



# Annual results 2011

Luc OURSEL, Chief Executive Officer

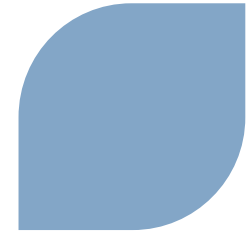
Philippe KNOCHE, Chief Operating Officer

Pierre AUBOUIN, Chief Financial Executive Officer

Friday, March 2, 2012



# Contents

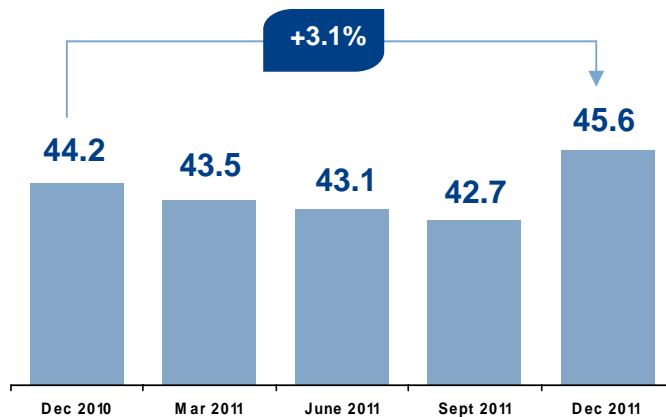


## ▶ 2011 review

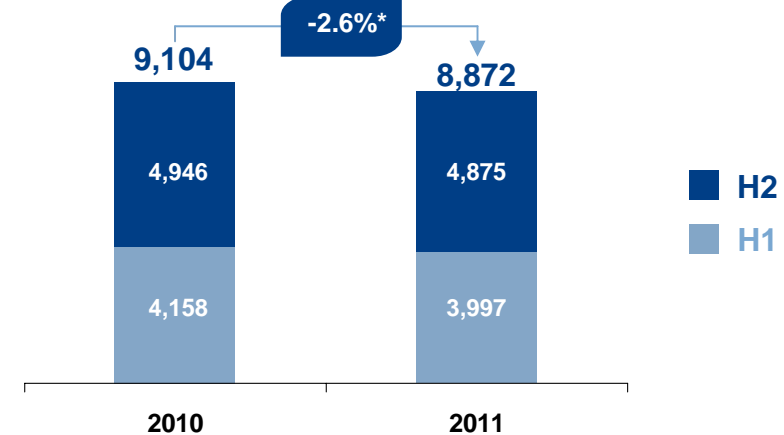
- ▶ Group performance in 2011
- ▶ 2011 performance by Business Group
- ▶ Financial results
- ▶ Group's strategic action plan follow-up: "Action 2016"
- ▶ Financial outlook

# Key figures (1/2)

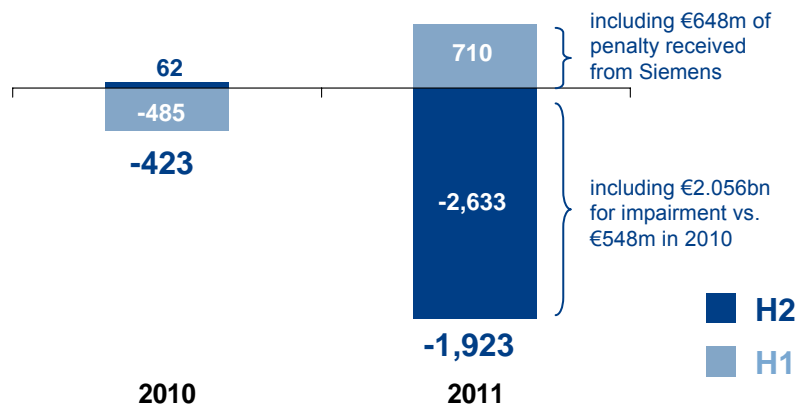
**Backlog** (billions of euros)



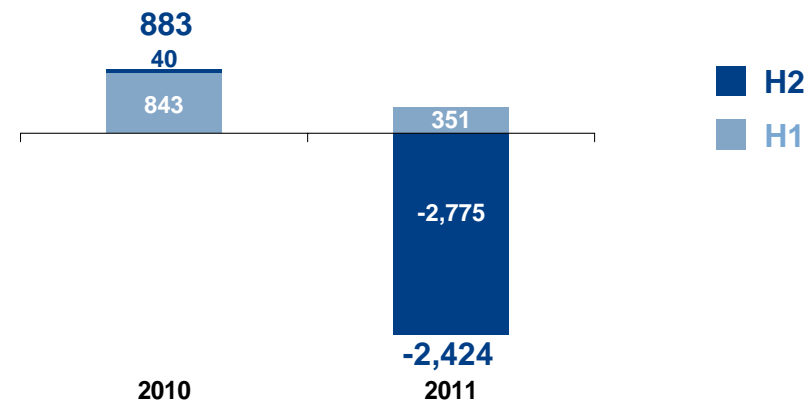
**Revenue** (millions of euros)



**Operating income** (millions of euros)

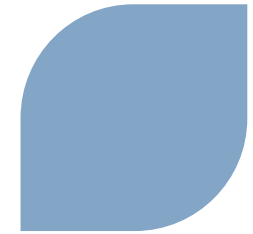


**Net income to equity owners of the parent** (millions of euros)



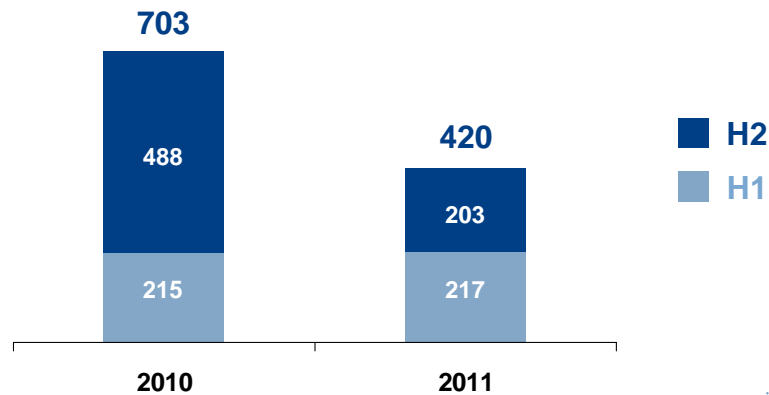
\* -1.2% like for like, i.e. at constant exchange rates and consolidation scope

# Key figures (2/2)

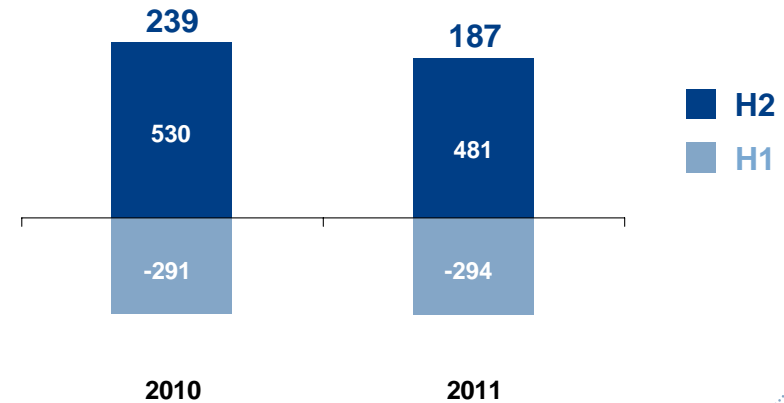


## EBITDA

(millions of euros excl. Siemens impact<sup>1</sup>)

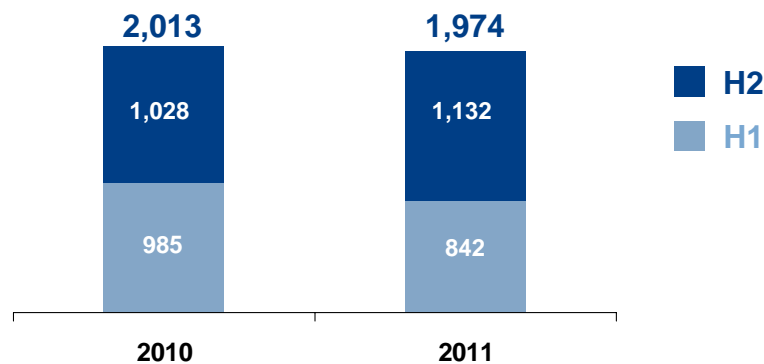


## Change in operating WCR (millions of euros)



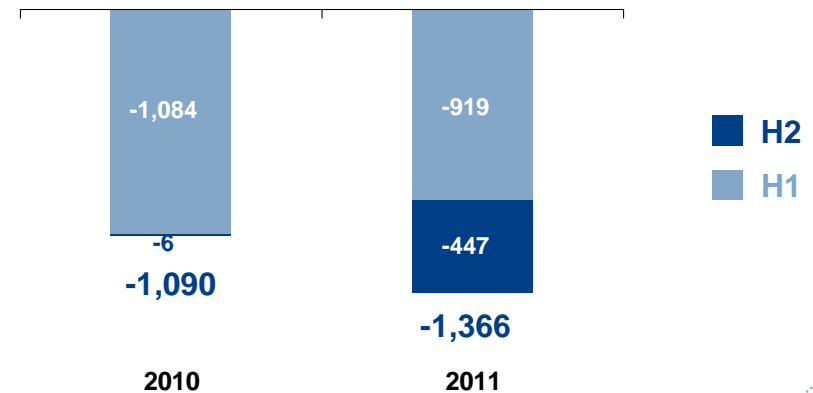
## Net Capex

(millions of euros excl. acquisition of AREVA NP shares)



## Free operating cash flow before tax

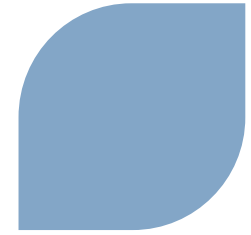
(millions of euros excl. Siemens impacts<sup>2</sup>)



<sup>1</sup> Penalty received in 2011 from Siemens: €648m

<sup>2</sup> Penalty received in 2011 from Siemens of €648m, less €1.679bn, i.e. price paid to acquire AREVA NP shares

# Comparison: 2011 objectives vs. actual performance

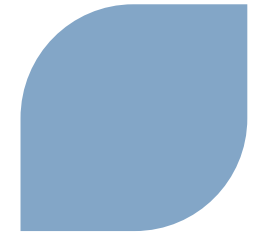


	Outlook at 12/13/2011	Actual	Comments
<b>Backlog</b>	c. €44bn	€45.6bn	Major contracts signed at the end of the year
<b>Revenue</b>	> €8.9bn	€8.9bn	Some deliveries postponed to early 2012
<b>EBITDA</b>	> €90m	€1.068bn	Positive outcome of cost reduction plans
	> €240m excl. Siemens impact <sup>1</sup>	€420m excl. Siemens impact <sup>1</sup>	
<b>Operating income</b>	between -€1.4bn and -€1.6bn	-€1.9bn	See detail of provisions next page
<b>Free operating cash flow before tax</b>	> -€1.8bn excl. Siemens impacts <sup>2</sup>	-€1.37bn excl. Siemens impacts <sup>2</sup>	EBITDA level + positive impact of actions on WCR
	> -€2.9bn	-€2.4bn	

<sup>1</sup> Penalty received from Siemens: €648m

<sup>2</sup> Penalty received from Siemens of €648m, less €1.679bn, i.e. price paid to acquire AREVA NP shares

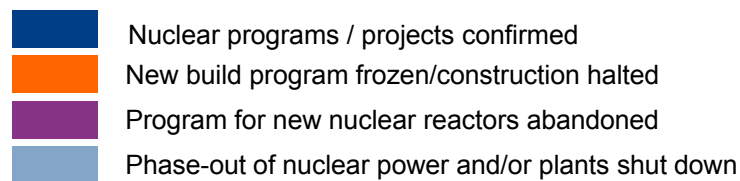
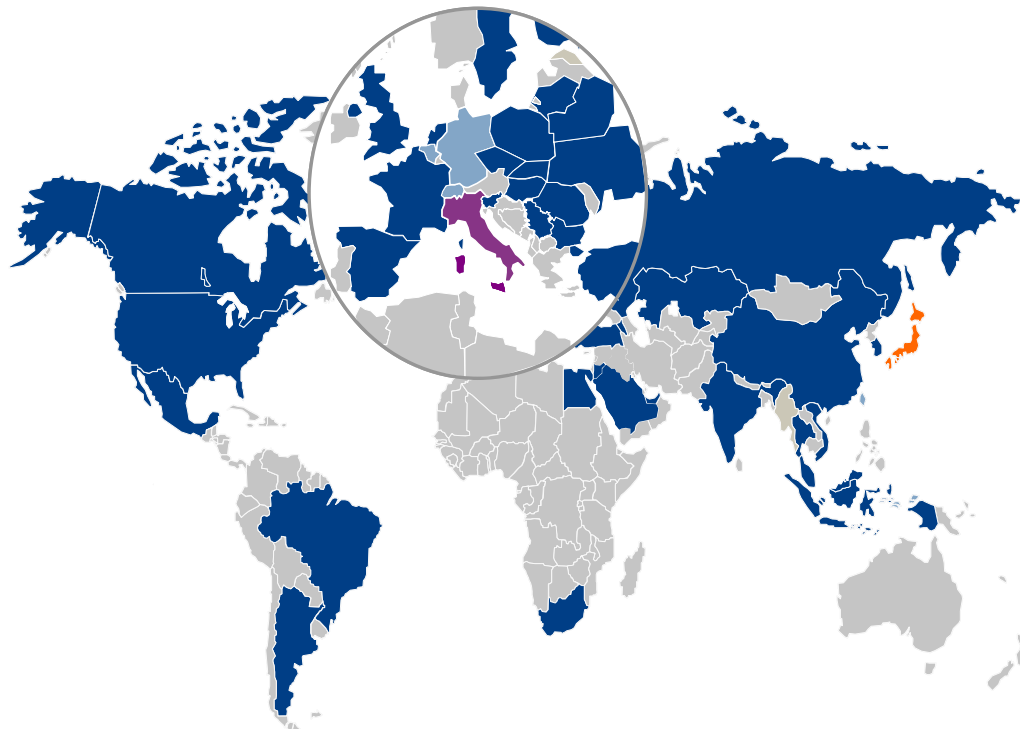
# Provisions recognized in the 2<sup>nd</sup> half of 2011



		Outlook at 12/13/2011	Actual	Gap analysis
Impairment of UraMin assets		€1.46bn	€1.46bn	No change
Provisions	Reactors & Services projects	€330m (incl. €150m for OL3)	€400m (incl. €220m for OL3)	As a precaution, taking into account the latest status of the OL3 project (no impact on the project's critical path)
	Dismantling and preliminary work	€400m (Front End BG / Back End BG)	€511m (Front End BG) €53m (Back End BG)	Back End BG: no change in the movements of end-of-lifecycle obligations' provisions, but change in the pace of recognition in operating income
	Restructuring (gradual shut-down of Dessel plant)	€70m	€70m	No change
	Other impairment	€100m (Front End BG / R&S BG)	€283m (Front End BG) €56m (R&S BG)	Mainly: €12m for Comurhex II after postponement beyond 2016 of investment to increase capacity to 21kT/year

# 2011 Highlights: the market

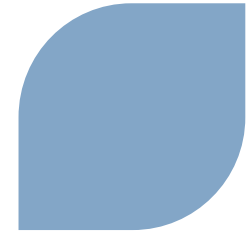
## Major countries confirm their nuclear programs



- ▶ Major nuclear programs will continue after the Fukushima accident (March 11, 2011)
- ▶ Situation in Japan as of 12/31/2011:
  - ◆ 48 reactors of 54 shut down
  - ◆ Debate on energy policy (which should confirm the nuclear program)
  - ◆ Additional safety assessments (stress tests) to be performed before reactors are phased back in towards the 2<sup>nd</sup> half of 2012
- ▶ Situation in Germany as of 12/31/2011:
  - ◆ Decision to phase out nuclear power
  - ◆ 8 plants shut down immediately
  - ◆ Gradual shutdown of 9 remaining reactors

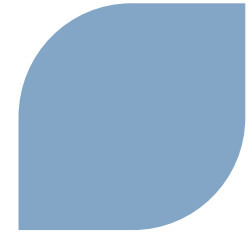


# 2011 Highlights: Group (1/5)



- ▶ **Siemens' withdrawal as an AREVA NP shareholder**
  - ◆ **Independent expert valuation of 34% stake in AREVA NP: €1.62bn (vs. €2.049bn recognized as debt at 12/31/2010) – total cost of acquisition (€1.679bn) paid by AREVA in March 2011**
  - ◆ **Ruling in favor of AREVA regarding the shareholders agreement: €648m penalty applied to Siemens – payment by Siemens in May 2011 (positive impact on operating cash flow before Capex)**
  - ◆ **Net global impact of Siemens' withdrawal from AREVA NP:**
    - Reduction in net debt: €1.082bn
    - Impact on operating cash flow before Capex: - €1.031bn
- ▶ **Sale of interest in STMicroelectronics on March 30, 2011: +€696m in cash**
- ▶ **AREVA Common Shares listed for trading on May 30, 2011**
- ▶ **On June 30, 2011, appointment of a new Executive Board, close link with operations, working as a college with associated Directors**
- ▶ **Bond issue in September 2011: €500m raised, maturity in 2017**
- ▶ **Presentation of the AREVA “Action 2016” strategic action plan on December 13, 2011**

# 2011 Highlights: Group (2/5)



## Specialized committees close link with operations

### Operations Committee

**Committee Chairman:** Philippe Knoche or Olivier Wantz

**Participating members of the Executive Board:** Pierre Aubouin, Sébastien de Montessus

**Key responsibilities:**

- ▶ Review transversal operational matters
- ▶ Allocate shared resources
- ▶ Define harmonized performance criteria (in finance, operations, safety...), validate methods and monitor performance improvement
- ▶ Initiate and validate cross-business policies and roadmaps and monitor their implementation

### Major Offers Committee

#### Thresholds

Nuclear: > €400m  
Renewables: > €20m  
+ all sensitive offers

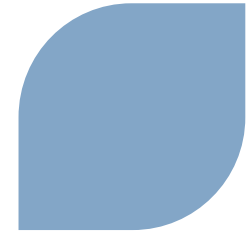
**Committee Chairman:** Luc Oursel or Ruben Lazo

**Participating members of the Executive Board:** Pierre Aubouin, Philippe Knoche, Olivier Wantz

**Key responsibilities:**

- ▶ Validate the general direction of Major Offers throughout the proposal process, with particular emphasis on margins, cash flows and risk (in particular the risk associated with contract terms and conditions)
- ▶ Reviews matters to be submitted to the Executive Board for approval: industrial frameworks, negotiation strategies, contract terms and conditions, prices...

# 2011 Highlights: Group (3/5)



## Specialized committees close link with operations

### Major Projects Committee

**Committee Chairman:** Luc Oursel or Philippe Knoche

**Participating members of the Executive Board:** Pierre Aubouin, Olivier Wantz

**Key responsibilities:**

- ▶ **Oversee the execution (customer relationship, costs, planning, risks and opportunities, procurement, quality, regulatory process...) of internal and customer Major Projects**
- ▶ **Make recommendations and authorize appropriate actions**
- ▶ **Recommend performance improvement actions to the Operations Committee and to the Executive Board**

### Human Resources Committee

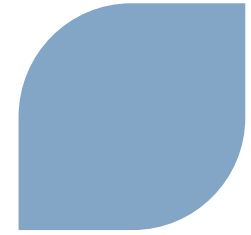
**Committee Chairman:** Philippe Vivien

**Participating members of the Executive Board:** Pierre Aubouin, Sébastien de Montessus, Philippe Knoche, Olivier Wantz

**Key responsibilities:**

- ▶ **Validate, implement and assess key human resources management policies and processes (People Review, training, compensation, etc...)**

# 2011 Highlights: Group (4/5)



Presentation of the AREVA group “Action 2016” strategic action plan on Dec. 13, 2011

## Safety Security Transparency

Commercial  
priority given  
to value  
creation

Selectivity  
in capital  
spending

Debt  
management

Improving our performance

# 2011 Highlights: Group (5/5)



## Special Committee report on the terms of the acquisition of UraMin

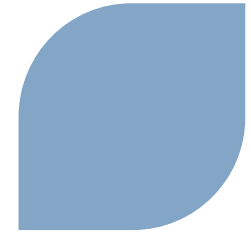
Summary of findings presented to the Supervisory Board on 02/14/2012

- ▶ Confirmation of the fairness and regularity of the financial statements of previous years
- ▶ No element found lending credibility to rumors of fraud
- ▶ Important malfunctionings underpinned requiring an improvement in AREVA's governance

Decisions based on the report's findings

- ▶ Proposal at the next General Meeting of Shareholders that the by-laws of the company be modified to make the Supervisory Board's prior approval of investments (excluding ordinary maintenance), stake acquisitions, and acquisitions mandatory above a threshold of 20 million euros
- ▶ Set up of a business ethics committee within the Supervisory Board responsible for ensuring that rules of conduct are properly applied
- ▶ Finalization of the internal procedure applicable to the review and validation of the various projects and decisions creating a commitment, and the procedures for monitoring their execution
- ▶ Systematic written reports of Executive Board deliberations as well as those of the bodies or authorities having received delegation of authority from it
- ▶ Installation of a resources and reserves committee under the Executive Board's direct authority responsible for validating each year the resource and reserve estimates appearing in the Reference Document, based on the work of the Reserves Department
- ▶ Study of the transformation of the legal form of the company into a limited liability company with a board of directors

# Contents



▶ 2011 review

▶ **Group performance in 2011**

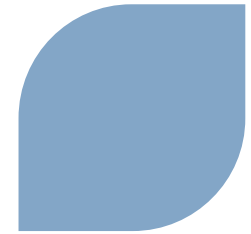
▶ 2011 performance by Business Group

▶ Financial results

▶ Group's strategic action plan follow-up: "Action 2016"

▶ Financial outlook

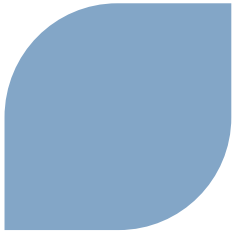
# Key financial indicators



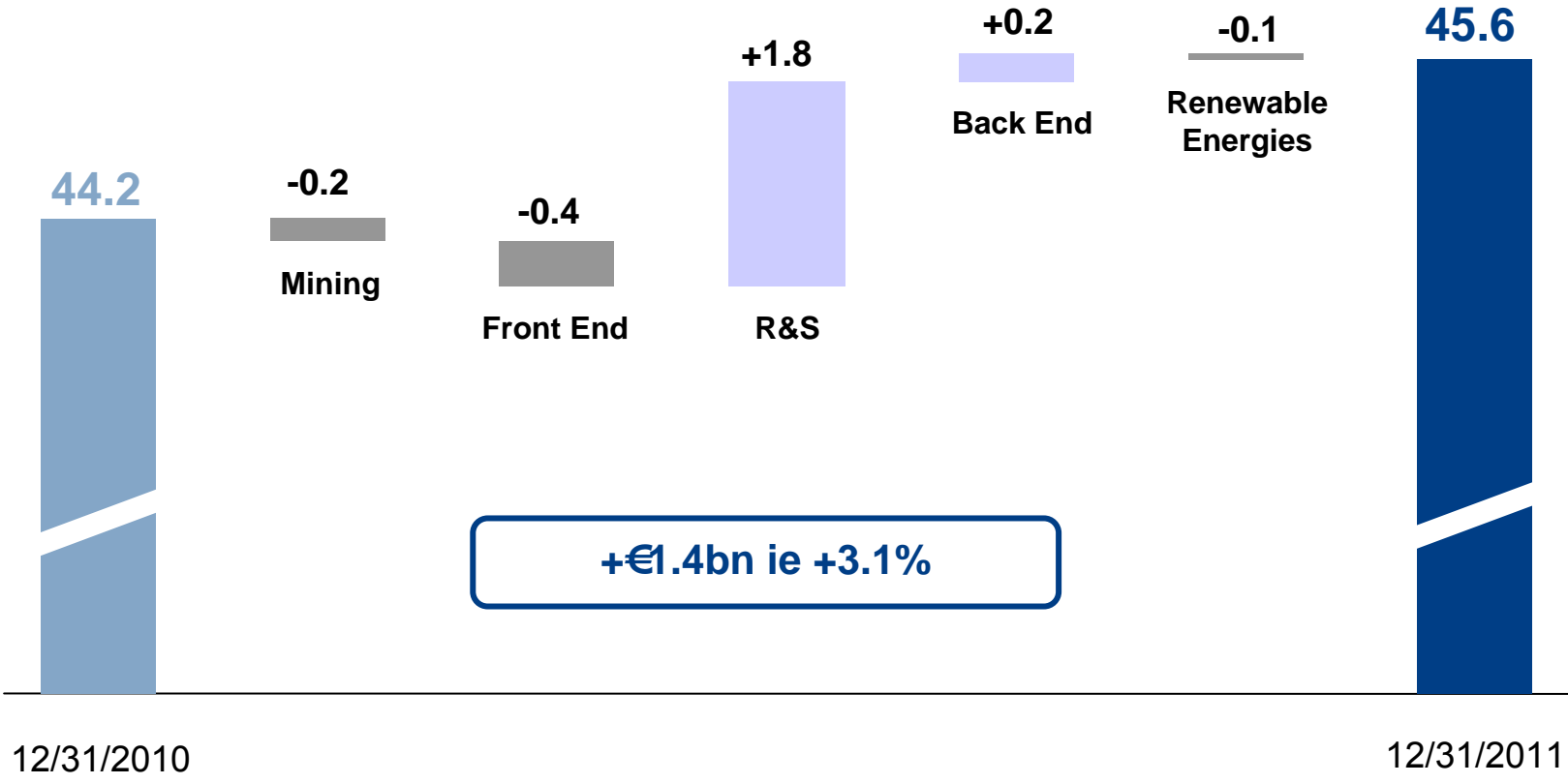
<i>(millions of euros)</i>		2010	2011	Change
<b>Backlog</b>		44,204	45,558	+3.1%
<b>Revenue</b>		9,104	8,872	-2.6%*
<b>Operating income</b>		(423)	(1,923)	-€1.5bn
<b>Net income to equity owners of the parent</b>		883	(2,424)	-€3,307m
<i>Net earnings per share (in euros)</i>		€2.49	-€6.35	-€8.84
<b>EBITDA</b>	incl. Siemens impact	703	1,068	+€365m
	excl. Siemens impact	703	420	-€283m
<b>Free operating cash flow before tax</b>	incl. Siemens impacts	(1,090)	(2,397)	-€1,308m
	excl. Siemens impacts	(1,090)	(1,366)	-€276m
<b>Net debt</b>		3,672	3,548	-€124m

\* -1.2% like for like, i.e. at constant exchange rates and consolidation scope

# Backlog growth

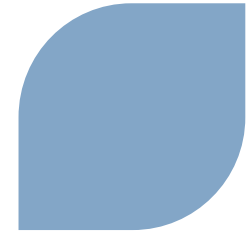


Backlog (billions of euros)

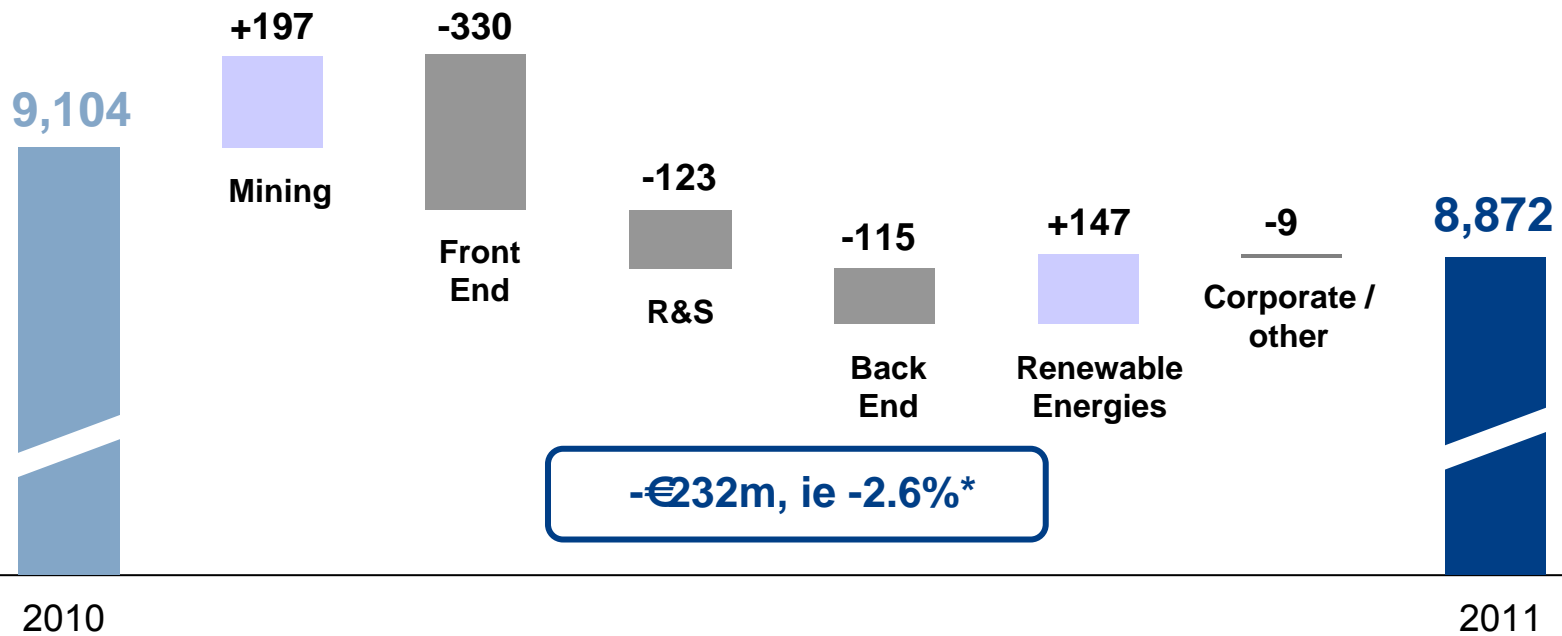




# Change in revenue

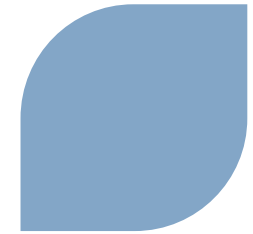


Revenue (millions of euros)

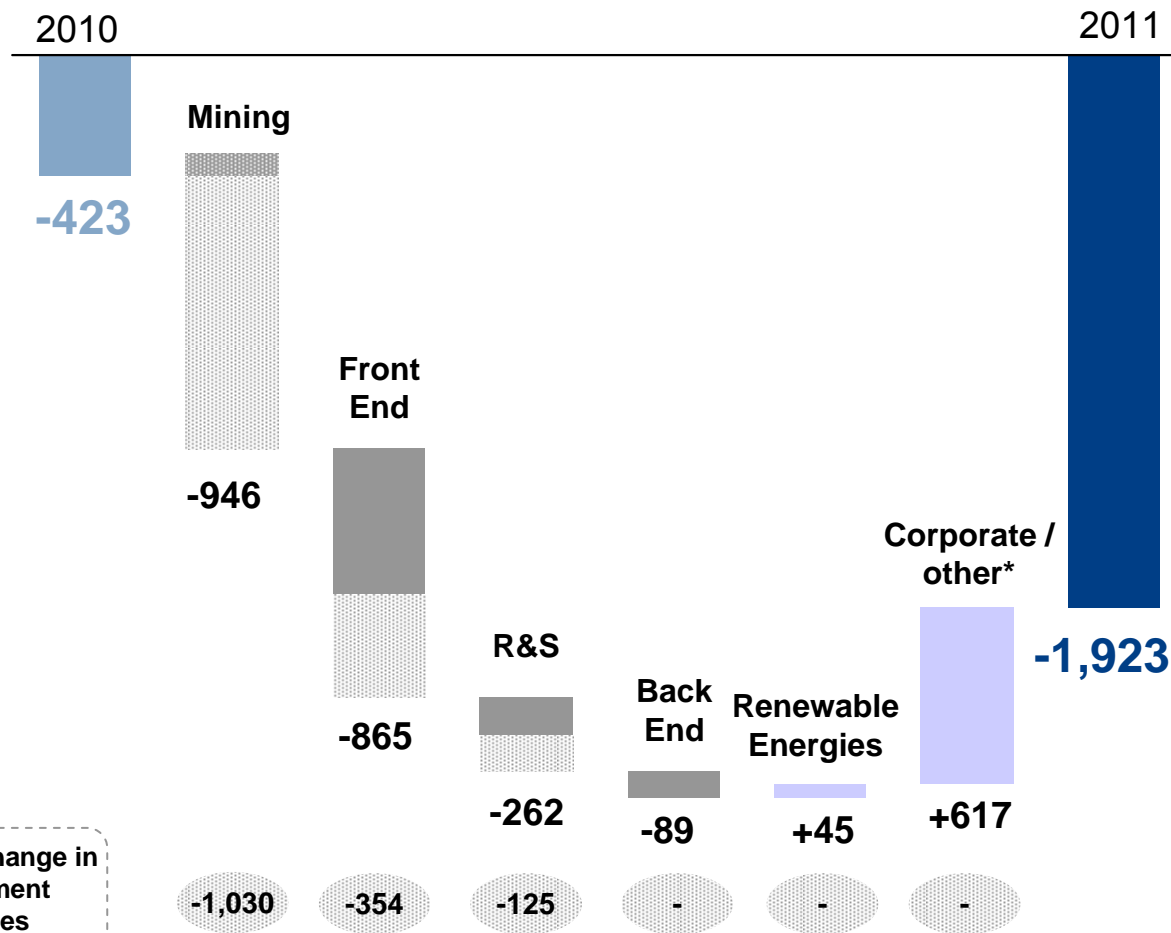


\* -1.2% like for like, i.e. at constant exchange rates and consolidation scope

# Change in operating income



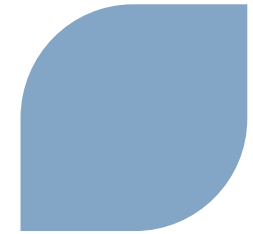
Operating income (millions of euros)



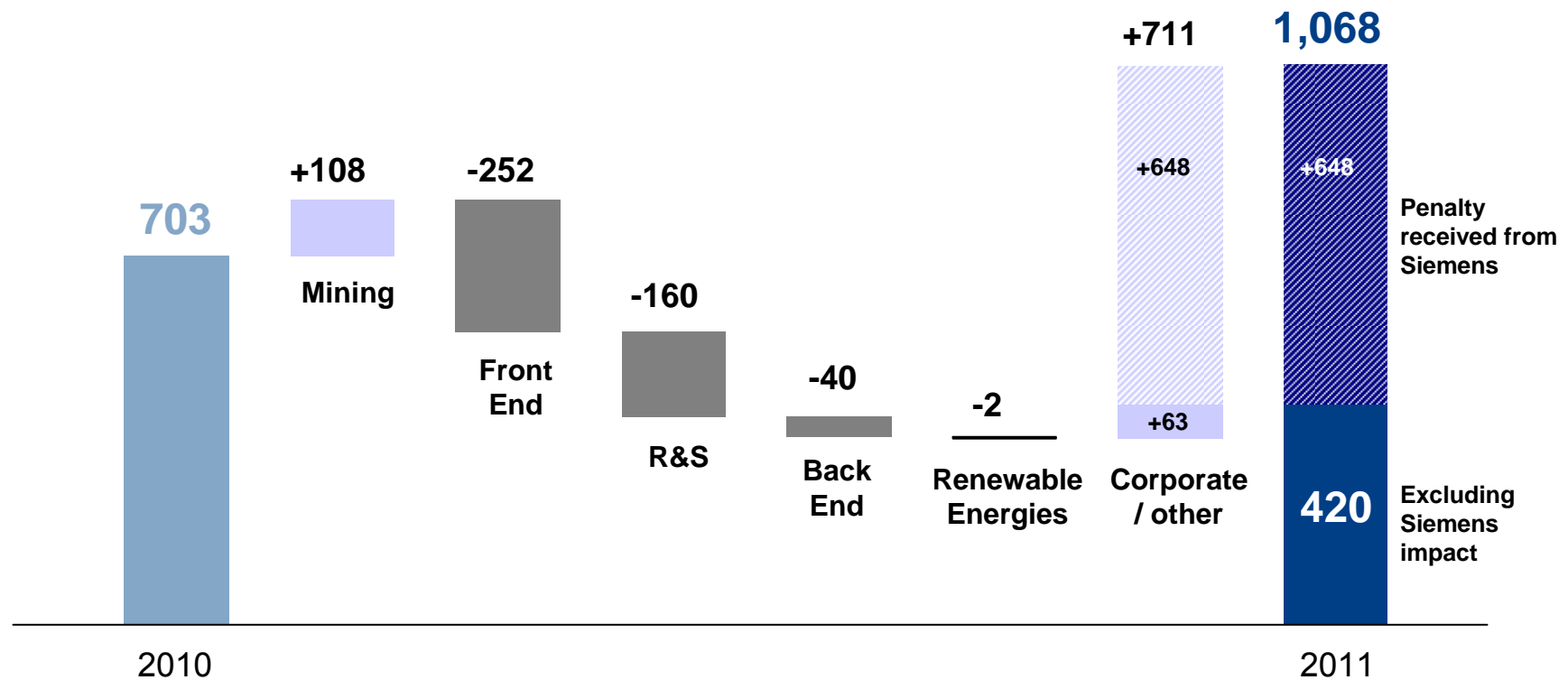
of which change in impairment charges

\* including penalty received from Siemens for the amount of €648m

# Change in EBITDA

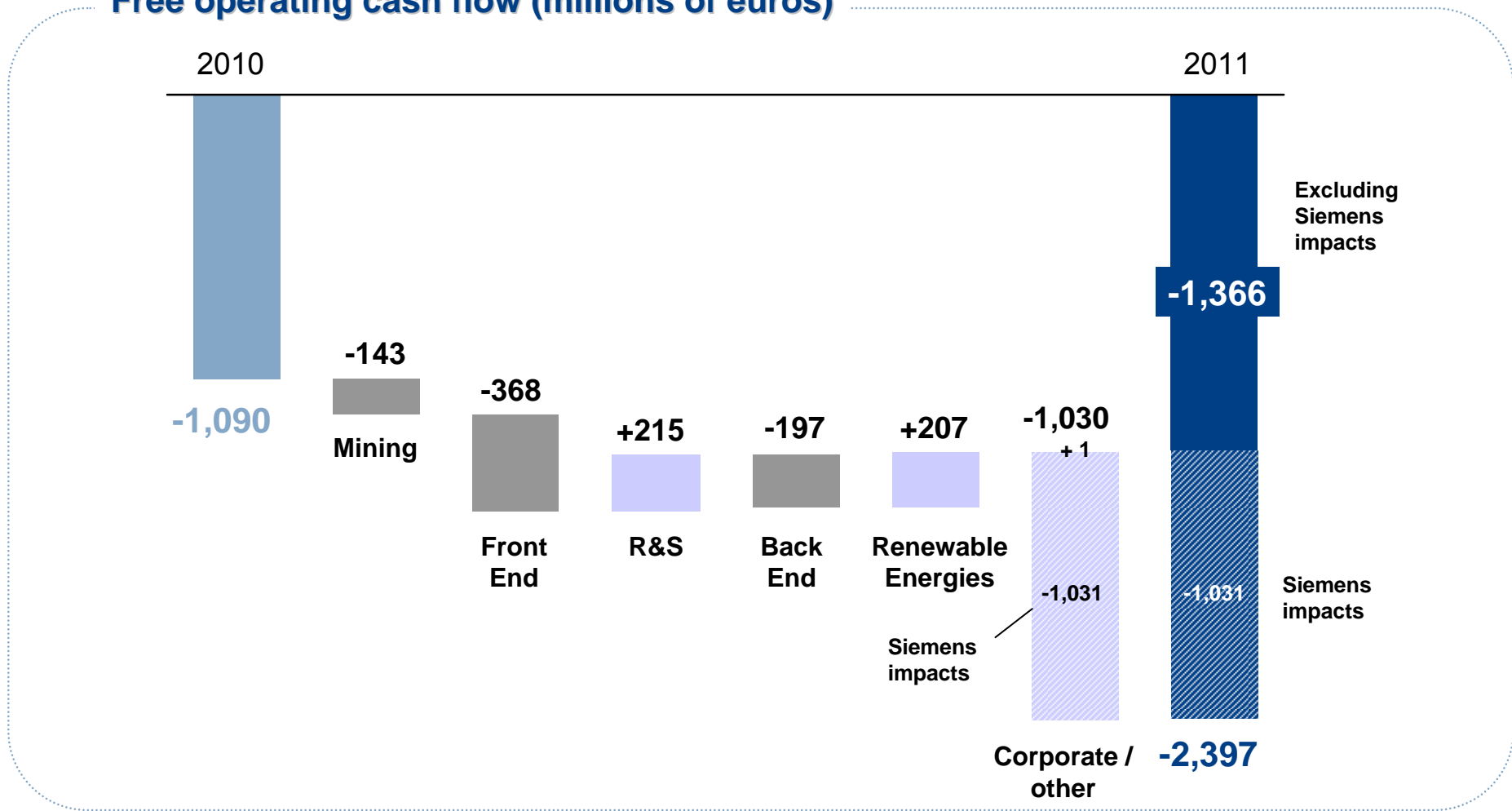


EBITDA (millions of euros)

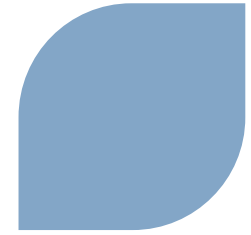


# Change in free operating cash flow

Free operating cash flow (millions of euros)



# Contents



▶ 2011 review

▶ Group performance in 2011

▶ **2011 performance by Business Group**

▶ Financial results

▶ Group's strategic action plan follow-up: "Action 2016"

▶ Financial outlook

## Mining



### Key figures

(millions of euros)

	2010	2011	Change
<b>Backlog</b>	10,445	10,230	-2.1%
<b>Contribution to consolidated revenue</b>	1,092	1,289	+18.0%
<b>Operating income</b>	(222)	(1,169)	-€946m
<i>of which impairment</i>	(426)	(1,456)	-€1,030m
<b>EBITDA</b>	342	450	+€108m
<b>Change in operating WCR</b>	252	(34)	-€286m
<b>Net Capex</b>	611	595	-€16m
<b>Free operating cash flow before tax</b>	(35)	(178)	-€143m



## Front End

### Key figures

(millions of euros)

	2010	2011	Change
<b>Backlog</b>	18,457	18,071	-2.1%
<b>Contribution to consolidated revenue</b>	2,612	2,282	-12.6%
<b>Operating income</b>	85	(780)	-€865m
<i>of which impairment</i>	(120)	(474)	-€354m
<b>EBITDA</b>	432	179	-€252m
<b>Change in operating WCR</b>	78	161	+€83m
<b>Net Capex</b>	729	926	+€197m
<b>Free operating cash flow before tax</b>	(216)	(584)	-€368m



## Reactors & Services

### Key figures

(millions of euros)

	2010	2011	Change
<b>Backlog</b>	7,290	9,103	+24.9%
<b>Contribution to consolidated revenue</b>	3,384	3,262	-3.6%
<b>Operating income</b>	(251)	(512)	-€262m
<i>of which impairment</i>	0	(125)	-€125m
<b>EBITDA</b>	(218)	(378)	-€160m
<b>Change in operating WCR</b>	(187)	191	+€377m
<b>Net Capex</b>	232	228	-€4m
<b>Free operating cash flow before tax</b>	(639)	(423)	+€215m





## Back End

### Key figures

(millions of euros)

	2010	2011	Change
<b>Backlog</b>	6,056	6,282	+3.7%
<b>Contribution to consolidated revenue</b>	1,709	1,594	-6.7%
<b>Operating income</b>	280	191	-€89m
<b>EBITDA</b>	446	406	-€40m
<b>Change in operating WCR</b>	112	(56)	-€168m
<b>Net Capex</b>	142	139	-€4m
<b>Free operating cash flow before tax</b>	414	217	-€197m

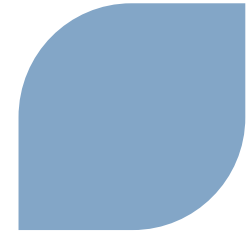
# Renewable Energies



## Key figures

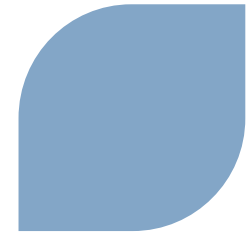
<i>(millions of euros)</i>	2010	2011	Change
<b>Backlog</b>	1,843	1,778	-3.5%
<b>Contribution to consolidated revenue</b>	150	297	+98.2%
<b>Operating income</b>	(123)	(78)	+€45m
<b>EBITDA</b>	(83)	(85)	-€2m
<b>Change in operating WCR</b>	18	35	+€16m
<b>Net Capex</b>	244	52	-€192m
<b>Free operating cash flow before tax</b>	(309)	(102)	+€207m

# Contents



- ▶ 2011 review
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- ▶ 2011 performance by Business Group
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- ▶ Financial outlook

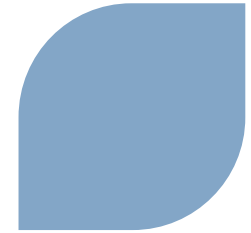
## Non-operating items



<i>(millions of euros)</i>	2010	2011	Change
<b>Operating income</b>	(423)	(1,923)	-€1,500m
<b>Net financial income</b>	(314)	(548)	-€234m
<b>Share in net income of associates</b>	153	62	-€91m
<b>Income tax</b>	334	(156)*	-€490m
<b>Net income attributable to minority interests</b>	(103)	143	+€246m
<b>Net income from discontinued operations</b>	1 236	(2)	-€1,238m
<b>Net income attributable to equity owners of the parent</b>	883	(2,424)	-€3,307m
<i>Net earnings per share (in euros)</i>	2.49€	-6.35€	-8.84€

\* The Group did not recognize deferred tax income in connection with the negative current income before tax for the year

## Net financial income

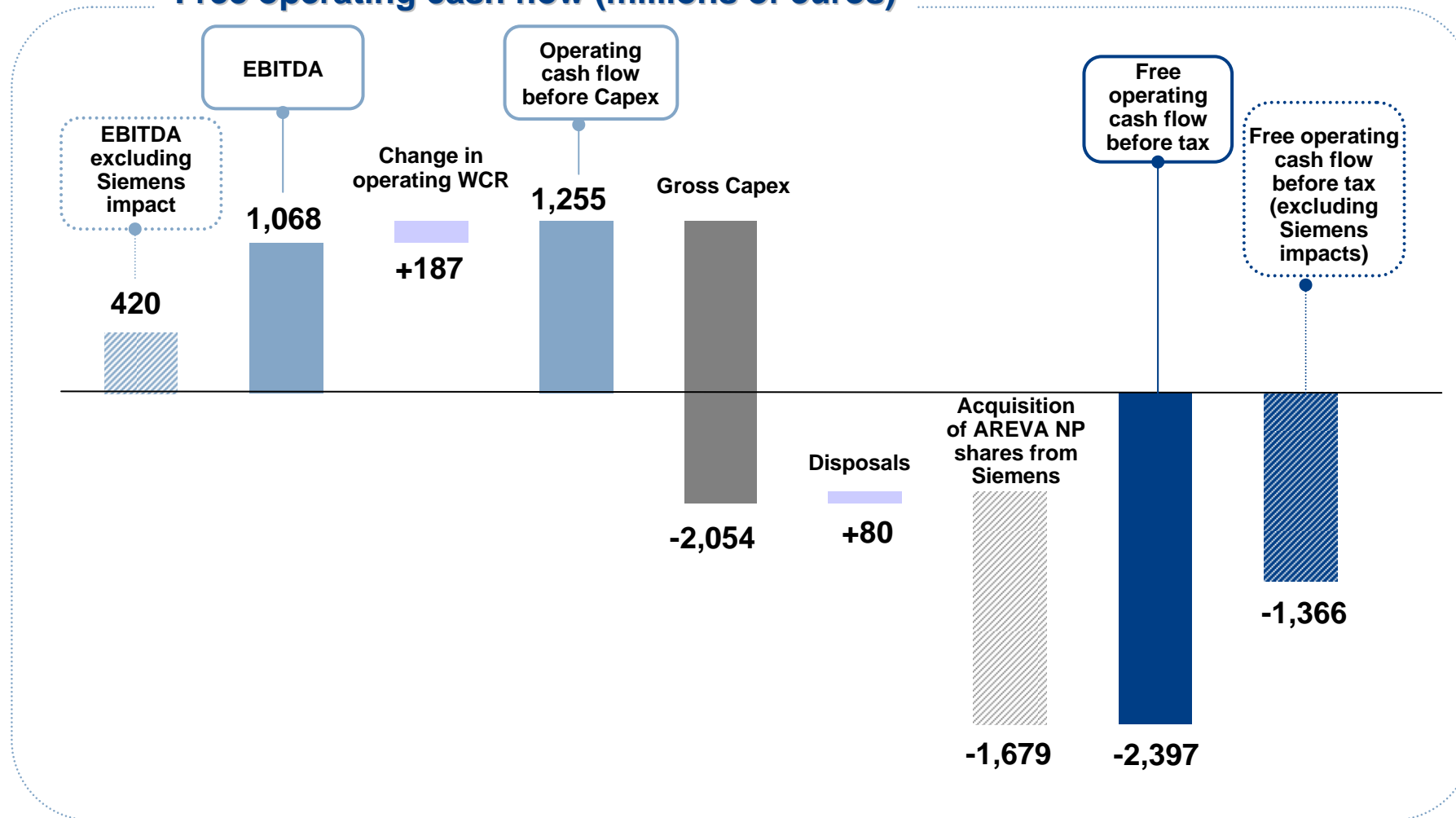


<i>(millions of euros)</i>	2010	2011	Change
<b>End of lifecycle operations including:</b>	(98)	(152)	-€54m
<i>Income from financial portfolio earmarked for end-of-lifecycle operations</i>	80	165	+€85m
<i>Lasting impairment of earmarked portfolio</i>	-	(86)	-€86m
<i>Income from receivables related to dismantling and from discount reversal on earmarked assets</i>	81	60	-€21m
<i>Impact of revised schedules</i>	(5)	-	+€5m
<i>Discounting reversal expenses on end-of-lifecycle operations</i>	(254)	(291)	-€37m
<b>Net borrowing costs</b>	(158)	(72)	+€86m
<b>Net gain on sales of securities</b>	214	1	-€213m
<b>Loss on disposal of equity interests*</b>	(101)	(48)	+€53m
<b>Discount reversal on retirement and other benefits</b>	(73)	(82)	-€9m
<b>Other income (expenses)</b>	(98)	(195)	-€97m
<b>Net financial income</b>	<b>(314)</b>	<b>(548)</b>	<b>-€234m</b>

\* STMicroelectronics in 2010 and Eramet in 2011

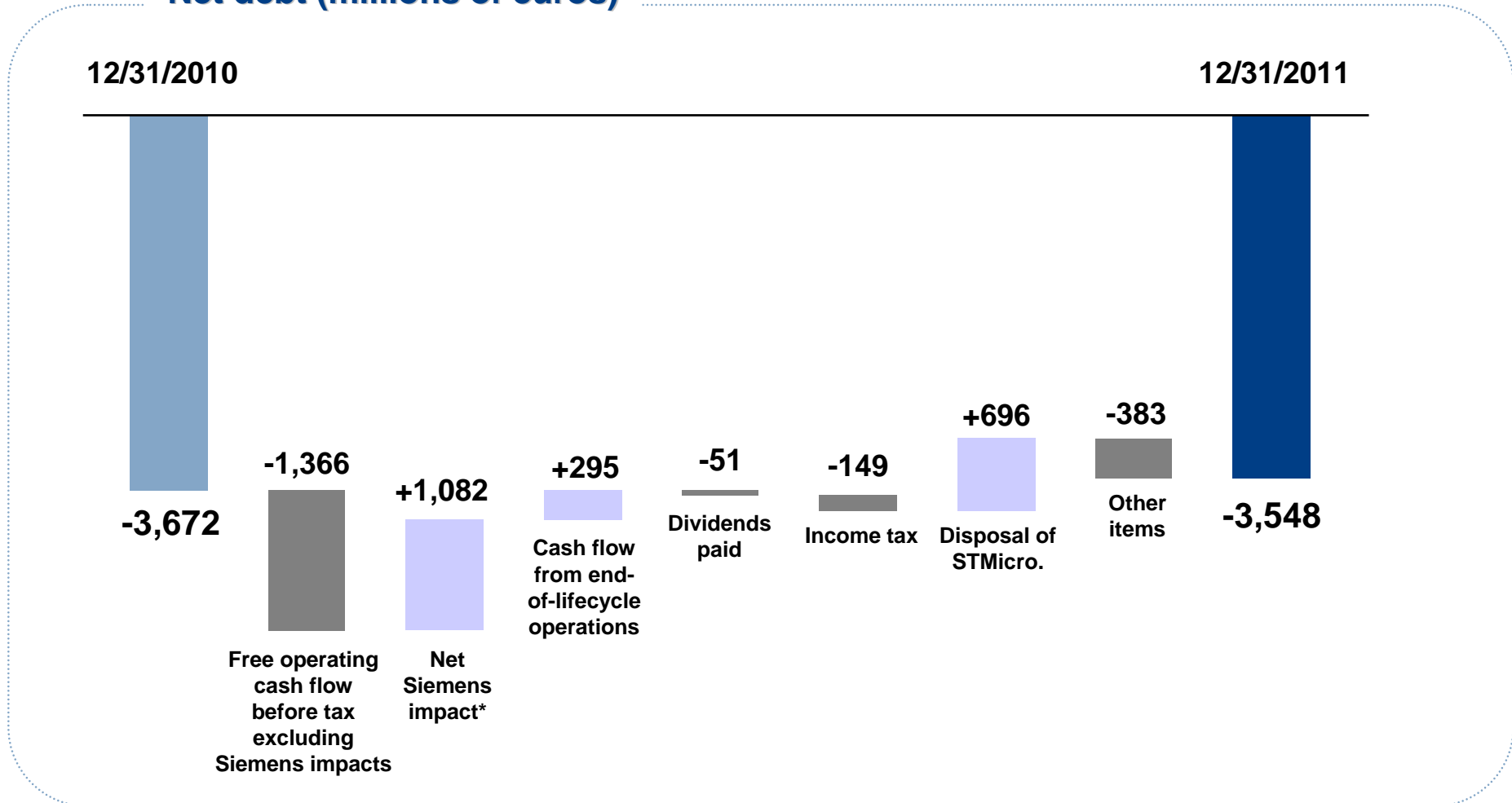
# Free operating cash flow before tax

Free operating cash flow (millions of euros)



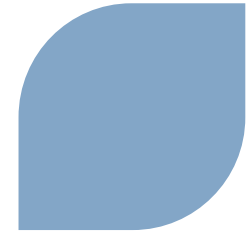
# Net debt

## Net debt (millions of euros)



\* Independent valuation of 34% of AREVA NP and penalty paid by Siemens (ICC arbitration), excluding interest received on damages

# Contents



- ▶ 2011 review
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- ▶ 2011 performance by Business Group
- ▶ Financial results
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- ▶ Financial outlook



# Action 2016

## Safety Security Transparency

### Commercial priority given to value creation

- Installed Base:  
doubling profitability  
by 2016
- New Builds:  
becoming the reference  
technology

### Selectivity in capital spending

- €7.7bn over the  
2012-2016 period,  
i.e. -34% vs. 2007-2011
- Several projects on  
hold

### Debt management

- Disposal plan  
> €1.2bn over the  
2012-2013 period
- Fully self-financed  
Capex on a cumulative  
basis over the 2012-2016  
period

### Improving our performance

-€1bn on annual operating costs base and -€500m in WCR by 2015

► Concrete progress in all strategic orientations

# Commercial priority given to value creation (1/2)

## Commercial successes since December 13, 2011



### Fuel Cycle



### Reactors & Services



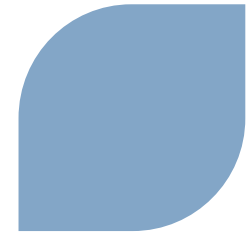
### Renewable Energies

#### New orders

- ▶ **January 4, 2012:** \$500m contract to supply fuel to Xcel Energy (unique integrated contract to supply fuel and associated services)
- ▶ **End of 2011:** contracts with EDF for preliminary engineering and manufacturing of some forgings for new reactors that the French utility plans to build in the United Kingdom
- ▶ **January 27, 2012:** renewal of contract with EDF for vessel inspections of the whole 58 reactors in France (10 years + option for 5 additional years)
- ▶ **January 31, 2012:** contract with SNC-Lavalin Nucléaire to supply ventilation systems for the containments of the Cernavoda reactors (Romania)
- ▶ **December 2011:** contract for the construction and the operations and maintenance services of a concentrated solar power plant in India for a major developer. The order includes a first 125 MW tranche and an option for a second 125 MW tranche



# Commercial priority given to value creation (2/2)



## Fuel Cycle



## Reactors & Services



## Renewable Energies

### Commercial agreements

- ▶ **February 2, 2012:** EDF and AREVA have reached an agreement on the principle of a long-term partnership to supply natural uranium over the 2014-2030 period with a total volume which can reach more than 20,000 metric tons, consolidating AREVA's status as leading partner of EDF (nearly 40% of its annual requirements in this area)
- ▶ **February 17, 2012:** MOU with EDF for the delivery of nuclear steam supply systems and instrumentation & control systems for the Hinkley Point C EPR project in the United Kingdom
- ▶ **February 2, 2012:** partnership with Tucson Electric Power (TEP) for an innovative project to raise the capacity of the Sundt fossil fuel power station in Tucson, Arizona, USA

### Bids submitted

- ▶ **January 31, 2012:** AREVA and its partners submit a bid to Finnish utility Fennovoima for the construction of an EPR reactor in Pyhäjoki (North Ostrobothnia, Finland)
- ▶ **January 12, 2012:** the consortia formed by AREVA with, respectively, GDF-Suez/Vinci and Iberdrola/Eole Res, respond to the call for bids for the construction of 5 offshore wind projects in France

# Backlog: 5 years of revenue in backlog

## Backlog at end of December 2011

	In value	Number of years of 2011 revenue in backlog	2012 estimated revenue already in backlog by BG (rounded in %)
 Mining	€10.2bn	8 years	c. 85%
 Front End	€18.1bn	8 years	c. 85%
 Reactors & Services	€9.1bn	3 years	c. 75%
 Back End	€6.3bn	4 years	c. 85%
 Renewable Energies	€1.8bn	6 years	c. 85%



# Selectivity in capital spending

## ASN report on supplemental safety assessments (SSA)

- ▶ **January 3, 2012:** Publication of ASN recommendations on the SSA process required following the Fukushima accident
- ▶ **Conclusions:**
  - ◆ French nuclear facilities' safety considered satisfactory by ASN and IRSN (including the Flamanville EPR reactor)
  - ◆ Confirmation of the robustness of French used fuel treatment and fuel fabrication plants
- ▶ **Safety is AREVA's first priority:**
  - ◆ Since 2006, major Capex program in the front end of the cycle
  - ◆ 2 billion euros devoted to safety and maintenance over the 2012-2016 period
  - ◆ Anticipation of some ASN requirements in the strategic action plan
  - ◆ Estimated additional costs at the end of January: the budget of 2 billion euros could increase by 10%

## Planned EDF acquisition of a stake in Imouraren

- ▶ **February 10, 2012:** in line with the decisions made by the Conseil de Politique Nucléaire (French Nuclear Policy Council), EDF and AREVA have reached an agreement on the principles of a long-term partnership to supply natural uranium over the 2014-2030 period
- ▶ Advanced negotiations with EDF to contribute to the funding of Imouraren development in exchange for a share of future production (these principles will provide the basis for a series of agreements which will be subject to approval by the management bodies of the two Groups)
- ▶ **Benefits:**
  - ◆ For AREVA: visibility of volumes sold over the contract term
  - ◆ For EDF: long-term security of supply, with geographic diversification of risk
  - ◆ This agreement will allow AREVA to finalize financing arrangements for the Imouraren project



# Status of asset disposal program



## Disposals initiated, signed or completed since December 13, 2011

- ▶ **December 14, 2011:** disposal of 01dB-Metravib, a subsidiary of AREVA TA, to the 01dB-Metravib management team in partnership with the Lyon-based investment fund EVOLEM
- ▶ **December 27, 2011:** start of exclusive negotiations for the sale of AREVA's stake in Eramet with the Fonds Stratégique d'Investissement (the strategic investment fund, FSI). AREVA has agreed with FSI on the principles for the disposal of this stake for an amount of 776 million euros. The legal formalization of this agreement should take place over the following days.
- ▶ **January 30, 2012:** disposal of AREVA's 20% stake in Sofradir to Safran and Thalès
- ▶ **February 10, 2012:** agreement in principle to enter into a long-term partnership with EDF which paves the way for an EDF contribution to the financing of the Imouraren mine development project, in exchange for a share of future production
- ▶ **March 1<sup>st</sup>, 2012:** signing of a binding agreement with Cameco related to the disposal of AREVA's minority stake in Millennium mining project for 150 million canadian dollars and the payment of royalties based on future revenues of the mine

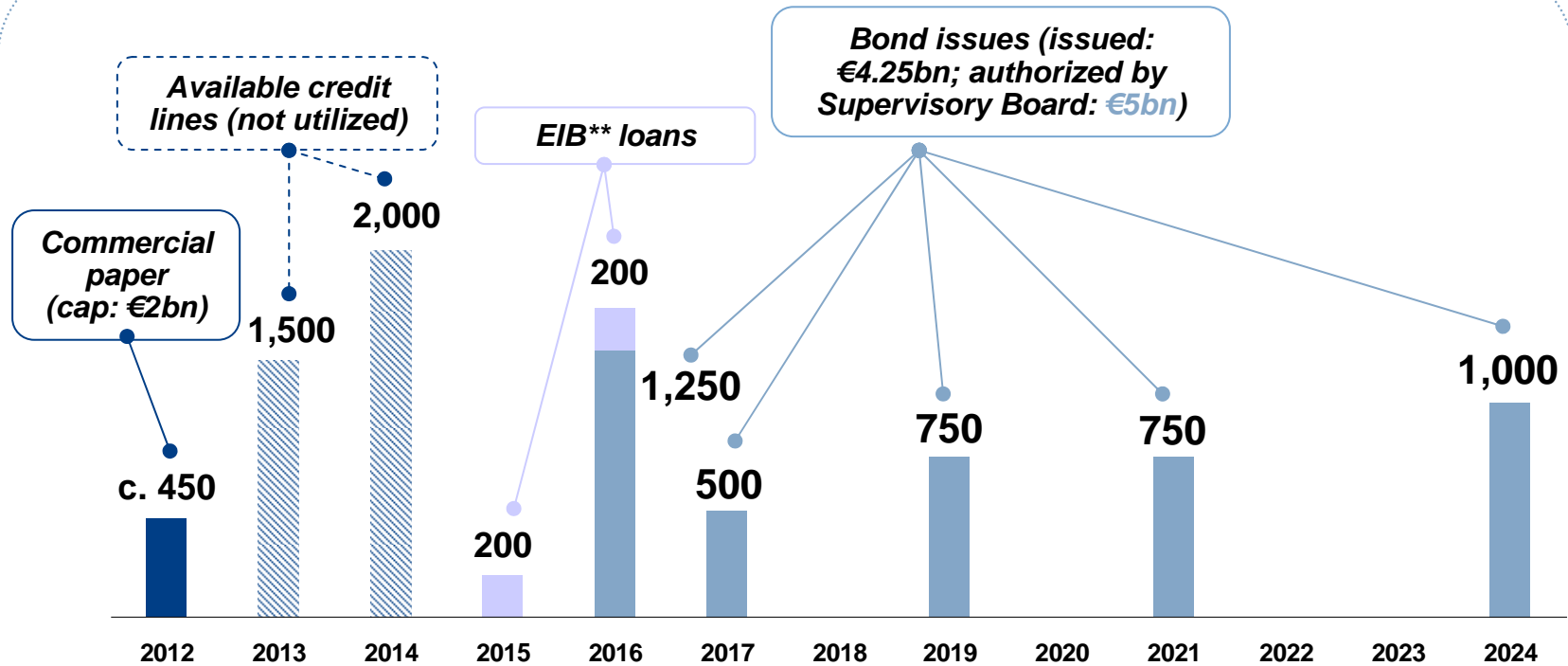
- ▶ **On good track to achieve in 2012 most of the Group's objective of over 1.2 billion euros in asset sales over the 2012-2013 period**

# Liquidity and debt management

Maturities of key financial obligations (millions of euros at 12/31/11)

Net cash\* at December 31, 2011

€1.2bn

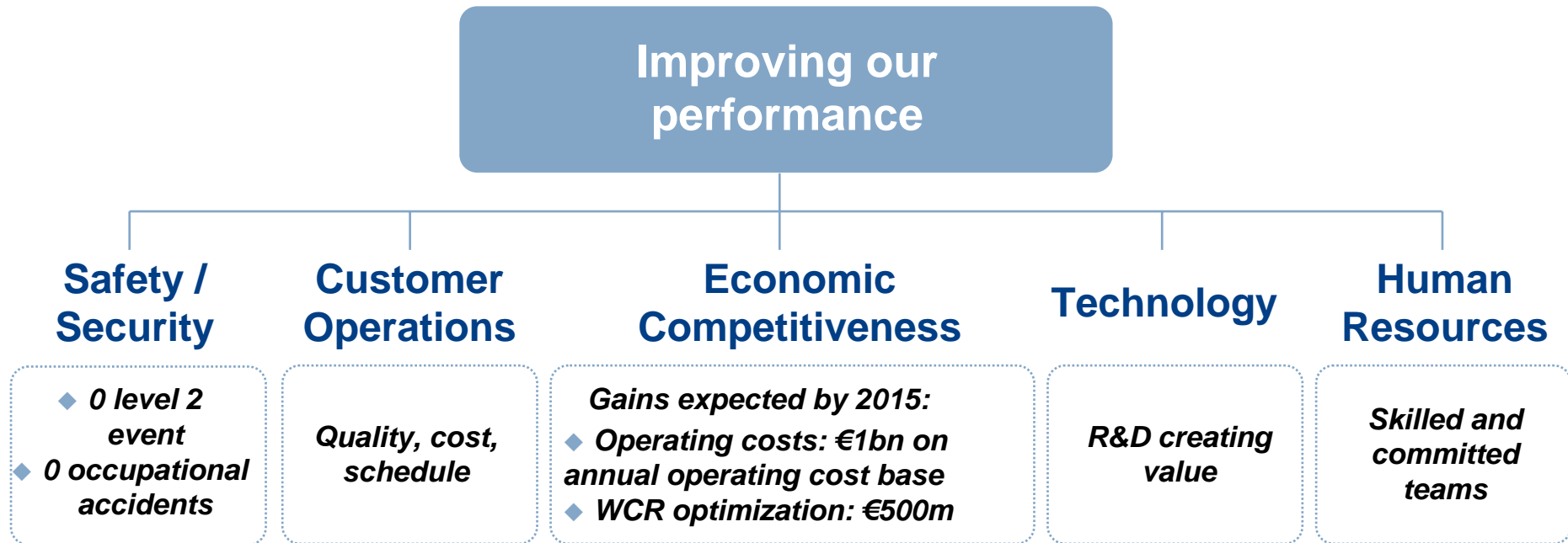
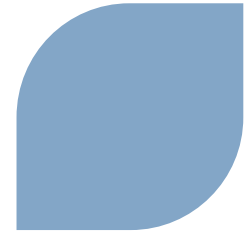


- ▶ No major debt refinancing required before 2016
- ▶ Fixed rate borrowings: ~ 70%
- ▶ Average maturity: 7.5 years

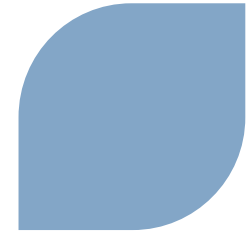
\* Cash and cash equivalents (€2.347bn) less current borrowings (€1.144bn)  
 \*\* European Investment Bank



# The five pillars of performance improvement







# Safety / Security

## Continuous improvement

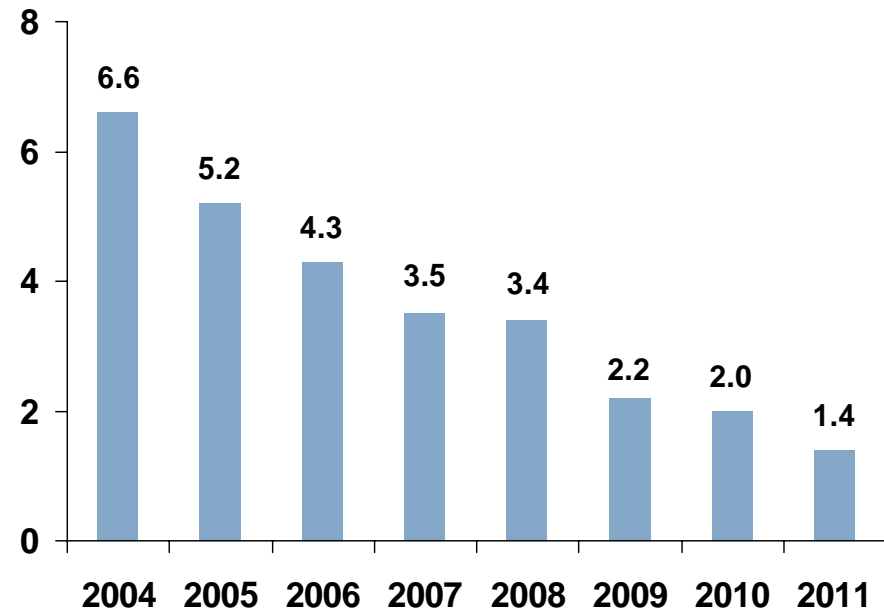
### Safety

#### Statistics

- ▶ **0 INES level 2 events in 2011, compared with 1 INES level 2 event in 2010**
  
- ▶ **19 INES level 1 events in 2011, compared with 18 INES level 1 events in 2010**

### Security

#### Number of accidents per million hours worked



\* INES scale: see Appendix 11



# Operations / Customers

## Unequaled experience in building Generation III reactors

Percentage of project completion at 12/31/2011  
(AREVA's scope of work)

Key events since December 13, 2011



### Olkiluoto 3

82%  
(turnkey nuclear plant)

- ▶ Delivery of electrical cabinets for the instrumentation & control (I&C) system allowing tests to start
- ▶ Installation of the fuel handling crane in the fuel building
- ▶ Preparation of seawater injection in the cooling system



### Flammanville 3

59%  
(supply of the nuclear steam supply system)

- ▶ Progress in the installation of supports (welded with accessories)
- ▶ Successful completion of hydraulic testing of the 4 steam generators
- ▶ Start of testing of the Teleperm XS I&C cabinets

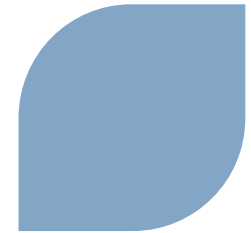


### Taishan 1 & 2

69%\*  
(supply of two nuclear islands)

- ▶ Start of testing of the Unit 1 polar crane
- ▶ Delivery of the first I&C cabinets for Unit 1
- ▶ Successful completion of hydraulic testing of the 4 steam generators
- ▶ Delivery of the Taishan 1 reactor vessel

\* Design and engineering activities



# Operations / Customers

## Key events since December 13, 2011



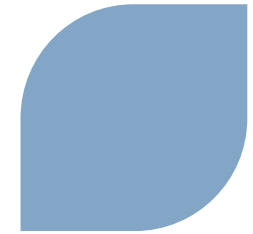
### Mining

- ▶ **2011: 8,790 MTU produced by AREVA (accessible share)**
- ▶ **2<sup>nd</sup> largest uranium producer in the world**
- ▶ **Lowest average production cost on the market**



### Front End

- ▶ **December 19, 2011: start of public inquiry on preliminary steps prior to dismantling of the Georges Besse I plant (Eurodif)**
- ▶ **Early January 2012: final plan for permanent shutdown of the Georges Besse I plant (beginning of the shutdown phase scheduled by the end of the 2012 first half)**
- ▶ **December 22, 2011: delivery to CNNC of a batch of fuel assembly components for 700 assemblies and 800 control rod clusters (the largest delivery by the Group in China so far)**
- ▶ **February 2012: ramp-up of the Georges Besse II plant with 21 cascades in production at the end of February (+5 cascades vs. December 2011)**



# Operations / Customers

## Key events since December 13, 2011



### Reactors & Services

- ▶ **December 14, 2011:** interim Design Acceptance Confirmation (iDAC) for the EPR reactor by the United Kingdom's Office of Nuclear Regulation (ONR)
- ▶ **February 9, 2012:** French nuclear safety authority's (ASN) favorable opinion of the ATMEA1 reactor's safety options
- ▶ **February 17, 2012:** MOU with Rolls Royce on component manufacturing for new reactors
- ▶ **February 18, 2011:** selection of AREVA's design for a modular Generation IV high-temperature gas-cooled reactor by the Next Generation Nuclear Plant Industry Alliance LLC (NGNP) in the United States



### Back End

- ▶ **End of 2011:** confirmation of the United Kingdom's interest in MOX fuel

# Operations / Customers

## Key events since December 13, 2011

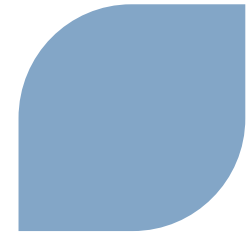


### Renewable Energies

- ▶ **2011:** around twenty offshore turbines produced in the Bremerhaven plant, with a significant ramp-up expected in 2012
- ▶ **Mid-december 2011:** boiler erection for Biomass cogeneration power plant in Pierrelatte
- ▶ **January 16, 2012:** inauguration of an energy storage platform (MYRTE) in Corsica
- ▶ **January 27, 2012:** nomination of the Global Tech I offshore wind project equipped with AREVA's M5000 turbines as the "Wind project of the year" by Project Finance International



# Strengthening our economic competitiveness



## Improving operating costs and support function performance

70% from gains on external expenses

**GBI → GBII**  
Savings on energy consumption through technology innovations (-€180m as from 2013)

70% reduction in engineering subcontracting costs by 2013

Reduction in procurement expenses for ongoing projects and recurring business

Reduction in IT costs

30% from optimization of internal expenses

- ◆ Intention to freeze salaries in 2012
- ◆ Renunciation of the Executive Board's 2011 bonus

Reduction in cost/revenue ratio from 15% to 10% by 2015

### Objectives:

- ◆ Reduction in workforce in Germany by 1,200/1,500
- ◆ Reduction in the number of sites in the US

Considering gathering the Parisian sites and bringing together management teams and industrial sites

- €1bn on annual operating costs base and -€500m change in WCR by 2015

# Strengthening our economic competitiveness

## Cost reduction initiatives in progress



### Mining

- ▶ Production costs: maintain of the market's most effective cost basis in 2011
- ▶ Optimization and reduction of ore treatment costs with the agreement between partners of the McClean JV (70% AREVA) and the Cigar Lake JV (50% Cameco, 37% AREVA) to process all Cigar Lake uranium at the JEB plant (McClean)
- ▶ Start of reduction in uranium shipping costs by increasing the quantity of uranium in each container (target: down to 40%)



### Front End

- ▶ Reduction the use of energy: from 800 MW to 600 MW at the Georges Besse I plant
- ▶ Temporary interruption of Comurhex production for a 2-month period (November / December 2011)
- ▶ Dessel, Belgium: agreement with employee representation bodies on a social package for gradual shutdown of the site



### Reactors & Services

- ▶ Management of the low capacity utilization in the Equipment business: 115 employees to be transferred to the Installed Base business
- ▶ Dover site in the United States (Nuclear Measurement business) to be permanently shut down and operations transferred to the Oak Ridge site
- ▶ EPR: pursuit of competitiveness actions' improvement (example: reduction of the time required to maintain the polar crane from 49 to 34 hours)
- ▶ Creusot Forge: investment in a new press and a manipulator to improve the competitiveness in forgings' manufacturing

# Strengthening our economic competitiveness

## Cost reduction initiatives in progress



### Back End

- ▶ La Hague: renegotiation of the contract for maintenance of utilities
- ▶ Reduction in N3S waste volumes generated - to date: 12% reduction (at like-for-like activity level)



### Renewable Energies

- ▶ Restructuring of the Biomass business in Brazil
- ▶ Cost and product performance improvement program in the Offshore wind, Solar and Biomass businesses
- ▶ Development of an industrial base in India for the Solar market



### E&P (Engineering & Projects)

- ▶ Reduction of engineering hours on projects through implementation of integrated systems / I&C teams on large projects (reducing the number of handovers between disciplines)
- ▶ Improvement of engineering's full cost through savings on indirect and internal projects
- ▶ Implementation of a more systematic Design To Cost approach for "one-off" projects
- ▶ Development of productivity references, to support cost estimate reduction targets
- ▶ Capitalization on a wide range of Lessons Learned collected on projects and operating plants

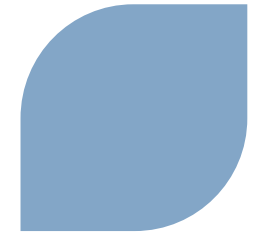


### Corporate

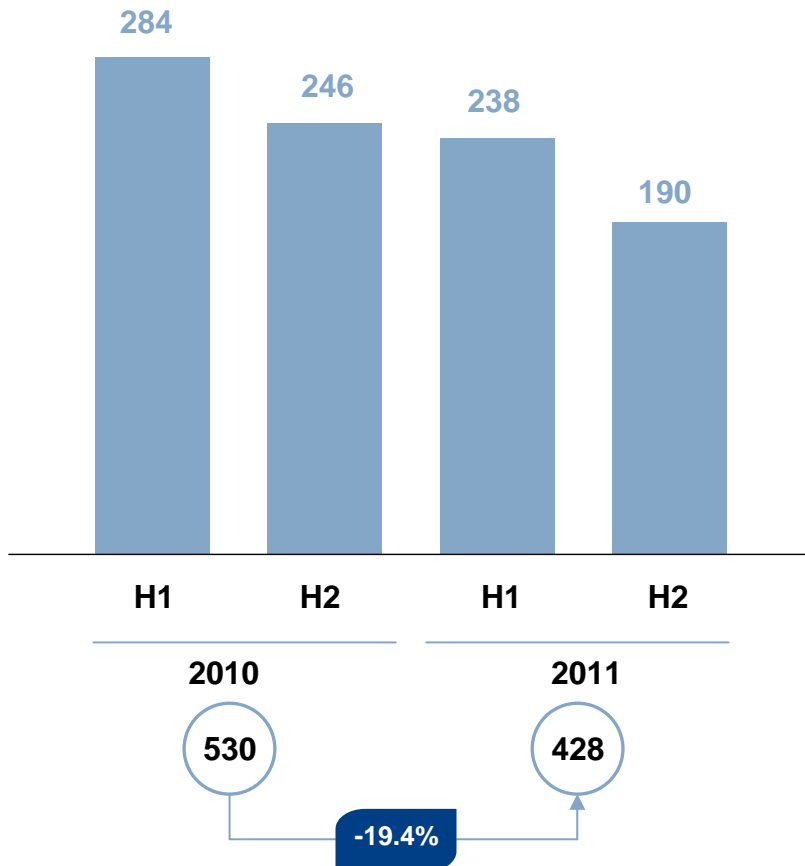
- ▶ First successes of overhead cost reduction programs
- ▶ Simplification of Group reporting processes
- ▶ Cuts in communications spending
- ▶ Savings on communication, travelling and other support function expenses



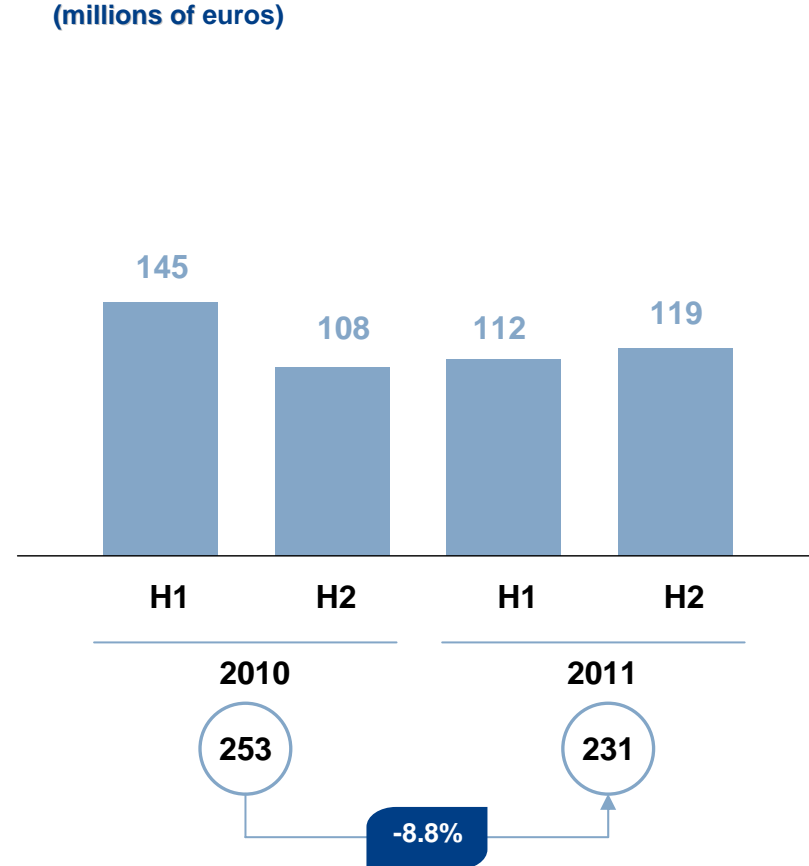
# Strengthening our economic competitiveness



**G&A expenses** (millions of euros)



**Marketing & sales expenses** (millions of euros)



► Significant reduction in General & Administrative and Marketing & Sales expenses



# Strengthening our technology leadership



## An even more value-creating R&D

### Activity

- ▶ **2011: 104 patents registered (vs. 91 in 2010 and 85 in 2009)**

### HR

- ▶ **January 16, 2012: nomination of 160 new AREVA experts (total of 900 AREVA experts in 13 technical areas)**

### Partnerships

- ▶ **January 10, 2012: creation of a “R&D Institute on Light Water Reactors” to coordinate R&D programs between AREVA, CEA and EDF**
- ▶ **February 2, 2012: signature by AREVA R&D of a convention with the INSA Foundation of Lyon to create a research and teaching chair; start of a 5-year partnership**

### R&D Financing

- ▶ **February 14, 2012: the French environmental and energy conservation agency ADEME grants label to the STARS\* project, paving the way for financing by the Commissariat Général à l'investissement (c. 3 million euros in subsidies)**

\* STARS Project: Thermal storage applied to the production of solar energy



# Human Resources

## Headcount at the end of the period

	2010	H1 2011	2011
 <b>Mining</b>	5,221	5,319	5,319
 <b>Front End</b>	8,808	8,928	8,888
 <b>Reactors &amp; Services</b>	16,985	16,966	16,367
 <b>Back End</b>	10,931	10,952	11,009
 <b>Renewable Energies</b>	1,176	1,280	1,252
 <b>Corporate</b>	4,730	4,783	4,706
 <b>Total</b>	47,851	48,228	47,541

# Human Resources

## A year of mobilization and cohesion



### Mining

- ▶ Creation of AREVA Mines as a first-level subsidiary and installation of related employee representation bodies
- ▶ Increased recognition of geology, ore treatment and mining techniques as areas of expertise
- ▶ Deployment of the Talent Building tool in all countries of the BG and strengthening of the internal mobility policy (150 mobilities in 2011)



### Front End

- ▶ Deployment of a training program and constructive dialogue with employee representation bodies to manage temporary overcapacity at the Comurhex sites without any part-time unemployment
- ▶ Announcement of the decision to shut down operations at Dessel plant
- ▶ Participatory approach for the reorganization of Tricastin site



### Reactors & Services

- ▶ Adjustment of the workforce and skills to reflect new market conditions, with a focus on internal mobility, professionalization and cross-qualification (*AREVA Métiers* in Saône & Loire / St Marcel / Chalon)

# Human Resources

## A year of mobilization and cohesion



### Back End

- ▶ Team of a hundred volunteer experts present in Japan for several months after the Fukushima accident (Actiflorad project)
- ▶ Optimization / sharing of support functions by setting up services agreements between the functions and their internal clients
- ▶ Skills and know-how development program focused on Expertise and Projects



### Renewable Energies

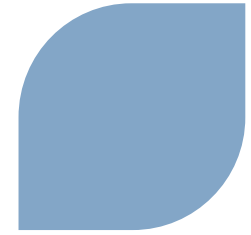
- ▶ Project for the creation of two plants in Le Havre for nacelle assembly and rotor blade manufacturing (up to 700 jobs), to be confirmed depending on the outcome of the French offshore wind tender
- ▶ Development of local maintenance activities (100-600 jobs)
- ▶ Creation of a supply chain for wind turbine components in France



### Group

- ▶ Resources and staffing committees launched in the regions
- ▶ Signature of a Group retirement plan agreement
- ▶ Strengthening of the *AREVA Métiers* initiative / 34 hours of training per employee
- ▶ Development of a succession plan for the support functions and 500 key positions in the Group
- ▶ AREVA receives the 2011 Diversity Award and the 2012 Top Employer Award

# Contents

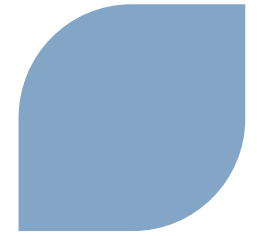


- ▶ 2011 review
- ▶ Group performance in 2011
- ▶ 2011 performance by Business Group
- ▶ Financial results
- ▶ Group's strategic action plan follow-up: "Action 2016"

## ▶ Financial outlook

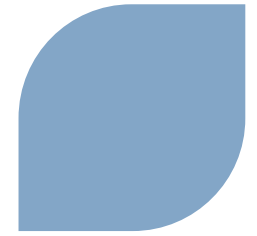
# Financial outlook

	2012-2013	2015-2016
Revenue	<p>Nuclear: +3 to 6% p.a</p> <p>Renewables: &gt; €750m</p>	<p>Nuclear: +5 to 8% p.a</p> <p>Renewables: &gt; €1.25bn</p>
EBITDA	<p>&gt; €750m</p> <p>&gt; €1.25bn</p>	
Capex	<p>€1.9bn p.a on average</p>	<p>€1.3bn p.a on average on 2014-2016</p>
Free operating cash flow excl. disposals	<p>&gt; - €1.5bn</p> <p>Balanced</p>	<p>&gt; +€1.0bn p.a from 2015</p>



# Questions & Answers

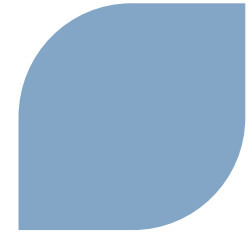




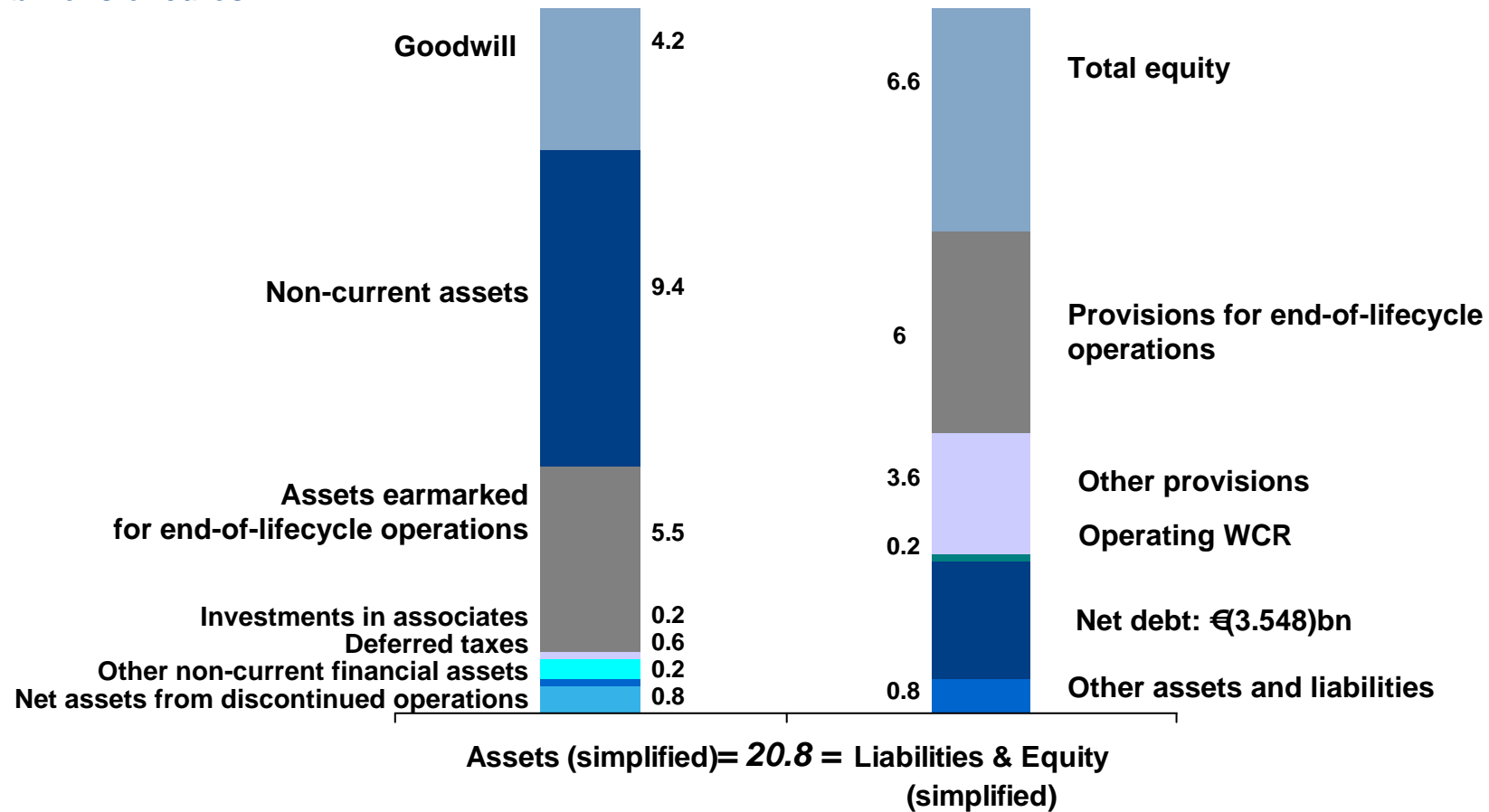
# Appendices

# Appendix 1

## Simplified balance sheet at 12/31/2011

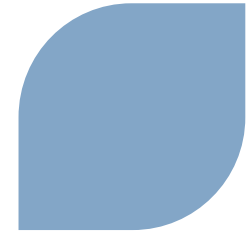


*billions of euros*

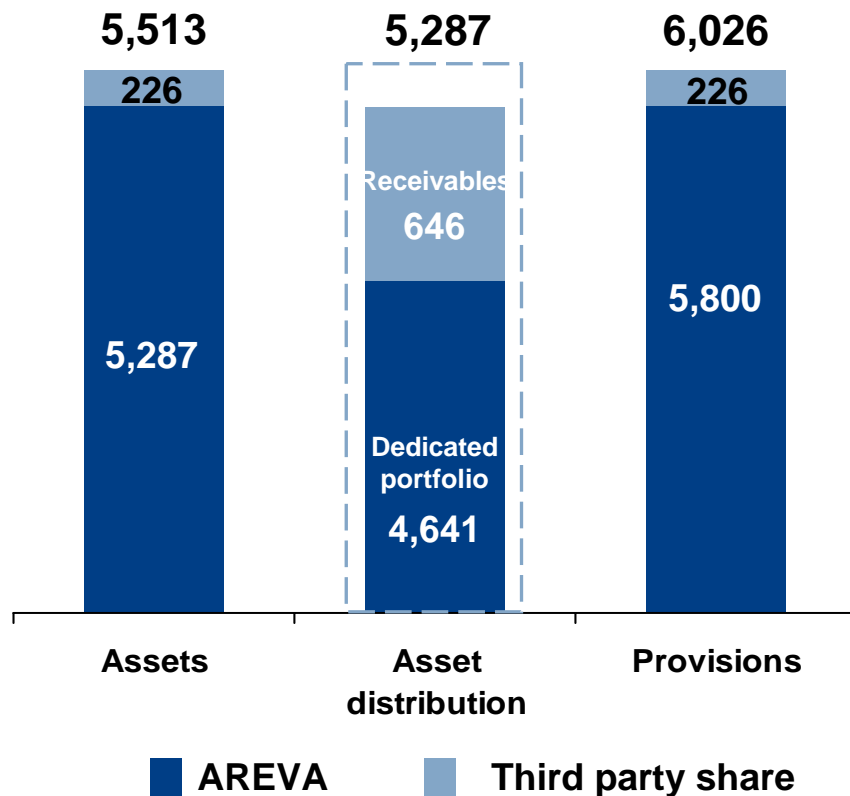


## Appendix 2

### Balance Sheet at 12/31/2011 – End-of-lifecycle operations



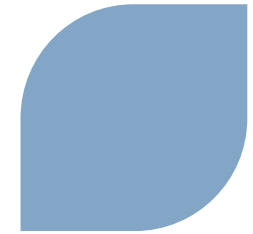
millions of euros



- ▶ The French law of June 28, 2006 on the sustainable management of radioactive materials and waste requires that 100% of provisions for end-of-lifecycle operations be covered by earmarked assets, effective **June 28, 2011**
- ▶ At December 31, 2011, AREVA's coverage for activities subject to the law of June 28, 2006 was more than **95%**

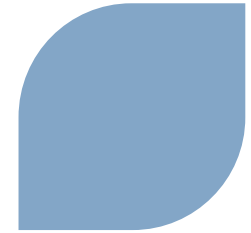
## Appendix 3

### Share in net income of associates



<i>(millions of euros)</i>	2010	2011	Change
<b>STMicroelectronics</b>	69	0	-€69m
<b>Eramet group</b>	83	54	-€29m
<b>Other</b>	1	8	+€7m
<b>Total</b>	153	62	-€91m

## Appendix 4 Minority interests



*(millions of euros)*

	2010	2011	Change
<b>Eurodif SA</b>	(7)	(190)	-€183m
<b>Katco</b>	82	95	+€13m
<b>Somaïr</b>	17	26	+€9m
<b>UraMin Lukisa</b>	(12)	(60)	-€48m
<b>STMicroelectronics</b>	15	-	ns
<b>Other</b>	(2)	(14)	-€12m
<b>Discontinued operations (T&amp;D)</b>	10	-	ns
<b>Total</b>	<b>103</b>	<b>(143)</b>	<b>-€246m</b>

# Appendix 5

## Change in revenue (like for like)

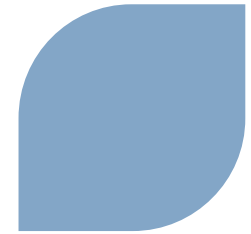


<i>(millions of euros)</i>	2011 Reported revenue*	Revenue LFL	Exchange rate impact	2010 Consolidation scope impact	Harmonization of accounting methods/standards	Reported revenue
<b>Mining BG</b>	1,289	1,040	-52	-	-	1,092
<b>Front End BG</b>	2,282	2,588	-24	-	-	2,612
<b>Reactors &amp; Services BG</b>	3,262	3,337	-31	-17	-	3,384
<b>Back End BG</b>	1,594	1,702	-6	-	-	1,709
<b>Renewable Energies BG</b>	297	150	-	-	-	150
<b>Corporate and other operations</b>	148	158	-	+1	-	157
<b>Total – Nuclear business and Renewables</b>	<b>8,872</b>	<b>8,975</b>	<b>-113</b>	<b>-16</b>	<b>-</b>	<b>9,104</b>

\* Contribution to consolidated revenue adjusted for discontinued operations

# Appendix 6

## Income statement

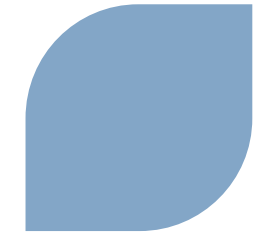


*(millions of euros)*

	December 31, 2011	December 31, 2010
Revenue	8,872	9,104
Other income from operations	40	45
Cost of sales	(8,058)	(7,824)
Gross margin	854	1,326
Research and development expenses	(343)	(354)
Marketing and sales expenses	(231)	(253)
General and administrative expenses	(428)	(530)
Other operating income and expenses	(1,775)	(612)
Operating income	(1,923)	(423)
Income from cash and cash equivalents	121	37
Gross borrowing costs	(193)	(195)
Net borrowing costs	(72)	(158)
Other financial income and expenses	(477)	(156)
Net financial income	(548)	(314)
Income tax	(156)	334
Net income of consolidated businesses	(2,627)	(403)
Share in net income of associates	62	153
Net income from continuing operations	(2,565)	(250)
Net income from discontinued operations	(2)	1,236
Net income for the period	(2,567)	986
<i>including minority interests</i>	(143)	103
Net income attributable to equity owners of the parent	(2,424)	883

# Appendix 7

## Balance sheet (1/2)



<b>ASSETS</b> ( <i>millions of euros</i> )	<b>December 31, 2011</b>	<b>December 31, 2010</b>
<b>Non-current assets</b>	<b>20,334</b>	<b>22,870</b>
Goodwill on consolidated companies	4,239	4,625
Intangible assets	2,929	3,652
Property, plant and equipment	6,487	6,249
End-of-lifecycle assets (third party share)	226	252
Assets earmarked for end-of-lifecycle operations	5,287	5,582
Equity associates	205	988
Other non-current financial assets	217	477
Pension fund assets	2	2
Deferred tax assets	742	1,044
<b>Current assets</b>	<b>10,781</b>	<b>11,667</b>
Inventories and work-in-process	2,579	2,599
Trade accounts receivable and related accounts	2,544	2,267
Other operating receivables	2,136	2,165
Current tax assets	66	64
Other non-operating receivables	133	172
Cash and cash equivalents	2,347	3,358
Other current financial assets	199	210
Assets of operations held for sale	776	832
<b>Total assets</b>	<b>31,115</b>	<b>34,538</b>



# Appendix 7

## Balance sheet (2/2)



<b>LIABILITY</b> ( <i>millions of euros</i> )	<b>December 31, 2011</b>	<b>December 31, 2010</b>
Equity and minority interests	6,606	9,578
Share capital	1,456	1,452
Consolidated premiums and reserves	6,852	5,937
Deferred unrealized gains and losses on financial instruments	71	346
Currency translation reserves	106	45
Net income attributable to equity owners of the parent	(2,424)	883
Minority interests	545	915
Non-current liabilities	12,501	14,210
Employee benefits	1,267	1,171
Provisions for end-of-lifecycle operations	6,026	5,815
Other non-current provisions	126	116
Long-term borrowings	4,949	6,537
Deferred tax liabilities	131	570
Current liabilities	12,008	10,749
Current provisions	2,187	1,777
Short-term borrowings	1,144	703
Advances and prepayments received	4,148	3,923
Trade accounts payable and related accounts	1,763	1,641
Other operating liabilities	2,623	2,581
Current tax liabilities	58	52
Other non-operating liabilities	85	73
Liabilities of operations held for sale	-	-
<b>Total liabilities and equity</b>	<b>31,115</b>	<b>34,538</b>

## Appendix 8

### Change in net debt



<i>(millions of euros)</i>	2010	2011
EBITDA from operations (excluding end-of-lifecycle costs)	703	1,068
<i>In percentage of revenue</i>	7.7%	12.0%
Income (loss) on the sale of non-current operating assets	(19)	1
Change in operating WCR	239	187
Net operating Capex	(2,013)	(3,653)
Free operating cash flow before tax	(1,090)	(2,397)
Financial income related to end-of-lifecycle obligations	(103)	295
Dividends paid	(312)	(51)
Change in net debt from discontinued operations	3,124	696
Change in valuation of 34% of AREVA NP vs. 12/31/2010	-	434
Other (net long-term investments, income tax, non-operating WCR, etc.)	901	(532)
Change in net cash (debt)	2,521	124
Net debt at 12/31	(3,672)	(3,548)

# Appendix 9

## Key data by BG (1/2)



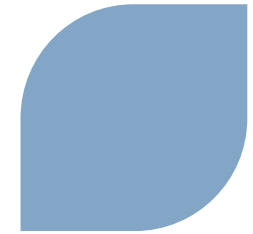
**2011**

*(millions of euros)*  
*(except workforce data)*

	Mining	Front End	Reactors & Services	Back End	Renewable Energies	Corporate and other	Total Group	
	Contribution to consolidated revenue	1,289	2,282	3,262	1,594	297	148	8,872
<b>Income</b>	Operating income	(1,169)	(780)	(512)	191	(78)	425	(1,923)
	Percentage of contribution to consolidated revenue	-90.7%	-34.2%	-15.7%	+12.0%	-26.2%	-	-21.7%
	EBITDA (excluding end-of-lifecycle costs)	450	179	(378)	406	(85)	496	1,068
	Percentage of contribution to consolidated revenue	+34.9%	+7.9%	-11.6%	+25.5%	-28.4%	-	12%
<b>Net cash</b>	Net Capex	(595)	(926)	(228)	(139)	(52)	(1,713)	(3,653)
	Change in operating WCR	(34)	161	191	(56)	35	(113)	187
	Free operating cash flow	(178)	(584)	(423)	217	(102)	(1,330)	(2,397)
<b>Other</b>	Workforce at year end	5,319	8,888	16,367	11,009	1,252	4,706	47,541

# Appendix 9

## Key data by BG (2/2)



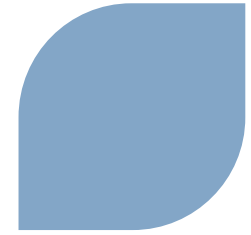
**2010**

*(millions of euros)*  
*(except workforce data)*

	Mining	Front End	Reactors & Services	Back End	Renewable Energies	Corporate and other	Total Group
	1,092	2,612	3,384	1,709	150	157	9,104
<b>Income</b>							
Contribution to consolidated revenue							
Operating income	(222)	85	(251)	280	(123)	(192)	(423)
Percentage of contribution to consolidated revenue	-20.4%	+3.2%	-7.4%	+16.4%	-81.7%	-	-4.6%
EBITDA (excluding end-of-lifecycle costs)	342	432	(218)	446	(83)	(215)	703
Percentage of contribution to consolidated revenue	+31.3%	+16.4%	-6.4%	+26.1%	-55.1%	-	+7.7%
<b>Net cash</b>							
Net Capex	(611)	(729)	(232)	(142)	(244)	(55)	(2,013)
Change in operating WCR	252	78	(187)	112	18	(35)	239
Free operating cash flow	(35)	(216)	(639)	414	(309)	(305)	(1,090)
<b>Other</b>							
Workforce at year end	5,221	8,808	16,985	10,931	1,176	4,730	47,851

# Appendix 10

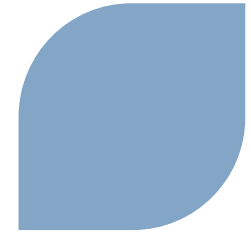
## Definition of indicators used by AREVA (1/2)



- ▶ **Backlog:** the backlog is valued on the basis of 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. Natural uranium orders are valued at the closing price of applicable spot and long term indices. 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 booked 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.
  
- ▶ **Cash flow from end-of-lifecycle operations:** this indicator encompasses all of the cash flows linked to end-of-lifecycle obligations and to assets earmarked to cover those obligations. It is equal to the sum of the following items:
  - ◆ income from the portfolio of assets earmarked to cover end-of-lifecycle expenses,
  - ◆ cash from the sale of earmarked assets,
  - ◆ minus acquisitions of earmarked assets,
  - ◆ minus period expenses pertaining to end-of-lifecycle obligations,
  - ◆ plus full and final payments received for facility decommissioning,
  - ◆ minus full and final payments made for facility dismantling.
  
- ▶ **EBITDA:** EBITDA is equal to operating income plus net amortization, depreciation and operating provisions (except for provisions for impairment of working capital items). EBITDA is adjusted to exclude the cost of end-of-lifecycle operations performed in nuclear facilities during the year (facility dismantling, waste retrieval and packaging).

# Appendix 10

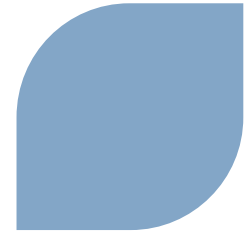
## Definition of indicators used by AREVA (2/2)



- ▶ **Free operating cash flow:** represents the cash flow generated by operating activities. It is equal to the sum of the following items:
  - ◆ EBITDA before end-of-lifecycle obligations,
  - ◆ plus losses or minus capital gains included in operating income on sales of property, plant and equipment (PPE) and intangible assets,
  - ◆ plus the decrease or minus the increase in operating working capital requirement between the beginning and the end of the period (before reclassifications, currency translation adjustments and changes in consolidation scope),
  - ◆ minus acquisitions of PPE and intangible assets, net of changes in accounts payable related to fixed assets,
  - ◆ plus sales of PPE and intangible assets included in operating income, net of changes in receivables on the sale of fixed assets,
  - ◆ plus customer prepayments on fixed assets,
  - ◆ plus acquisitions (or disposals) of consolidated companies (excluding equity associates).
  
- ▶ **Net cash (debt):** net cash (debt) is defined as the sum of cash and cash equivalents plus other current financial assets minus current and non-current borrowings. Current and non-current borrowings include the current value of minority put options.
  
- ▶ **Operating working capital requirement (OWCR):** OWCR represents all of the current assets and liabilities directly related to operations and 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,
  - ◆ less: trade accounts payable and related accounts, trade advances and prepayments received (excluding interest-bearing advances), other operating liabilities, accrued expenses, and deferred income.
  - ◆ **Note:** OWCR 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.

# Appendix 11

## General description of INES levels



*The INES (International Nuclear Event Scale scale) consists of seven levels of rising severity from 1 (anomaly) to 7 (major accident).*

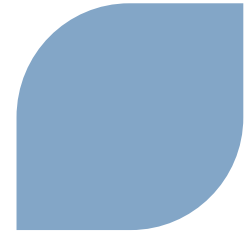
▶ **Level 0:** below-scale event;

Deviation from normal facility operations or transport of materials, without safety significance

▶ **Level 1:** Anomaly beyond normal operating limits

▶ **Level 2:** Incident with on-site consequences (significant contamination, overexposure of a worker) and/or material failure in safety systems

# Disclaimer



## 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, 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 03/30/2011 (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.**