

PRESS RELEASE

Stable revenue in an unfavorable market environment

Paris, October 27, 2016

At September 30, 2016:

- Backlog of €32.2 bn vs. €29 bn end of 2015
- Revenue of €2.8 bn: +0.9% vs. September 2015 (+1.1% like for like)

Progress of the transformation plan consistent with the schedule presented during the Market Update of June 15, 2016:

- Exercise of the option to sell interest in Adwen to Gamesa
- Approval by all bondholders of the plan for partial contribution of assets
- Extraordinary General Meeting on November 3: last step for the creation of NewCo subsidiary

Upward revision of 2016 outlook:

- Net cash flow from company operations now expected between -€0.9 bn and -€0.6 bn, versus initial forecast of -€2.0 to -€1.5 bn.

Press Office
T: +33 (0)1 34 96 12 15
press@areva.com

Investor Relations
Manuel Lachaux
manuel.lachaux@areva.com
T: +33 (0)1 34 96 11 53

Anne-Sophie Jugean
anne-sophie.jugean@areva.com
T: +33 (0)1 34 96 62 41



Revenue	9 months 2016	9 months 2015 ¹	Change	Change LFL	Backlog at 9/30/2016
<i>(millions of euros)</i>					<i>(millions of euros)</i>
Mining	1,069	1,064	+0.5%	+1.1%	9,090
Front End	568	580	-2.0%	-2.6%	11,243
Back End	1,161	1,097	+5.9%	+5.0%	11,460
Corporate and other operations ²	12	45	-73.7%	-65.1%	367
Total	2,810	2,785	+0.9%	+1.1%	32,160

¹ Adjusted for IFRS 5

² Includes the Corporate, AREVA Med, Bioenergy and the OL3 project



In application of IFRS 5, revenue and backlog for the first nine months of 2015 were restated to present pro forma financial information comparable to the first nine months of 2016; operations whose disposal is under negotiation were classified under “operations held for sale” and are not included either in orders received or in revenue.

It should be noted that AREVA’s 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.

Reported consolidation scope (NewCo, Corporate, AREVA Med, Bioenergy and OL3 project)

At September 30, 2016, AREVA had 32.160 billion euros in **backlog**, up 10.9% in relation to December 31, 2015 (28.990 billion euros). This represents close to eight years of revenue. The backlog at September 30 does not include contracts for uranium supply, conversion services and enrichment services signed with EDF and NNB in connection with the Hinkley Point C project. Those contracts will be included in backlog upon signature of the Notice to Proceed.

The order intake for the first nine months of the year totaled 7.2 billion euros, compared with 1.2 billion euros for the same period last year.

Over the first nine months of 2016, AREVA generated **consolidated revenue** of 2.810 billion euros, which was stable in relation to the same period in 2015 (+1.1% like for like). Foreign exchange had a negative impact of 5 million euros over the period.

Revenue for the third quarter of 2016 totaled 880 million euros, a decrease of 6.0% (-5.5% like for like) in comparison to the third quarter of 2015. Foreign exchange had a negative impact of 5 million euros over the period.

Operations held for sale and discontinued operations

The operations of AREVA NP (excluding the OL3 project), Nuclear Measurements³, and Propulsion and Research Reactors meet the criteria of IFRS 5 for classification as “operations held for sale and discontinued operations” at September 30, 2016.

The backlog of the operations held for sale was 13.265 billion euros at September 30, 2016, compared with 13.693 billion euros at the end of 2015. It does not include the contracts for two nuclear steam supply systems and for the supply of fuel and of the operational instrumentation and control system related to Hinkley Point C, which will be recorded upon signature of the Notice to Proceed.

Revenue from the operations held for sale and discontinued operations totaled 2.595 billion euros at September 30, 2016, a decrease of 10.1% compared with the same period in 2015.

This change is essentially due to:

- A drop in the activity of AREVA NP, with lower volumes in the Fuel operations, particularly in Germany, and in the Installed Base operations, particularly in France;
- A negative consolidation scope impact related to the effective sale of Canberra (Nuclear Measurements operations) on July 1, 2016.

³ Sold on July 1, 2016

I. Comments on changes in backlog and revenue

Mining

The backlog in Mining amounted to 9.090 billion euros at September 30, 2016. At the end of 2015, it had reached 9.115 billion euros.

Mining revenue at September 30, 2016 was stable compared with the first nine months of 2015, at 1.069 billion euros (+1.1% like for like). Foreign exchange had a negative impact of 7 million euros over the period.

Sales were high in the third quarter, allowing the difference in deliveries observed in the first six months of 2016 to be made up, as anticipated.

Front End

The backlog in the Front End (chemistry and enrichment) totaled 11.243 billion euros at September 30, 2016, compared with 10.341 billion euros at December 31, 2015.

Front End revenue for the first nine months of 2016 totaled 568 million euros, a decrease of 2.0% (-2.6% like for like) in comparison with the first nine months of 2015. Foreign exchange had a positive impact of 4 million euros over the period.

This change is due to the less favorable mix of sales in enrichment, partly offset by increased volumes of U_3O_8 / UF_6 sold internationally.

Back End

The backlog in the Back End (Recycling, International Projects, Logistics, Dismantling & Services) was 11.460 billion euros at September 30, 2016, compared with 9.157 billion euros at the end of 2015.

Back End revenue came to 1.161 billion euros over the first nine months of 2016, up from the same period in 2015 (+5.9% reported, +5.0% like for like). Foreign exchange had a negative impact of 1 million euros over the period.

Revenue benefitted mainly in the Recycling business from increased production volumes at the La Hague site and from an from higher volume of business with European customers.

Corporate and other operations

The "Corporate and other operations" segment generated revenue of 12 million euros, versus 45 million euros at September 30, 2015 (34 million euros at constant consolidation scope and exchange rates).



II. Business analysis

Mining

- Over the first nine months of the year, AREVA's consolidated financial share⁴ of natural uranium production was 7,592 metric tons, versus 7,562 metric tons over the first nine months of 2015. AREVA's available share⁵ amounted to 6,302 metric tons of uranium, versus 5,918 metric tons over the first nine months of 2015.

Front End

- Having completed the construction phase and the installation of the first equipment, the Comurhex II Tricastin project began preliminary phase 2 testing of the main building, the fluorination unit, on September 5.
- Following the disbanding of the project organization and nearly one year of operation under a normal operating organization, the Georges Besse II plant has achieved very satisfactory production and performance levels, consistent with expectations. With more than 98% of the plant's nominal capacity in service, the project is considered to have been completed.

Back End

- AREVA's Logistics business signed a contract valued at several tens of millions of euros with Synatom to design and manufacture thirty TN@24 shipping and storage casks for used fuel from the nuclear power plants of Doel 3 and 4 and Tihange 1, 2 and 3 in Belgium. This contract was won following a competitive bidding process in which major market players competed.

Corporate and other operations

- At the **Olkiluoto 3** project in Finland (where the AREVA / Siemens consortium's scope of responsibility is the construction of a complete power plant), two major milestones were met:
 - The start of water filling of the reactor cooling system on October 17, with demineralized water rinsing of the vessel and of all auxiliary piping to the primary cooling system. This is a preliminary step for the start of cold functional tests, scheduled for early summer 2017;
 - The completion of full-scope simulator tests, an in-situ replica of the power plant's main control room.

Operations held for sale and discontinued operations

- At the **Hinkley Point C** project in England (where AREVA NP is responsible for delivering the two nuclear steam supply systems and for the execution and supply of the power plant instrumentation and control system), AREVA signed contracts on September 29 defining its scope of work in the project with EDF and Nuclear New Build Generation Company (NNB). AREVA was awarded several subcontracts for this project.

⁴ Share of production consolidated in AREVA's financial statements

⁵ Share of resources and production sold/distributed to AREVA by the mining joint ventures



- At the **Flamanville 3** project in France, the start of unit tests for reactor commissioning is slated for the winter, while at the **Taishan** project in China, the next stage is the start of hot commissioning tests.
- Update on **component manufacturing**
 - The quality audit of the Creusot plant launched at the end of 2015 continued in the third quarter of 2016. After completing the first phase of analysis at Creusot on September 23, AREVA NP expanded the audit to include all past manufacturing records and is supplying documentation assessing the deviations found to the operators and to ASN. The method for analyzing these records was the subject of discussions with EDF and will be presented to ASN.
The deployment of a quality improvement plan, and, in particular, quality culture improvement continues at our sites and aims to ensure the best level of quality in our manufacturing, present and future. This translates, among other things, into the strengthening of the organization, training and application of quality and performance standards.
 - In addition, EDF is conducting a program of measurements on the forged channel heads of steam generators, supplied by AREVA Creusot Forge and another supplier, to verify the carbon content of those components outside the standard control zones. In parallel, AREVA NP is conducting additional onsite inspections with carbon measurements by spectrometry or by chemical analysis and non-destructive surface and volume examinations to provide back-up proof of the fitness for service of those components.

Market environment

- In the uranium market, the spot price indicator went from \$36.50 per pound at the end of September 2015 to \$23.00 per pound at the end of September 2016. The long-term price indicator went from \$44 per pound in late September 2015 to \$37.50 per pound at September 30, 2016 (*sources: UxC / TradeTech*).
- In the enrichment market, the spot price indicator went from \$62 per SWU at the end of September 2015 to \$52 per SWU at the end of September 2016. The long-term price indicator went from \$77 per SWU in late September 2015 to \$62 per SWU at September 30, 2016 (*source: UxC*).

III. Progress on the transformation plan

Dialogue with labor

- In France, the voluntary departure plans launched in early April were closed for AREVA Mines, AREVA NC and AREVA NP, having achieved their manpower reduction objectives. For the other three companies concerned by these measures (AREVA BS, SET and Eurodif), the plans are gradually winding down and will be closed at the end of November.
- The reduction of the group's combined workforce is in line with the objective of 6,000 job cuts by the end of 2017. At September 30, 2016, a total of 5,200 effective departures had been recorded since December 31, 2014 (i.e. 12% of the total workforce).

Deployment of the strategic roadmap

- Following a three-month competitive process aimed at obtaining and assessing investor offers, on September 16 AREVA exercised its option to sell its interest in Adwen to Gamesa. The objective is to finalize the transaction at the beginning of 2017.



- Creation of the NewCo subsidiary:
 - The plan for a partial contribution of assets from AREVA SA to NewCo related to the transfer of nuclear fuel cycle operations and bond debt has now been approved by all of the holders of bonds issued by AREVA SA, the sole holder of the 2018 bond in yen having given its agreement on September 27th;
 - The reports of the contribution auditors on the value and the remuneration of the contributions were published on September 30. They may be viewed on the company website (section Finance / Shareholder corner / General Meetings);
 - The realization of certain conditions related to the agreement of co-contractors, customary for this type of transactions (banks, etc.) is in progress;
 - The upcoming Extraordinary General Meeting of November 3, during which AREVA SA shareholders will be called upon to approve the plan for the partial contribution of assets, will constitute the final stage in the creation of the NewCo subsidiary.

IV. Financial outlook

In view of the dispelling of a certain number of significant contingencies in the financial trajectory, the progress on the performance plan, the shifting of anticipated expenses for 2016 and measures taken throughout the year to limit spending and to optimize the cash position, the group now anticipates net cash flow from company operations of -0.9 billion euros to -0.6 billion euros for the current accounting year. This outlook should be compared with the initial forecast of -2.0 billion euros to -1.5 billion euros.



Appendix 1 - Consolidated revenue by quarter

(millions of euros)	2016	2015*	2016/2015 change in %	2016/2015 change in % like for like**
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1st quarter

Mining	185	344	-46.3%	-47.9%
Front End	203	132	+53.1%	+51.9%
Back End	430	340	+26.4%	+26.1%
Corporate and other operations***	8	16	-47.9%	-44.6%
Total	826	832	-0.8%	-2.2%

2nd quarter

Mining	521	394	+32.0%	+35.7%
Front End	182	215	-15.4%	-15.8%
Back End	402	392	+2.7%	+1.1%
Corporate and other operations***	0	16	-100.4%	-100.7%
Total	1,104	1,017	+8.6%	+9.8%

1st half

Mining	705	738	-4.4%	-4.4%
Front End	384	347	+10.7%	+10.1%
Back End	832	732	+13.7%	+12.6%
Corporate and other operations***	8	32	-74.5%	-64.8%
Total	1,930	1,849	+4.4%	+4.4%

3rd quarter

Mining	363	326	+11.6%	+14.1%
Front End	184	233	-20.9%	-21.5%
Back End	329	365	-10.0%	-10.5%
Corporate and other operations***	4	13	-71.9%	-66.0%
Total	880	936	-6.0%	-5.5%

9 months

Mining	1,069	1,064	+0.5%	+1.1%
Front End	568	580	-2.0%	-2.6%
Back End	1,161	1,097	+5.9%	+5.0%
Corporate and other operations***	12	45	-73.7%	-65.1%
Total	2,810	2,785	+0.9%	+1.1%

* Adjusted for application of IFRS 5

** At constant exchange rates and consolidation scope

*** Includes the Corporate, AREVA Med, Bioenergy and the OL3 project

Upcoming events and publications

November 3, 2016 - 11:00 CET: Extraordinary General Meeting

Tour AREVA – 1 place Jean Millier, 92400 Courbevoie – France



Note:

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

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

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

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

Foreign exchange impact: The foreign exchange impact mentioned in this release comes from the translation of subsidiary accounts into the group's unit of account. The latter is primarily due to changes in the US dollar in relation to the euro. AREVA also points out that its foreign exchange hedging policy for commercial operations aims to shield profitability from fluctuations in exchange rates in relation to the euro.

Forward-looking statements: This document contains forward-looking statements and information. These statements include financial forecasts and estimates as well as the assumptions on which they are based, and statements related to projects, objectives and expectations concerning future operations, products and services or future performance. Although AREVA's management believes that these forward-looking statements are reasonable, AREVA's investors and investment certificate holders 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 April 12, 2016 (which may be read online on AREVA's website, www.aveva.com). AREVA makes no commitment to update the forward-looking statements and information, except as required by applicable laws and regulations.

MORE ABOUT AREVA

AREVA supplies high added-value products and services to support the operation of the global nuclear fleet. The company is present throughout the entire nuclear cycle, from uranium mining to used fuel recycling, including nuclear reactor design and operating services.

AREVA is recognized by utilities around the world for its expertise, its skills in cutting-edge technologies and its dedication to the highest level of safety. AREVA's 40,000 employees are helping build tomorrow's energy model: supplying ever safer, cleaner and more economical energy to the greatest number of people.