributable to minority interests	(120)	12	-	(108)
Net income attributable to owners of the parent	**(260)**	**8**	**-**	**(252)**

Appendix 4 - Statement of consolidated cash flows

- **Consolidated cash flow as at December 31, 2017 (12 months)**

In millions of euros	**2017**	**2016 (*)**	**Change 2017/2016**
Cash flow from operations before interest and taxes	**818**	**1,214**	***-€396 M***
Net interest and taxes paid	(519)	(308)	*-€211 M*
Cash flow from operations after interest and tax	**299**	**907**	***-€608 M***
Change in working capital requirement	13	(139)	*+€152 M*
Net cash flow from operating activities	**312**	**767**	***-€455 M***
Net cash flow from investing activities	**(1,305)**	**(514)**	***-€791 M***
Net cash flow from financing activities	**1,506**	**(1,542)**	***+€3,048 M***
Increase (decrease) in securities recognized at fair value through profit and loss	0	0	*+€0 M*
Impact of foreign exchange movements	(21)	86	*-€107 M*
Net cash generated by operations sold, discontinued or held for sale	2	61	*-€59 M*
Increase (decrease) in net cash	**494**	**(1,141)**	***+€1,635 M***
Cash at the beginning of the period	1,382	2,523	*-€1,141 M*
Cash at the end of the period	**1,877**	**1,382**	***+€495 M***
Short-term bank facilities and non-trade current accounts (credit balances)	73	53	*+€20 M*
Less: Net cash from operations held for sale	0	(1)	*+€1 M*
Cash and cash equivalents	**1,950**	**1,434**	***+€516 M***
Short-term borrowings	429	1,022	*-€593 M*
Available net cash	**1,521**	**412**	***+€1,109 M***

(*) Pursuant to IAS 8, the financial statements for the 2016 financial year were corrected for the error in provisions for employee benefits as compared to the data reported the current year.

Consolidated cash flow as at December 31, 2017 (4 months)

In millions of euros	12/31/2017 (4 months)	8/31/2017 (8 months)	Chg. 4M / 8M
Cash flow from operations before interest and taxes	**330**	**493**	***-€163 M***
Net interest and taxes paid	(215)	(309)	*+€94 M*
Cash flow from operations after interest and tax	**115**	**184**	***-€69 M***
Change in working capital requirement	88	(79)	*+€167 M*
Net cash flow from operating activities	**202**	**105**	***+€97 M***
Net cash flow from investing activities	**(938)**	**(391)**	***-€547 M***
Net cash flow from financing activities	**(838)**	**2,366**	***-€3,204 M***
Increase (decrease) in securities recognized at fair value through profit and loss	0	0	*+€0 M*
Impact of foreign exchange movements	0	(14)	*+€14 M*
Net cash generated by operations sold, discontinued or held for sale	0	2	*-€2 M*
Increase (decrease) in net cash	**(1,573)**	**2,067**	***-€3,640 M***
Net cash at the beginning of the period	3,450	1,382	*+€2,068 M*
Cash at the end of the period	**1,877**	**3,450**	***-€1,573 M***
Short-term bank facilities and non-trade current accounts (credit balances)	73	54	*+€19 M*
Less: Net cash from operations held for sale	0	0	*+€0 M*
Cash and cash equivalents	**1,950**	**3,504**	***-€1,554 M***
Short-term borrowings	429	1,102	*-€673 M*
Available net cash	**1,521**	**2,402**	***-€881 M***

Appendix 5 – Condensed balance sheet

In millions of euros	**12/31/2017**	**8/31/2017**	**12/31/2016 (*)**
Net goodwill	1,193	1,204	1,303
Property, plant and equipment (PP&E) and intangible assets	8,436	8,474	9,155
Operating working capital requirement – assets	2,923	3,112	2,763
Net cash	1,950	3,504	1,434
Deferred tax assets	101	157	178
End-of-lifecycle assets	7,265	6,376	6,216
Other assets	346	371	366
Total assets	**22,212**	**23,198**	**21,414**
Equity and minority interests	952	950	(1,016)
Employee benefits	1,382	1,358	1,402
Provisions for end-of-lifecycle operations	7,545	7,480	7,341
Other provisions	2,000	1,962	1,987
Operating working capital requirement – liabilities	5,046	5,287	5,352
Borrowings	5,105	5,906	5,873
Other liabilities	183	255	476
Total liabilities	**22,212**	**23,198**	**21,414**

(*) Pursuant to IAS 8, the financial statements for the 2016 financial year were corrected for the error in provisions for employee benefits as compared to the data reported the previous year.

Appendix 6 – Orano key figures

- **Key figures at December 31, 2017 (12 months)**

In millions of euros	**2017**	**2016 (**)**	***Change 2017/2016***
Backlog	**30,788**	**33,573**	***-€2,785 M***
Revenue	**3,926**	**4,401**	***-€476 M***
of which:			
Mining	1,294	1,451	*-€157 M*
Front End	893	1,037	*-€145 M*
Back End	1,684	1,728	*-€44 M*
Corporate & other operations (*)	55	184	*-€130 M*
EBITDA	**946**	**1,338**	***-€392 M***
of which:			
Mining	643	747	*-€104 M*
Front End	281	354	*-€73 M*
Back End	245	300	*-€55 M*
Corporate & other operations (*)	(223)	(64)	*-€160 M*
Operating income	**(34)**	**415**	***-€449 M***
of which:			
Mining	111	183	*-€72 M*
Front End	12	158	*-€146 M*
Back End	77	67	*+€10 M*
Corporate & other operations (*)	(234)	7	*-€241 M*
Operating cash flow	**377**	**514**	***-€137 M***
of which:			
Mining	488	510	*-€22 M*
Front End	38	(109)	*+€147 M*
Back End	161	208	*-€48 M*
Corporate & other operations (*)	(310)	(95)	*-€215 M*

(*) "Corporate & Other operations" notably includes Corporate, Orano Med and Orano Projets operations.

(**) Excluding the allocation in 2016 of corporate costs which continued to be borne by AREVA SA pursuant to existing agreements.

- **Key figures at December 31, 2017 (4 months)**

In millions of euros	**12/31/2017 (4 months)**	**8/31/2017 (8 months)**	***Change 4M / 8M***
Backlog	**30,788**	**30,345**	***+€443 M***
Revenue	**1,585**	**2,339**	***-€754 M***
of which:			
Mining	507	787	*-€280 M*
Front End	492	401	*+€91 M*
Back End	567	1,115	*-€548 M*
Corporate & other operations (*)	19	36	*-€17 M*
EBITDA	**342**	**602**	***-€260 M***
of which:			
Mining	234	406	*-€172 M*
Front End	124	157	*-€33 M*
Back End	80	164	*-€84 M*
Corporate & other operations (*)	(97)	(126)	*+€29 M*
Operating income	**244**	**(281)**	***+€525 M***
of which:			
Mining	154	(46)	*+€200 M*
Front End	104	(92)	*+€196 M*
Back End	39	38	*+€1 M*
Corporate & other operations (*)	(53)	(182)	*+€129 M*
Operating cash flow	**358**	**10**	***+€348 M***
of which:			
Mining	221	267	*-€46 M*
Front End	120	(86)	*+€206 M*
Back End	91	66	*+€25 M*
Corporate & other operations (*)	(74)	(236)	*+€162 M*

(*) "Corporate & Other operations" notably includes Corporate, Orano Med and Orano Projets operations.

Appendix 7 – Notable items with an impact on net income (12 months)

In millions of euros	**2016**	**2017**
Impairment in Mining	(329)	(308)
Provisions and impairment in the Front End	(98)	(229)
Provisions for end-of-lifecycle operations - Front End	0	(80)
Corporate costs borne by AREVA SA in 2016	115	0
Impact of reduction of the discount rate on end-of-lifecycle operations and provisions for work still to be performed	(246)	0
Provisions and costs for social restructuring	7	(42)
Total impacts on net income *	**(551)**	**(659)**

(*) Excluding tax-related impacts.