

# Letter to the Shareholders



Special edition // January 2012



Luc Oursel  
Chief Executive Officer of AREVA

## Dear Shareholders,

**In this month of January 2012, on behalf of AREVA teams, I would first like to convey my warmest wishes to you and yours relatives for a year full of projects that pave the way to the future.**

**Planning for the future** is something our Group is firmly committed to, based on three simple yet strong ideas that guide our actions even now: AREVA believes in the future of nuclear and renewable energies, AREVA is actively working to consolidate its global leadership, and AREVA is committed to improving performance so as to transform its assets into success.

Last July, a few months after the Fukushima accident and in the weeks after the new Executive Board took up its duties, AREVA launched a comprehensive review of its activities, their outlook and corresponding

resources needs in order to draw up the Group's strategy for the 2012-2016 period. This in-depth effort, to which all of the Group's teams contributed, translated into a Strategic Action Plan that we called **"Action 2016"**. It is as much a development plan as a plan for competitiveness.

I would like to briefly review some of the main aspects of our strategy. The market we work in, the energy market, is growing considerably for demographic, economic, environmental and geopolitical reasons. Hence our presence on the complementary and growing markets of nuclear and renewables. Installed nuclear generating capacity worldwide is set to rise 2.2% per year on average through 2030. In the fast-growing renewable energies market, we are positioned on two segments in particular: offshore wind and concentrated solar power (CSP).

The Group has a number of assets to deploy this strategy: the importance assigned to safety and security, the keystones of AREVA's development; our backlog of more than 45 billion euros at the end of 2011, the equivalent of five years of revenue, divided among our various businesses; the extent of our recurring operations, tied to the operation of the world's nuclear power plants, which represent more than 80% of the Group's revenue; our integrated business model, which allows us to support utilities throughout the nuclear reactor lifecycle, from startup to fuel supply to lifecycle extension and ultimately to dismantling (we work on 360 of the 440 nuclear power plants fleet in service); our engineering resources, with 6,500 professionals managing more than 2,500 projects around the world.

With **"Action 2016"**, we now have a comprehensive, motivating plan for improving the Group's performance to transform our assets into success.

Our investments will be adjusted to the market's new configuration: 7.7 billion euros over the next five years, including 2 billion euros for safety and maintenance, absolute requirements for us.

At the same time, we want to manage our debt level, with the goal of fully funding, in cumulative terms, our investments over the 2012-2016 period out of our operations, restoring balance to our free operating cash flow as soon as 2013. The Group's financial structure will also be reinforced through disposals of financial stakes or non-strategic operations totaling a minimum of 1.2 billion euros from 2012 to 2013.

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The last component of **"Action 2016"** is a series of actions aimed at improving our already high performance in five key fields: safety and security, operations and customer service, economic competitiveness, the creation of value by our Research & Development, and ongoing talent building among all our employees, in terms of both expertise and diversity. For economic competitiveness, we're aiming to reduce our annual operating cost basis by one billion euros by 2015 and to improve our working capital requirement by 500 million euros during the same period.

The process formalized by **"Action 2016"** has already begun. A large number of decisions were already made in the second half of 2011.

So, as you can see, your group has a clear roadmap that is showing us the way, steadily and responsibly, to the future.

In addition to publishing the Group's results for 2011 on March 2, I look forward with pleasure to the opportunity to engage in dialogue with you, our shareholders, at our Annual General Meeting on May 10.

**Luc Oursel**



### 3 questions for

**Pierre Aubouin,**  
Executive Vice,  
Chief Financial Executive Officer,  
comments on the new capital  
structure.



“ In 2011, we simplified  
our capital structure and listed  
the AREVA common share. ”

#### How did the Kuwaiti sovereign wealth fund become a shareholder of AREVA?

**Pierre Aubouin :** In late 2010,  
AREVA carried out a capital increase in the  
amount of 900 million euros reserved for Kuwait  
Investment Authority, acting in the name of and  
on behalf of the State of Kuwait, and for the  
French State. In doing so, the Group bolstered  
its balance sheet while welcoming a new  
shareholder of quality.

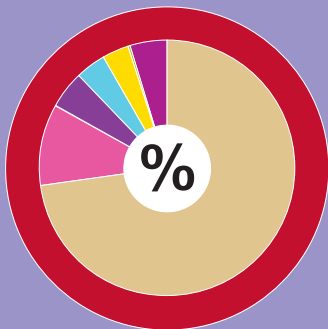
#### How were the rights of investment certificate holders preserved?

**Pierre Aubouin :** Very simply: AREVA  
launched a capital increase reserved to such  
holders in January 2011. This translated into  
the issue of non-voting preferred shares (NVPS).  
The percentage of the Group's share capital  
held by the public is thus almost unchanged,  
at 4%.

#### Why were these financial instruments converted into common shares?

**Pierre Aubouin :** We did this for two reasons:  
to simplify the capital structure and to comply  
with the commitment to the State concerning  
KIA to list the common share. The Group  
carried out transactions to exchange or convert  
the investment certificates and existing NVPS  
into common shares, thus giving voting rights to  
holders of AREVA securities. As shareholders,  
they can now take part in General Meetings of  
Shareholders and can vote on resolutions  
proposed on these occasions.

#### CAPITAL STRUCTURE AT JUNE 30, 2011



CEA <b>73%</b>	Caisse des Dépôts et Consignations <b>3.3%</b>
French State <b>10.2%</b>	Framépargne (employees) <b>0.2%</b>
KIA <b>4.8%</b>	Other <b>4.5%</b>
Float <b>4%</b>	

This document contains forward-looking statements. They may be affected by known and unknown factors that are difficult to predict and not under AREVA's control, and may involve significantly different results from forecasts expressed, induced or anticipated in company statements. These risks include in particular those listed under "Risk Factors" in the Reference Document registered with the AMF on March 30, 2011.

## WHY THIS LETTER TO THE SHAREHOLDERS?

There are plenty of reasons! Since May 30, 2011, all common shares are listed for trading on compartment A of NYSE Euronext in Paris. AREVA wishes to forge ties with its 21,000 new shareholders through a process of contacts, educational outreach and financial and operation information on the Group. This special edition devoted to the Strategic Action Plan presented last December 13 is the first in a series of publications entitled "Letter to AREVA Shareholders". It will be followed by three issues a year commenting on three major highlights of the company: the annual results (Spring issue), the Annual General Meeting (Summer issue) and the half-year results (Fall issue). Each Letter will give you an opportunity to explore the Group's different dimensions, whether human, operational, international, financial, cross-business or others. Naturally, you can write to us at any time with an opinion or suggestions for topics to be covered. We hope you enjoy this inaugural issue!

**Editorial Committee of the letter to  
AREVA shareholders**

#### Share information

Shares: 383 204 852  
ISIN code: FR0011027143  
Reuters, Bloomberg : AREVA.PA  
Trading exchange: Euronext  
Market: NYSE Euronext, Paris –  
Compartment A

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#### Preliminary Calendar

**March 2, 2012:**  
2011 financial results  
**April 26, 2012:**  
First quarter 2012 revenue and  
financial information  
**May 10, 2012:**  
Annual General Meeting of Shareholders

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