

## PRESS RELEASE

### At September 30, 2014:

- **Backlog of €46.1bn for a year-on-year increase**
- **Revenue down to €5.558bn: -14.3% vs. September 2013 (-12.9% like for like)**
- **Revenue and EBITDA outlook confirmed for 2014**
- **Level of free operating cash flow before tax for 2014, targeted close to breakeven, remaining dependent on the pace of certain customer payments expected before year end**

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### Paris, October 31, 2014

Regarding the group's performance in the first nine months of 2014, Pierre Aubouin, Chief Financial Executive Officer, said:

*"Revenue in the first nine months of the year fell 12.9% like for like, along the same lines of the first six months. This decline is explained by the absence of non-recurring items from 2013 in the Mining and Back End Business Groups and by the deteriorated market situation in 2014. At 46.1 billion euros, the backlog is rising for AREVA's nuclear operations, led by the agreement signed in the first half with EDF in used fuel treatment and MOX production, and by several contracts signed in Fuel. We thus still have substantial visibility for AREVA's recurring operations over the coming years. The strategic partnership with EDF continues to strengthen, as shown by the agreement signed recently to supply fuel to the French nuclear reactor fleet from 2015 to 2021, which has not yet been recorded in backlog. We are expecting stronger activity in the 4<sup>th</sup> quarter, particularly in the Mining BG, and thus confirm the revenue and EBITDA outlook for the full year. The level of free operating cash flow before tax, targeted close to breakeven, remains dependent on the pace of certain customer payments expected before year end."*

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Revenue (in millions of euros)	9 months 2014	9 months 2013	Change	Change LFL	Backlog at 09/30/14 (in millions of euros)
Mining BG	658	1,193	-44.8%	-43.5%	9,613
Front End BG	1,506	1,330	+13.2%	+13.8%	18,223
Reactors & Services BG	2,245	2,431	-7.7%	-6.5%	8,592
Back End BG	1,023	1,347	-24.0%	-24.3%	9,614
Renewable Energies BG	43	51	-16.1%	-12.1%	31
Corporate and other <sup>1</sup>	83	132	-37.6%	-11.1%	3
<b>Total</b>	<b>5,558</b>	<b>6,484</b>	<b>-14.3%</b>	<b>-12.9%</b>	<b>46,076</b>
of which nuclear operations <sup>2</sup>	5,453	6,330	-13.9%	-13.1%	46,045
Revenue – France	2,645	2,733	-3.2%		
Revenue – International	2,913	3,751	-22.3%		

<sup>1</sup> Includes "Consulting and Information Systems" and "Engineering & Projects" businesses.

<sup>2</sup> Nuclear operations: operations in the Mining, Front End, Reactors & Services and Back End Business Groups and in Engineering & Projects (recognized under Corporate & Other)



**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 2014**, AREVA generated **consolidated revenue** of 5.558 billion euros, a decrease of 14.3% (-12.9% like for like) compared to the same period in 2013.

In the nuclear operations, revenue totaled 5.453 billion euros over the first 9 months of 2014, versus 6.330 billion euros for the first 9 months of 2013, a 13.9% decrease (-13.1% like for like). Revenue in the Front End BG rose 13.2% (+13.8% like for like). Revenue in the Mining, Reactors & Services and Back End BGs declined 44.8% (-43.5% like for like), 7.7% (-6.5% like for like) and 24.0% (-24.3% like for like) respectively.

Foreign exchange had a negative impact of 54 million euros over the period, while consolidation scope had a negative impact of 46 million euros.

**Third quarter 2014 revenue** came to 1.669 billion euros, a 15.3% decrease (-14.1% like for like) compared to the third quarter of 2013. Consolidation scope had a negative impact of 28 million euros over the period, while foreign exchange had practically no impact.

Revenue in the nuclear operations amounted to 1.655 billion euros in the 3<sup>rd</sup> quarter of 2014, a drop of 14.2% compared to the 3<sup>rd</sup> quarter of 2013 (-14.3% like for like).

Over the first 9 months of 2014, revenue in France came to 2.645 billion euros, a 3.2% decrease compared to the first 9 months of 2013. Over the same period, revenue from international operations totaled 2.913 billion euros, a drop of 22.3% compared to the first 9 months of 2013.

**At September 30, 2014, the group's backlog** was 46.076 billion euros, an increase of 11.4% compared to September 30, 2013 (41.365 billion euros). This is a record level for the nuclear operations since the group's creation. It should be noted that the backlog does not include all of the umbrella agreement signed with EDF, announced on October 2, 2014, for the supply of design and fuel fabrication services for the French nuclear reactors from 2015 to 2021. It should also be noted that it does not include the amount of agreements signed with EDF in October 2013 for the EPR reactors project at Hinkley Point in the United Kingdom and for the related fuel.



## I. Backlog and revenue by Business Group

### Mining Business Group

The Mining BG had 9.613 billion euros in backlog at September 30, 2014. With the still-uncertain natural uranium market environment, the order intake remained limited over the first 9 months of the year, despite the recent natural uranium spot market price increase (from \$28/lb at the end of June 2014 to more than \$35/lb at the end September of 2014).

Over the first 9 months of 2014, the Mining BG recorded revenue of 658 million euros, a 44.8% decrease (-43.5% like for like) compared to the first 9 months of 2013. Foreign exchange had a negative impact of 28 million euros over the period.

This change is due to:

- the anticipated drop in volumes sold (-44%) following the completion in late 2013 of sales made under "HEU" agreements and large inventory drawdowns carried out over the same period in 2013;
- a slight decrease in the average sales price of uranium sold under contracts in relation to the first 9 months of 2013;
- the postponement to the last quarter of certain deliveries from Kazakhstan initially planned for the first 9 months of 2014 in order to take advantage of the recent commissioning of the calciner built at the Katco site.

### Front End Business Group

The Front End BG had 18.223 billion euros in backlog at September 30, 2014. Several contracts were signed in the 3<sup>rd</sup> quarter of 2014, including:

- the extension of a contract with the US utility Xcel Energy to supply fuel and services through 2029;
- a contract with the utility RWE to supply fuel assemblies to the Emsland nuclear power plant in Germany from 2016 to 2020.

An agreement was also struck with EDF on the price and volume terms for the supply of fuel assemblies and related services for the French nuclear fleet over the 2015-2021 period.

The Front End BG had revenue of 1.506 billion euros in the first 9 months, a 13.2% increase (+13.8% like for like) compared to the first 9 months of 2013. Foreign exchange had a negative impact of 6 million euros over the period.

- The Chemistry-Enrichment business posted strong growth due to:
  - a substantial increase in volumes sold in the United States and France in Enrichment in parallel with the production ramp-up at the Georges Besse II plant;
  - this offset the decrease in conversion activity over the period due to an unfavorable delivery schedule during the 3<sup>rd</sup> quarter.
- In Fuel operations, revenue was slightly down on account of a lower level of activity in the United States due to an unfavorable delivery schedule for the period.



## Reactors & Services Business Group

The Reactors & Services BG had 8.592 billion euros in backlog at September 30, 2014. Among the contracts signed in the 3<sup>rd</sup> quarter of 2014 was the one signed with the South African utility Eskom for steam generator replacements at the Koeberg nuclear power plant, valued at approximately 300 million euros.

The Reactors & Services BG had revenue of 2.245 billion euros over the first 9 months of 2014, a decrease of 7.7% (-6.5% like for like) compared to the first 9 months of 2013. Foreign exchange had a negative impact of 14 million euros over the period, while consolidation scope had a negative impact of 15 million euros.

- Revenue in the installed base operations was down compared with the first 9 months of 2013, when it benefitted from a strong business in France. In addition, installed base business declined in the United States and Germany due to deteriorated market conditions.
- Revenue from Large Projects was stable compared with the first 9 months of 2013 and is evolving in line with the developments of the major projects. It benefitted from the increase in revenue associated with the Flamanville 3 EPR project (France) and the ramp-up of the project to complete the Angra 3 reactor (Brazil), offsetting the expected decrease in revenue associated with the Taishan EPR project (China). In addition, in conformity with paragraph 32 of IAS 11, which has been applied since the second half of 2013, no revenue was recognized for the Olkiluoto 3 EPR project in Finland during the first 9 months of 2014.

## Back End Business Group

The Back End BG had 9.614 billion euros in backlog at September 30, 2014. Among the contracts signed in the 3<sup>rd</sup> quarter of 2014 were significant contracts with US utilities totaling close to 100 million dollars to supply dry used fuel storage systems.

The Back End BG had revenue of 1.023 billion euros in the first 9 months of 2014, a decrease compared to the same period in 2013 (-24.0% on a reported basis and -24.3% like for like). Foreign exchange had a negative impact of 4 million euros over the period, while consolidation scope had a positive impact of 8 million euros.

- Revenue in the Recycling Operations was down sharply over the period. This change is due to:
  - an unfavorable basis of comparison with the first 9 months of 2013, when it had benefitted from strong business under contracts signed with foreign customers for MOX fuel fabrication campaigns;
  - the one-off impact of the agreement reached with EDF for the 2013-2020 period, with commercial concessions granted to EDF in exchange for greater schedule visibility and increased volumes.
- Revenue in the Nuclear Logistics Operations was down due to a lower level of business in the supply of dry storage solutions in the United States.

## Renewable Energies Business Group

The Renewable Energies BG had 31 million euros in backlog at September 30, 2014, in line with the execution of existing contracts and the absence of significant new orders.

Revenue in the Renewable Energies BG totaled 43 million euros over the first 9 months of 2014, a decrease in relation to the same period of 2013 (-16.1% on a reported basis and -12.1% like for like) due to a lower level of activity in the Bioenergy business. Foreign exchange had a negative impact of 2 million euros over the period.



## II. Information on the group's financial position and performance

### Mining Business Group

- Over the first 9 months of the year, 5,618 metric tons of natural uranium were produced in consolidated financial share for AREVA, versus 6,171 metric tons over the first 9 months of 2013. AREVA's available share was 4,286 metric tons of uranium, versus 5,520 metric tons in the first 9 months of 2013.
- Production was suspended for 16 days in September at the McArthur/Key Lake mines operated by Cameco due to a social movement.
- Negotiations with the State of Niger continued during the quarter and in October the Somaïr and Cominak mining agreements and the contracts implementing the framework agreement signed on May 26 with the Republic of Niger were validated.

### Front End Business Group

- The Georges Besse II plant continued to ramp-up, with 96 cascades in production at the end of September (an increase of 26 cascades compared with September 2013). Approximately 86% of the plant's nominal capacity is now in service, in line with the project schedule.
- Concerning the PRISME project (intensive rinsing monitoring and venting of the Eurodif plant), the maceration operations are continuing according to plan.

### Reactors & Services Business Group

- At the **Olkiluoto 3** construction site in Finland (AREVA scope: a complete power plant in consortium with Siemens), progress was made in the 3<sup>rd</sup> quarter of 2014 as follows:
  - Tests on the safety instrumentation and control system platform were launched on schedule in July and continue according to plan.
  - Tests on the operational instrumentation and control system platform are moving forward at a steady pace.
  - On August 29, 2014, the AREVA-Siemens Consortium submitted an updated schedule to their customer TVO. The schedule calls for construction to end in mid-2016 and testing to start from that time, then commissioning of the power plant in 2018 at the conclusion of the testing phase. In-depth work sessions with TVO concerning the conditions for carrying out the tests will take place by the end of 2014.

Moreover, in the frame of the ongoing ICC arbitration proceedings, the Supplier Consortium AREVA-Siemens updated on October 23, 2014 its claim against Finnish utility TVO to reflect refinements in the substantiation and account for interest accrued up to this point. For events occurring during the construction period up to June 2011, the Supplier claims a total of approximately € 3.5 billion arising from additional work, disruption and prolongation of the project.

- At the **Taishan** construction site in China (AREVA scope: engineering and equipment for two nuclear islands), progress was made in the 3<sup>rd</sup> quarter of 2014 as follows:
  - The operations simulator delivered last July has just received final approval for operator training.
  - Installation of the instrumentation and control cabinets continued in unit 1.
  - Electromechanical installation continued at a fast clip at both units.
- At the **Flamanville 3** construction site in France (AREVA scope: engineering, supply and installation of the nuclear steam supply system), progress was made in the 3<sup>rd</sup> quarter of 2014 as follows:



- the first steam generator was installed in early September;
- welding of the reactor coolant loop continues;
- installation activities began in the reactor building's internal water storage tank;
- installation of the auxiliary systems accelerated but has not reached the target pace at this stage;
- the installation and energization of the safety instrumentation and control cabinets continues normally;
- installation of the operational instrumentation and control cabinets is progressing according to schedule;
- the documentation required for commissioning was submitted to EDF on time, on Sept. 30.

## Renewable Energies Business Group

- On July 7, 2014, AREVA and Gamesa signed binding agreements for the creation of a joint venture. The new company will be ideally positioned to become a leading player in the offshore wind segment.

## III. Important operations and events during the period

### Back End Business Group

- On August 4, 2014, AREVA Federal Services was selected to provide the engineering, construction, and commissioning of a remote-handled low-level waste disposal facility at the Idaho National Laboratory (INL). AREVA was awarded this contract worth more than \$30 million from Battelle Energy Alliance, which manages the INL on behalf of the U.S. Department of Energy (DOE).
- On September 18, 2014, AREVA Federal Services has been awarded a contract by the U.S. Department of Energy (DOE) to continue the development of next generation fuel for light water nuclear reactors. This program aims to develop enhanced accident tolerant fuel (EATF), a fuel that is more resistant under severe accident conditions, particularly those involving a loss of cooling.

### Renewable Energies Business Group

- On August 29, 2014, the installation of 80 5MW wind turbines was successfully completed at the Global Tech I wind farm (North Sea) with the last rotor installation finalized.

### Market environment

- In the uranium market, the spot price went from \$35/lb. in late September 2013 to \$28/lb. at the end of June 2014 and back to \$35/lb. at the end of September 2014. The long-term indicator fell from \$50/lb. at the end of September 2013 to \$45/lb. at the end of September 2014 (*sources: UxC / TradeTech*).
- In the enrichment market, the spot price went from \$101/SWU at the end of September 2013 to \$88/ SWU at the end of September 2014. The long-term indicator went from \$114/SWU at the end of September 2013 to \$90/SWU at the end of September 2014 (*source: UxC*).



## IV. Financial outlook

For 2014, AREVA's targets (at constant consolidation and change scope, excluding the impacts of asset disposals) are:

- a 10% reduction in organic revenue;
- an EBITDA margin of c. 7% of revenues;
- gross capital expenditure brought back to 1.1 billion euros;
- free operating cash flow before tax of close to breakeven, remaining subject to the pace of certain customer payments expected before year end.



Appendix – Consolidated revenue

in million euros	2014	2013	Change 2014/2013	2014 / 2013 change like for like
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**1<sup>st</sup> quarter**

Mining BG	145	392	-63.0%	-62.3%
Front End BG	561	353	+59.0%	+59.8%
Reactors & Services BG	684	796	-14.1%	-12.5%
Back End BG	325	558	-41.7%	-41.6%
Renewable Energies BG	18	29	-38.2%	-34.6%
Corporate and other <sup>1</sup>	48	46	n.s.	n.s.
<b>Total</b>	<b>1,781</b>	<b>2,174</b>	<b>-18.1%</b>	<b>-17.3%</b>
<b>o.w. Nuclear operations</b>	<b>1,724</b>	<b>2,110</b>	<b>-18.3%</b>	<b>-17.4%</b>

**2<sup>nd</sup> quarter**

Mining BG	312	410	-23.9%	-19.5%
Front End BG	567	543	+4.3%	+5.2%
Reactors & Services BG	817	909	-10.1%	-8.9%
Back End BG	370	420	-11.7%	-12.2%
Renewable Energies BG	14	10	+37.8%	+19.5%
Corporate / Other <sup>1</sup>	26	47	n.s.	n.s.
<b>Total</b>	<b>2,107</b>	<b>2,339</b>	<b>-9.9%</b>	<b>-7.9%</b>
<b>o.w. Nuclear operations</b>	<b>2,073</b>	<b>2,292</b>	<b>-9.5%</b>	<b>-8.1%</b>

**1<sup>st</sup> half**

Mining BG	457	802	-43.0%	-40.9%
Front End BG	1,128	896	+25.9%	+26.7%
Reactors & Services BG	1,501	1,705	-11.9%	-10.6%
Back End BG	695	977	-28.9%	-28.9%
Renewable Energies BG	32	40	-18.1%	-18.1%
Corporate / Other <sup>1</sup>	74	93	n.s.	n.s.
<b>Total</b>	<b>3,889</b>	<b>4,513</b>	<b>-13.8%</b>	<b>-12.4%</b>
<b>o.w. Nuclear operations</b>	<b>3,797</b>	<b>4,402</b>	<b>-13.7%</b>	<b>-12.6%</b>

**3<sup>rd</sup> quarter**

Mining BG	201	391	-48.6%	-48.7%
Front End BG	378	434	-12.8%	-12.8%
Reactors & Services BG	744	726	+2.4%	+2.8%
Back End BG	328	369	-11.2%	-12.0%
Renewable Energies BG	10	11	-9.1%	+13.8%
Corporate / Other <sup>1</sup>	9	39	n.s.	n.s.
<b>Total</b>	<b>1,669</b>	<b>1,971</b>	<b>-15.3%</b>	<b>-14.1%</b>
<b>o.w. Nuclear operations</b>	<b>1,655</b>	<b>1,929</b>	<b>-14.2%</b>	<b>-14.3%</b>

**9 months**

Mining BG	658	1,193	-44.8%	-43.5%
Front End BG	1,506	1,330	+13.2%	+13.8%
Reactors & Services BG	2,245	2,431	-7.7%	-6.5%
Back End BG	1,023	1,347	-24.0%	-24.3%
Renewable Energies BG	43	51	-16.1%	-12.1%
Corporate / Other <sup>1</sup>	83	132	-37.6%	-11.1%
<b>Total</b>	<b>5,558</b>	<b>6,484</b>	<b>-14.3%</b>	<b>-12.9%</b>
<b>o.w. Nuclear operations</b>	<b>5,453</b>	<b>6,330</b>	<b>-13.9%</b>	<b>-13.1%</b>

<sup>1</sup> Includes "Consulting and Information Systems" and "Engineering and Projects" businesses.



## Note

**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.

**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.

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

**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 03/31/14 (which may be read online on AREVA's website [www.aveva.com](http://www.aveva.com)). AREVA makes no commitment to update the forward-looking statements and information, except as required by applicable laws and regulations.

## Upcoming events and publications

January 29, 2015 - 17:45 CET: Press release – 2014 sales revenue

February 25, 2015 - 17:45 CET: Press conference and webcast – 2014 results

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### ABOUT AREVA

AREVA is a world leader in nuclear power. The group's offering to utilities covers every stage of the fuel cycle, nuclear reactor design and construction, and operating services. Its expertise and uncompromising insistence on safety make it a leading industry player.

AREVA also invests in renewable energies to develop, via partnerships, high-technology solutions.

Through the complementary nature of nuclear and renewables, AREVA's 45,000 employees contribute to building tomorrow's energy model: to supply ever safer and cleaner energy to the greatest number of people.