



PRESS RELEASE

Setting of the terms of AREVA SA and NewCo reserved capital increases following the European Commission's approval

Paris, January 11, 2017

- **General Meetings of AREVA SA and NewCo¹ shareholders confirmed for February 3, 2017 to rule on the respective capital increases following the European Commission's approval**
- **Issue price of new AREVA SA shares set at €4.50 per share, consistent with the price of a Public Buyout Offer ("PBO") for the AREVA SA shares (followed, as applicable, by a mandatory squeeze-out), which would be filed by the French State, once the NewCo capital increase has been carried out**
- **Execution of the capital increases once the European Commission's preconditions have been fulfilled**
- **Granting of advances on the shareholder current account by the French State to ensure the Group's liquidity until execution of the capital increases**

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European Commission approval for the execution of the capital increases of AREVA SA and NewCo

The Board of Directors of AREVA SA, meeting today, duly noted the approval granted yesterday by the European Commission for the French State's participation in the capital increases of AREVA SA and NewCo in the maximum amount of 4.5 billion euros out of a total amount of 5 billion euros.

This approval is accompanied by two preconditions:

- the finding of the French nuclear safety authority (ASN) on the results of the demonstration program concerning the issue of carbon segregation identified in the parts of the EPR reactor vessel of the Flamanville 3 project (FA3), without calling into question the suitability for service of the vessel parts due to that segregation;

¹ NewCo groups together all AREVA activities related to the nuclear fuel cycle. NewCo has been formed by partial contribution of assets, by AREVA SA, of its fuel cycle activities and of its bond debt made within the framework of the Contribution agreement approved by the General Meeting of AREVA SA held on November 3, 2016.

- the European Commission's authorization of the merger between EDF and New NP¹.

Furthermore, this approval is accompanied by a certain number of commitments on the Group's part until the end of its restructuring plan, i.e. the end of 2019. This covers in particular the obligation not to acquire, without prior approval, equity interests in companies which it does not already control, and to withdraw completely from the reactors business. By that date, neither AREVA SA nor NewCo will have a capitalistic relationship with New NP.

The combined general meeting of AREVA SA shareholders, which will be held February 3, 2017, will be called upon in particular to authorize the AREVA SA capital increase of 2 billion euros reserved for the French State², and to grant delegation of authority to the Board of Directors for its execution as soon as the two above-mentioned preconditions have been fulfilled.

In parallel, an extraordinary general meeting of NewCo shareholders will be held on February 3, 2017 in order to authorize the NewCo capital increase of 3 billion euros and to deliberate on the mandate given to the Board of Directors. Once the above-mentioned preconditions have been fulfilled, this amount will be subscribed by the French State, up to a maximum of 2.5 billion euros, and by strategic investors, expected to be in the amount of 500 million euros. The negotiations related to the acquisition of NewCo share capital by those investors are currently being finalized.

Issue price of new shares in the framework of the capital increase of AREVA SA

The Board of Directors set the issue price of the new shares at 4.50 euros per share in the framework of the 2-billion-euro AREVA SA capital increase reserved for the French State.

This issue price was the subject of a fairness opinion drawn up by the Finexsi firm. It is set in compliance with the French State's intention of filing a public buyout offer followed, as applicable, by a mandatory squeeze-out of the AREVA SA shares not yet held by the French State and the CEA.

This price will be subject to the approval of the Combined General Meeting of AREVA SA shareholders on February 3.

¹ New NP combines the operations of AREVA NP, excluding the OL3 contract and the means needed for its completion, and, as appropriate, certain Component contracts affected by serious anomalies which might be identified in connection with the ongoing quality audit

² In the event that Kuwait Investment Authority (KIA) would not exercise its anti-dilution right under the shareholders' agreement

Public buyout offer for AREVA SA shares

Considering the loss of control of NewCo resulting from its capital increase and, in accordance with the provisions of article 236-6 of AMF's general regulations, the French State announced today its intention of filing a public buyout offer, followed as applicable by a mandatory squeeze-out. The price of this public offer would be identical to the issue price of the AREVA SA capital increase, i.e. 4.50 euros per share, on the condition that no event occurs which might lead to a significant change of price, upwards or downwards, between now and the launch of the public buyout offer.

The Board of Directors of AREVA SA welcomed the public buyout offer from the French State and will submit a substantiated recommendation prior to the filing of the public buyout offer with the AMF.

In accordance with the provisions of the AMF's general regulations, the Board of Directors of AREVA SA has designated, on October 27, 2016, the Finexsi firm as independent expert in charge of assessing the fairness of the public buyout offer followed by mandatory squeeze-out.

The public buyout offer remains subject to AMF's conformity decision.

Granting of advances on the shareholder current account by the French State to ensure the Group's liquidity until execution of the capital increases

AREVA, which had confirmed on December 15 its objective of net cash flow from company operations in the range of -0.6 billion euros to -0.9 billion euros for the year of 2016, clarifies that, in view of initial information from the annual closing of accounts, it should be at the upper end of the range, i.e. approximately -0.6 billion euros.

Considering this use of cash in 2016, the company's cash position should be more than 700 million euros at December 31, 2016, excluding the advance of close to 300 million euros received from NNB on January 5, 2017 for the Hinkley Point project.

Pending the execution of the capital increases, the liquidity of AREVA SA and NewCo will be ensured, in the coming months, by advances on the shareholder current account granted by the French State in the amounts of 2 billion euros and 1.3 billion euros respectively. The first draw is scheduled to be made at the start of the second quarter of 2017.

These advances, to be credited to the share of the capital increases to be subscribed by the French State, have already been authorized by the European Commission.

Moreover, AREVA is finalizing discussions with its banking partners to secure, on the one hand, the agreements needed to proceed with the NewCo capital increase and, on the other hand, a bridge loan of 300 million euros to provide additional cash to AREVA SA in the event that the sale of New NP were to be delayed at the end of 2017.



Designation of an ad hoc agent to support the restructuring

To ensure that the restructuring is carried out under the best possible conditions, AREVA SA also indicates that it has asked the Commercial Court of Nanterre to designate an ad hoc agent (*mandataire ad hoc*). In that respect, Maître Marc Sénéchal has been designated by the President of the Commercial Court. His work consists of assistance to the company, without substituting for management, in order to support it in the completion of its restructuring and contribute to ensure its success.

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.