

*your hub to euroland*

*your hub to euroland*

*your hub to euroland*



**Alain-Pierre Raynaud**  
**Chief Financial Officer**  
**AREVA**

[www.paris-europ...](http://www.paris-europ...)

[www.paris-europ...net](http://www.paris-europ...)



*your hub to euroland*

# **AREVA at a glance**

*your hub to euroland*

*New York Frankfurt Amsterdam Milano Brussels Paris Lisbon Tokyo London*

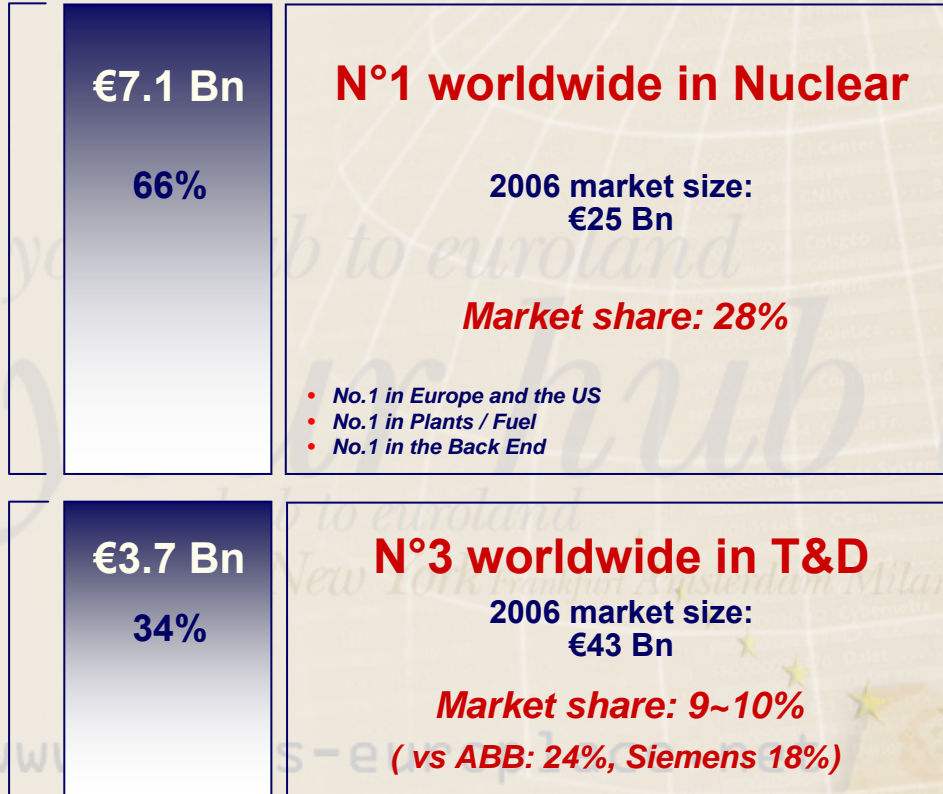
[www.paris-europplace.net](http://www.paris-europplace.net)

[www.paris-europplace.net](http://www.paris-europplace.net)

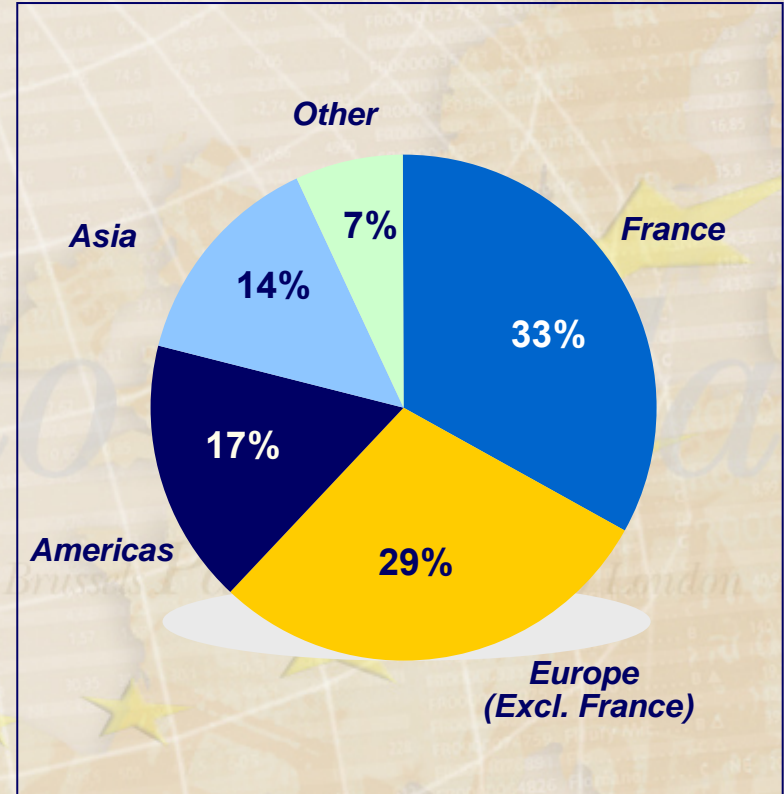


# AREVA is Nr 1 in Nuclear and Nr 3 in T&D

## 2006 Sales by business

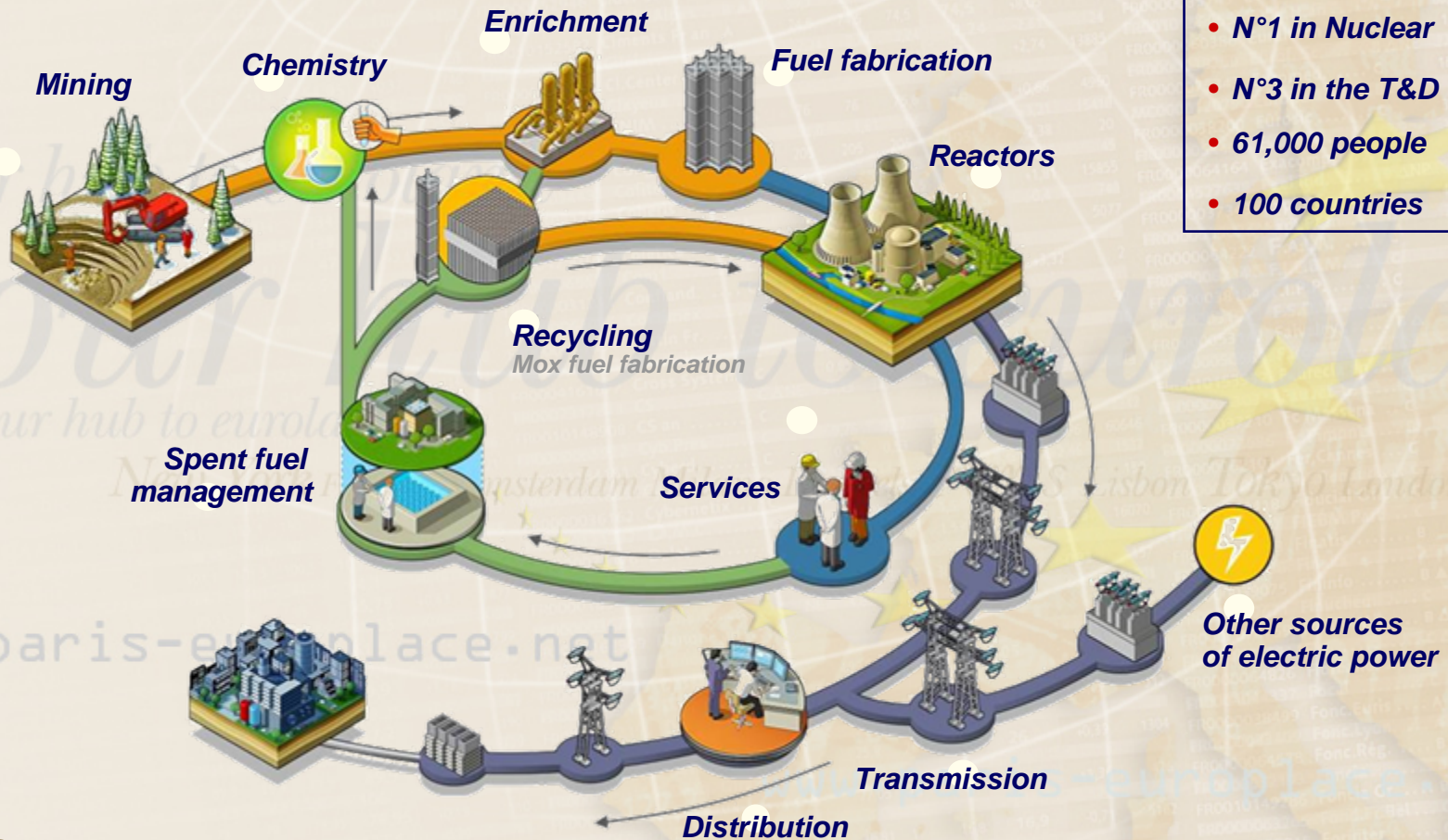


## Geographic sales



- Breakdown of AREVA sales in 2006 (€10,863 MM)

# NUCLEAR: AREVA harvests the fruits of its long presence on the whole nuclear cycle





*your hub to euroland*

# **Nuclear is back**

*your hub to euroland*

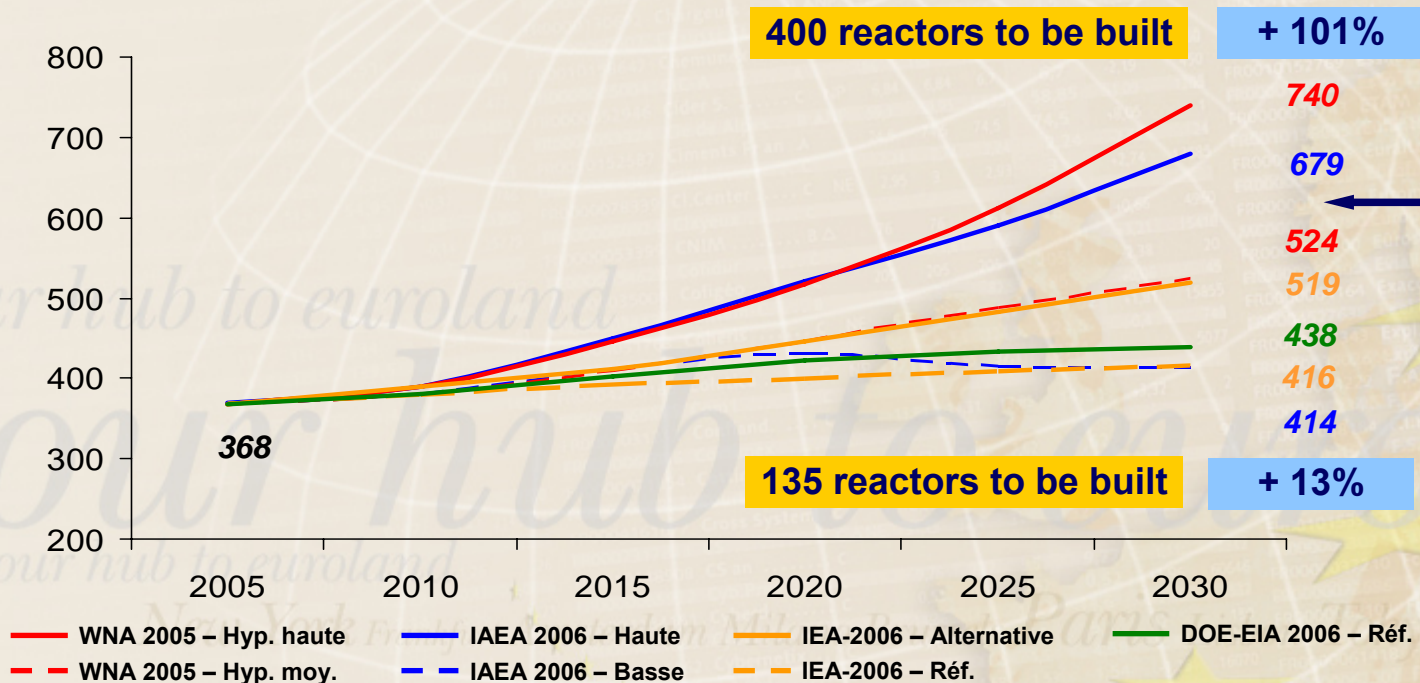
*New York Frankfurt Amsterdam Milano Brussels Paris Lisbon Tokyo London*

[www.paris-europplace.net](http://www.paris-europplace.net)

[www.paris-europplace.net](http://www.paris-europplace.net)

# Installed nuclear generating capacity set to increase worldwide

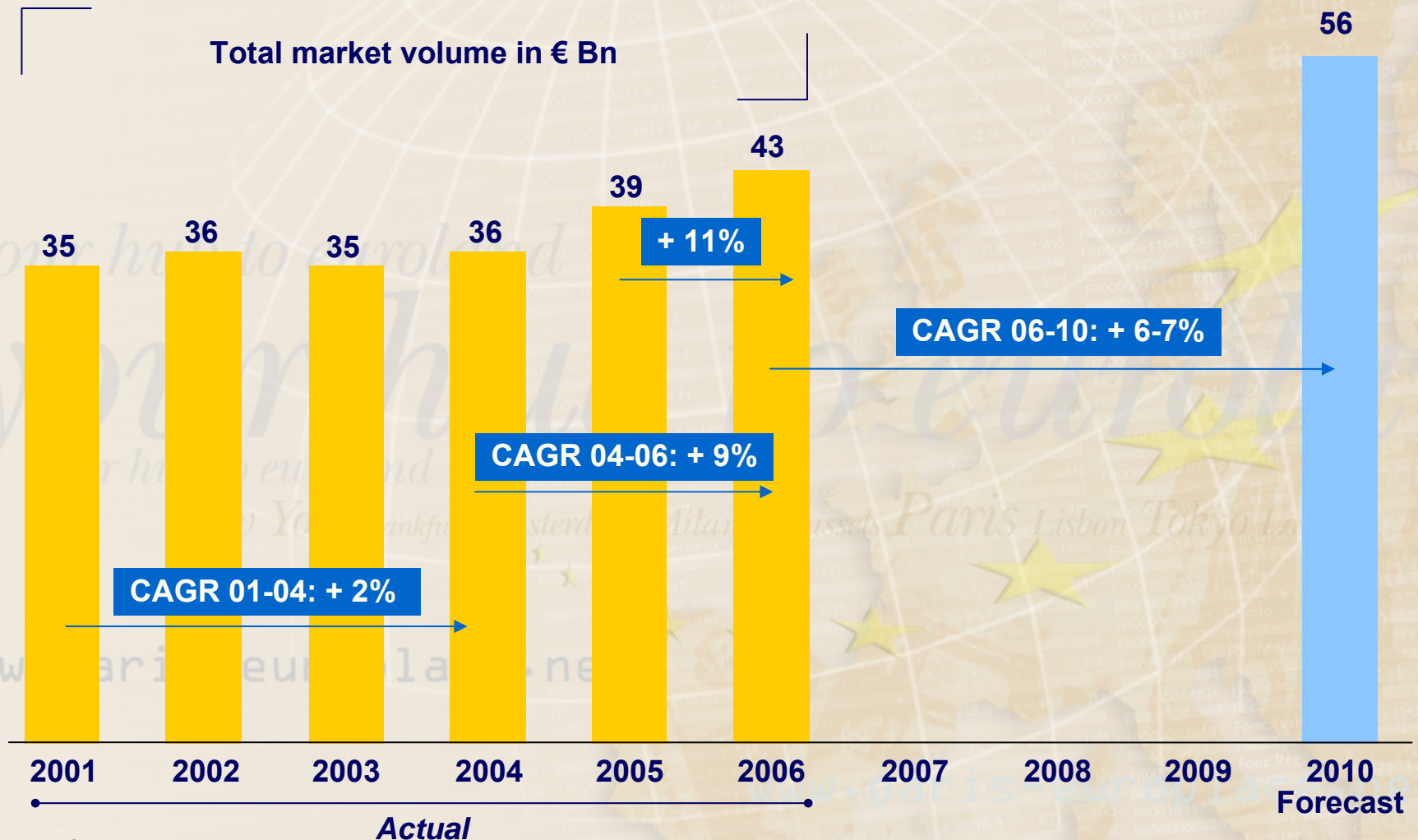
Installed nuclear generating capacity – Forecasts (net GWe)



- Rising demand and tight market in the front end
- Nuclear plant construction set to accelerate after 2010
  - Replacement: ~100 reactors / Additional: ~35-300 reactors
- Closed cycle to become the standard in the back end



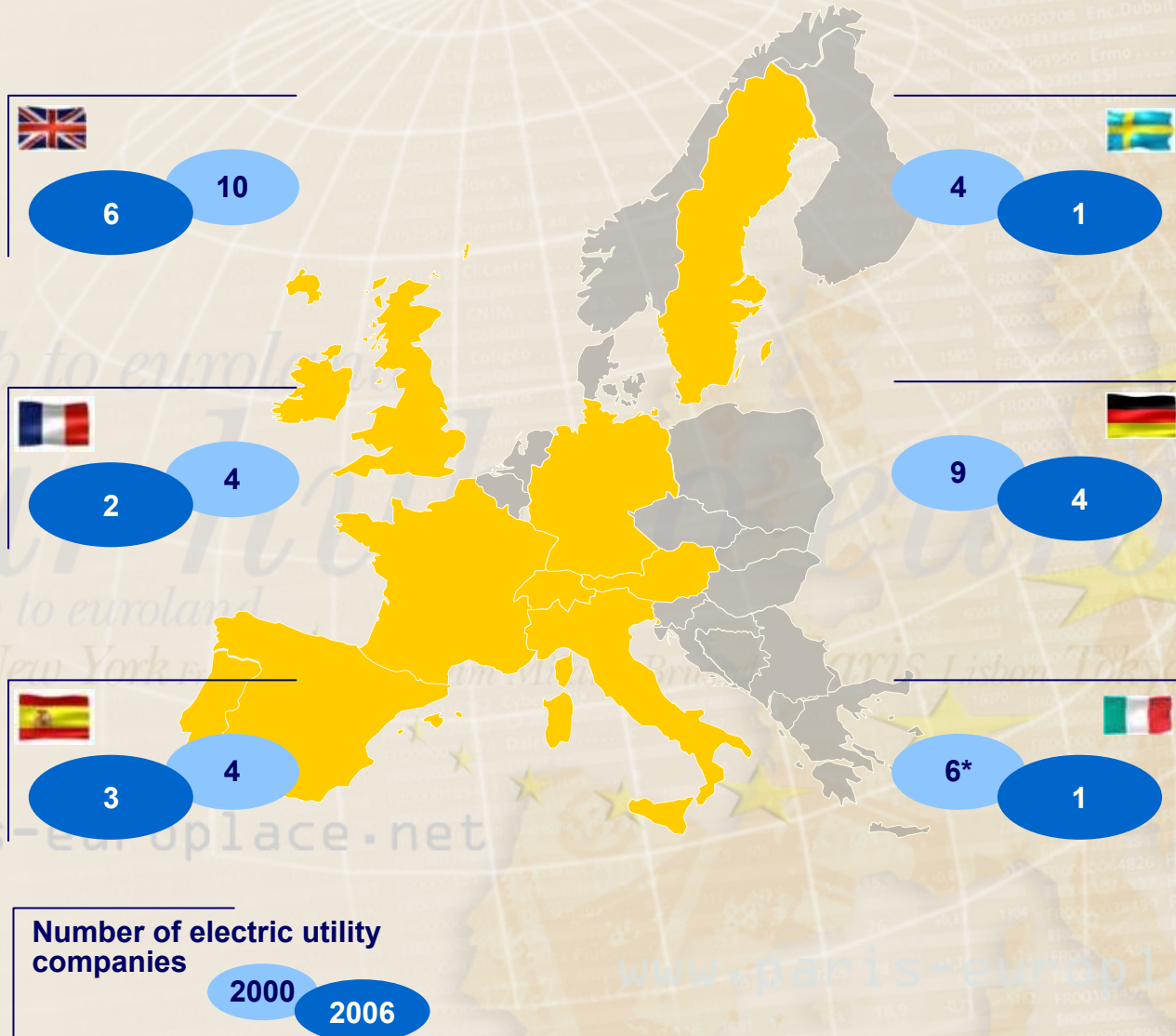
# T&D market to continue to grow at a sustained pace over the next 2-3 years <sup>62</sup>



Source: Internal AREVA analysis

# Our customers are consolidating...

The example of western Europe: 50% of the electric utilities were acquired during the 2000-2006 period



Number of electric utility companies

2000

2006

Note

\* Excluding city-owned companies



# They are wealthy and announce a sharp rise in their capital expenditures

## Annual operating Capex\*

In billions of euros



- Upgrades to existing generating capacity
- Development of new power generation capacity
- Interconnections and upgrade of T&D grids

**Note**

\* Source: AREVA estimates based on data published by our seven largest electric utility customers

# AREVA is the only fully integrated player on the Nuclear value chain

		2006 market	CAMECO	URENCO	USEC	AREVA	Toshiba / Westinghouse	BNFL / BNG	MHI	AEP	GE / Hitachi	Others
Front End	Mining / Natural Uranium	65,000 t	15-20%		5-8%	20-25%	●		●	20-25%		25-30%
	Conversion / Chemistry	61,000 t	20-25%		5-8%	25-30%	↑		↑	20-25%		20-25%
	Enrichment	43m SWUs*		20-25%	25-30%	20-25%				20-25%	●	5-10%
	Natural Uranium fuel (UO <sub>2</sub> )	6,800 t	●			30-35%	20-25%			10-15%	15-20%	10-15%
Reactors & Services		€11 Bn				20-25%	15-20%			5-10%	10-15%	35-40%
Back End	Treatment	30,000 t**				70-75%	●	10-15%		10-15%		JNFL in future
	Recycling (MOX fuel)	2,211 t**				65-70%		1-5%			●	30% (Belgonuclear) JNFL in 2014

→ ● Recent strategic moves

AtomEnergyProm to be launched early 2008

**Note**  
 \* Separative Work Units  
 \*\* Cumulated, worldwide – AREVA Estimate



# Drivers favoring the AREVA's integrated model are huge










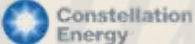













## External drivers favoring the AREVA's integrated model



**Nuclear revival & energy markets deregulation**

# AREVA's integrated offering: a solution for each client – Examples

Examples	JV or existing contracts				Ongoing discussions or negotiations		
	Extraction	Conversion Enrichment	Fuel	Reactors	Services	Back end solutions	T&D
							
 	Yellow	Yellow	Yellow	FL 3	Yellow	Yellow	Yellow
 	Yellow	Yellow	Blue	US-EPR	Yellow	Yellow	Blue
 	OL 3				Yellow	Yellow	Yellow
 	Blue	Blue	Yellow	Blue	Yellow	Blue	Blue
 	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
 	Blue	Blue	Yellow	EPRs	Yellow	Blue	Blue
 	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow



# **AREVA business model** **A profitable growth story**

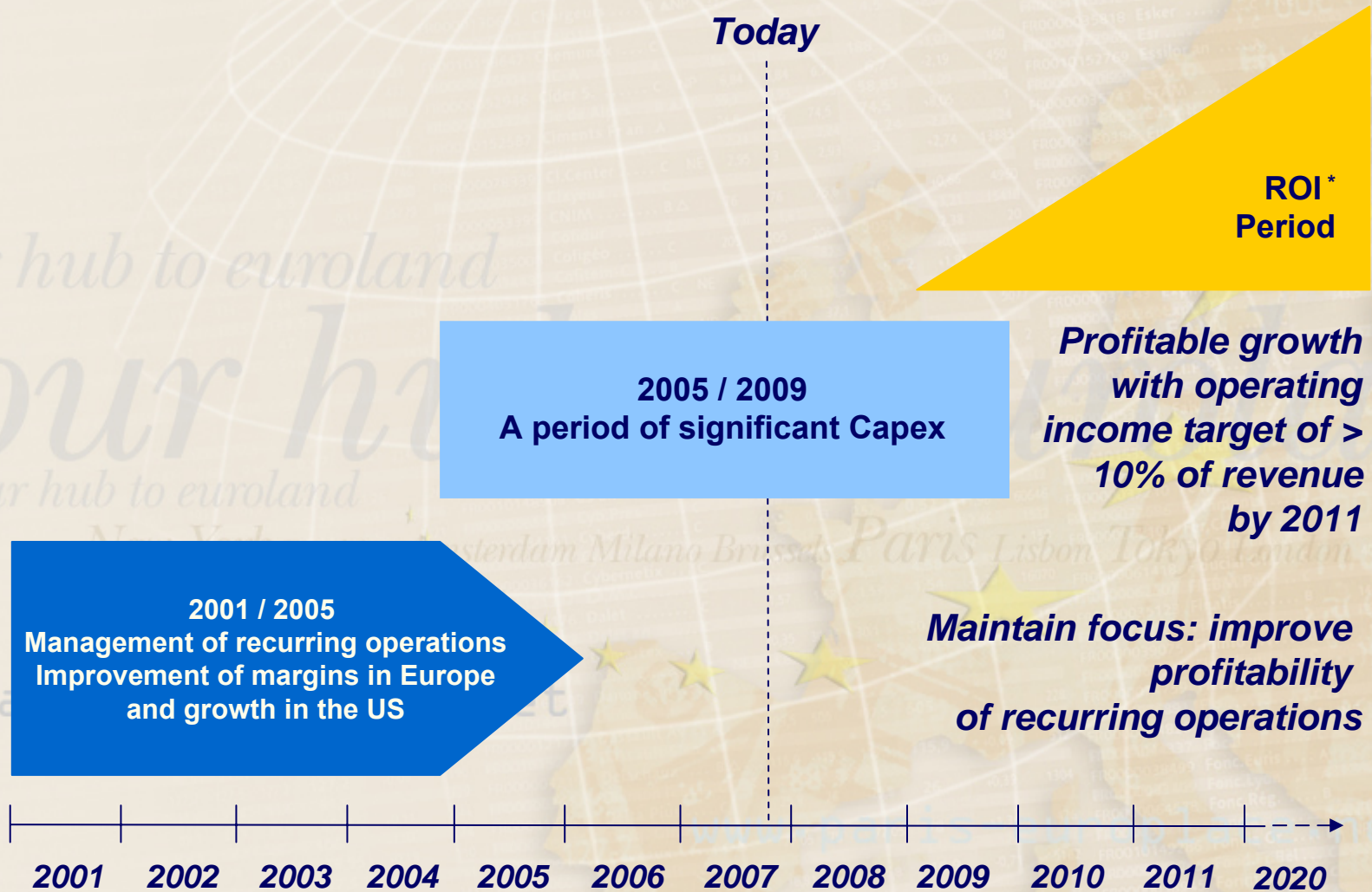
*your hub to euroland*

*New York Frankfurt Amsterdam Milano Brussels Paris Lisbon Tokyo London*

[www.paris-europplace.net](http://www.paris-europplace.net)

[www.paris-europplace.net](http://www.paris-europplace.net)

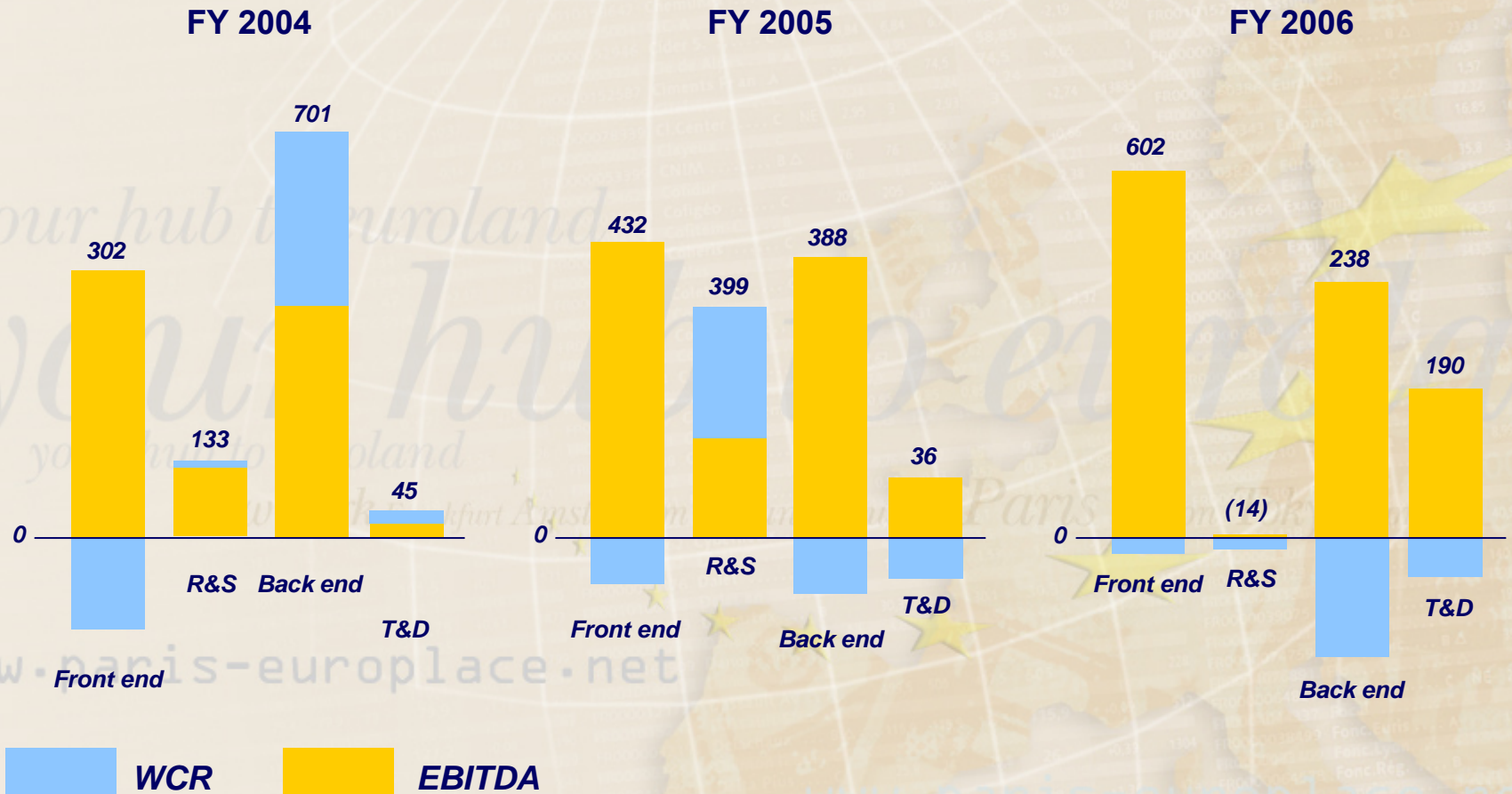
# Main challenges for AREVA through 2011 (Strategic plan horizon)



Note  
\* Return on investment



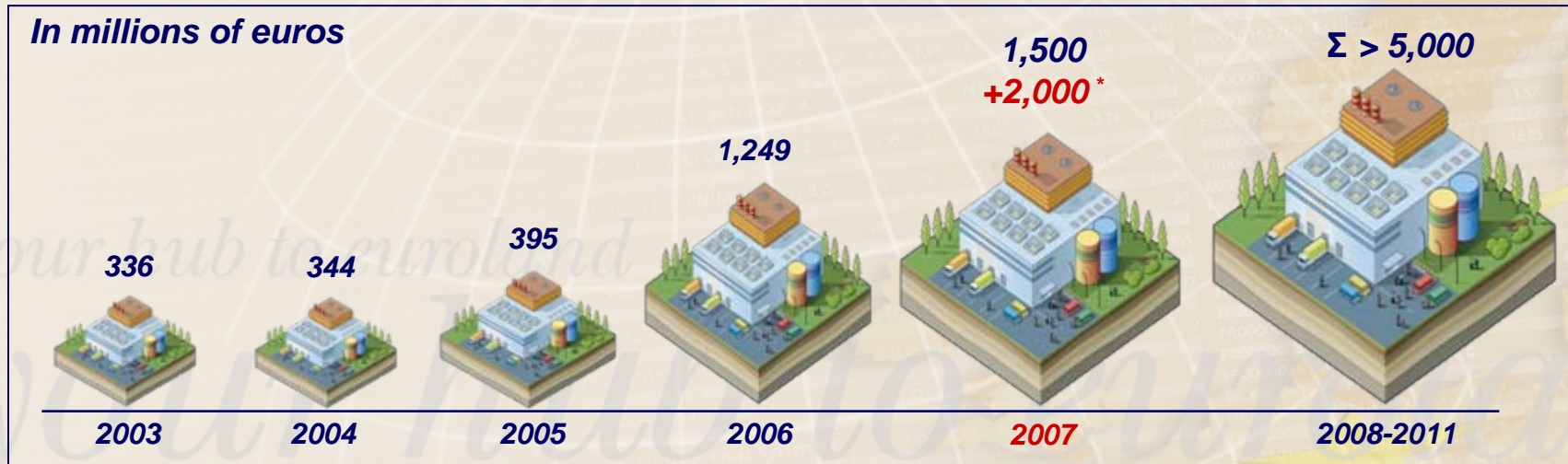
# AREVA generates strong cash from operating activities...



## ... that permits to finance an important CAPEX program

### Capital expenditures

In millions of euros



\* UraMin acquisition

- Mining projects (UraMin, expansion of uranium exploration programs)
- Construction of GB II enrichment plant
- New uranium conversion facility
- Acquisition: Sfarsteel, Ritz High Voltage, Passoni & Villa
- Design certification of the US EPR
- Preliminary studies for a Generation III treatment and recycling facility
- Development of digital control systems / information systems for power grids



## 2007 and 2011 objectives

### 2007

- Strong sales revenue growth
- Increase in operating income
- Continued capital expenditures program

### 2011

- Capture *1/3 of the world market in the nuclear business* and *€5 billion in T&D sales revenue*
- Achieve a *double-digit operating margin*
- Reach a significant position in *CO<sub>2</sub>-free generating systems*

# Questions & Answers

*your hub to euroland*

*your hub to euroland*

*your hub to euroland*

[www.paris-europlace.net](http://www.paris-europlace.net)

[www.paris-europlace.net](http://www.paris-europlace.net)

