

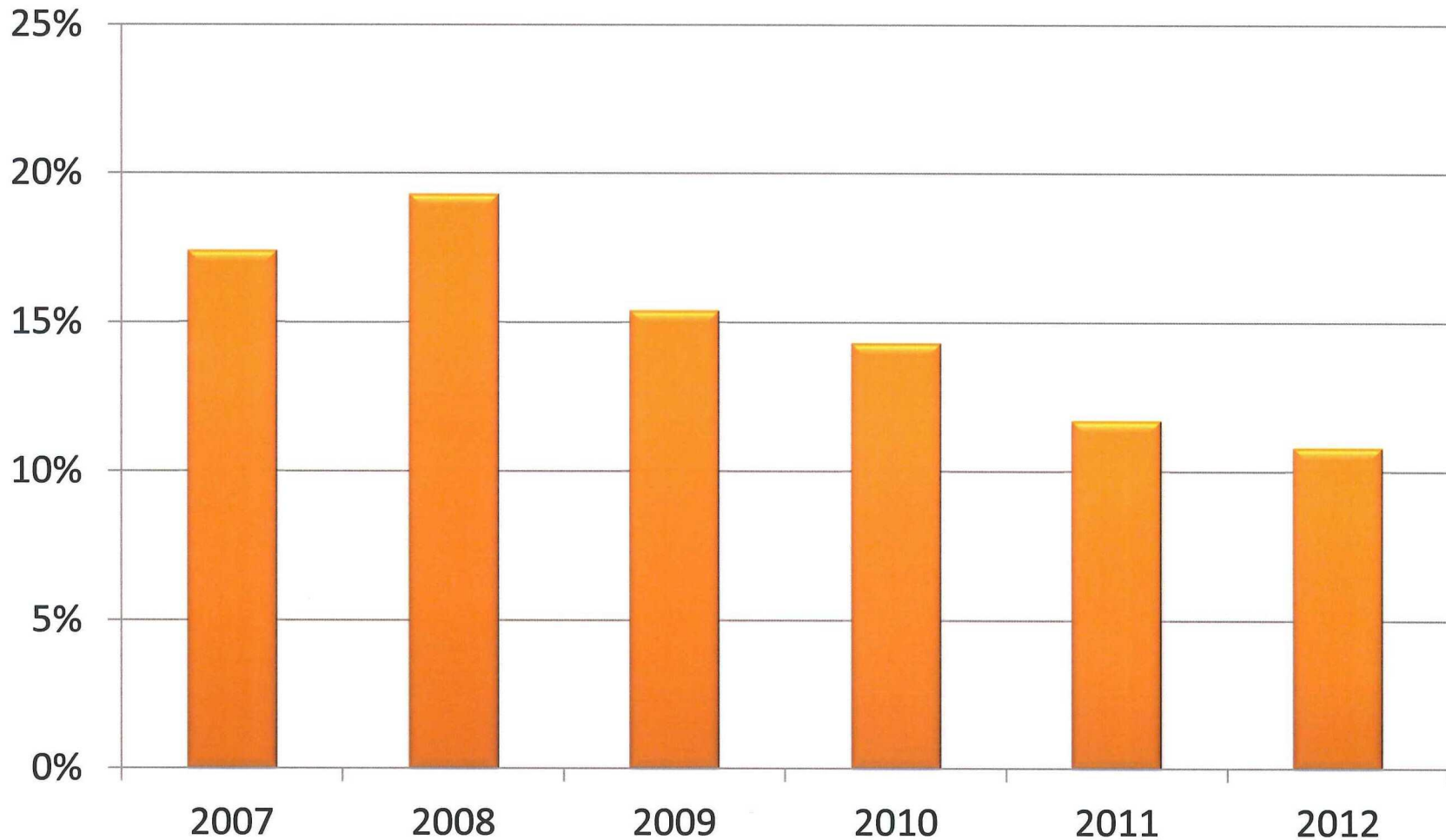
Low Enriched Uranium From France

ITC Sunset Review Hearing

Daniel W. Klett
Capital Trade Incorporated
September 10, 2013

AREVA Presence in the U.S. Market is Significant

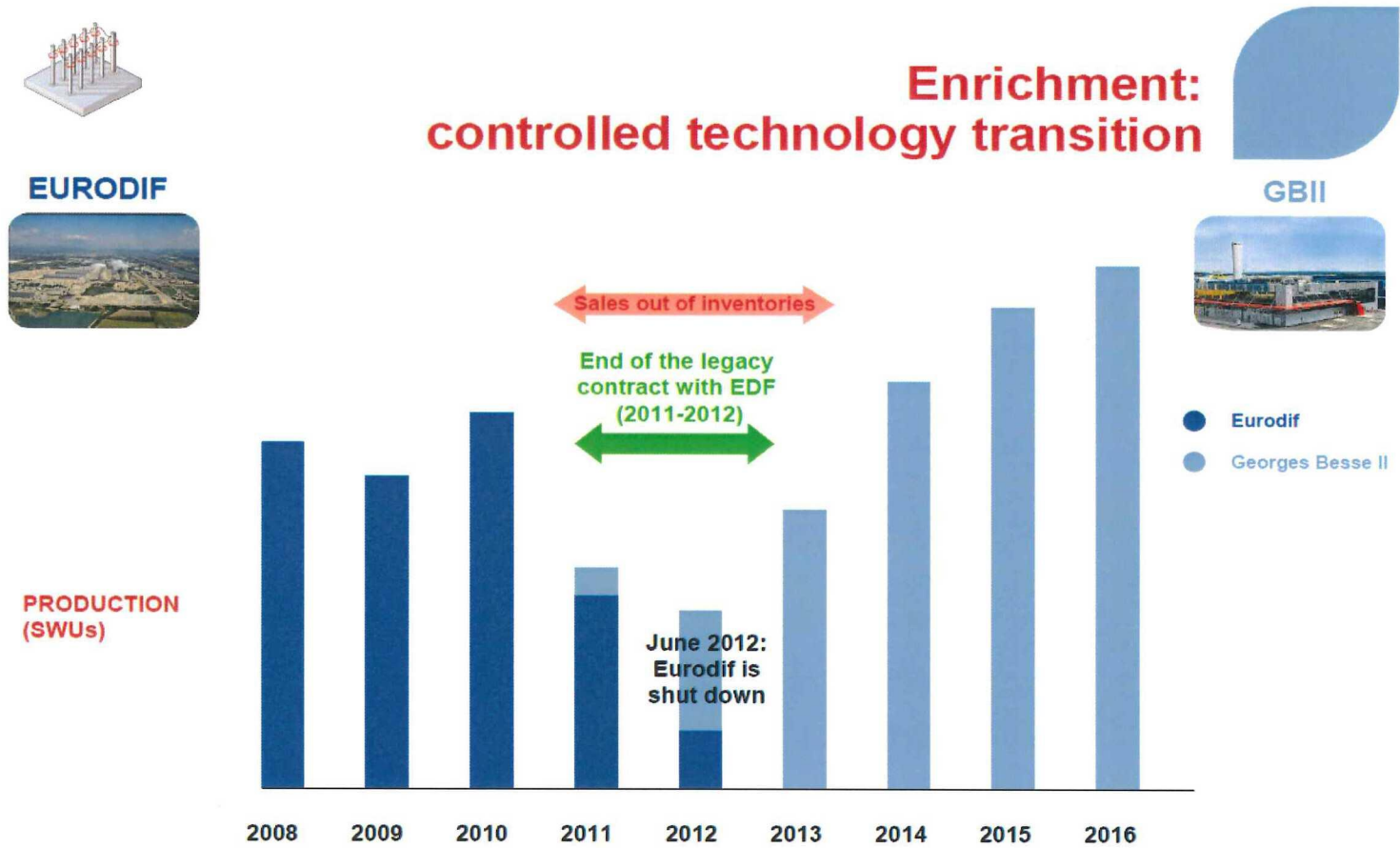
AREVA's U.S. Market Share



Centrifuge Enrichment Is Capital Intensive and but Capacity can be Added Incrementally

- “With centrifuge technology it is easy to add capacity with modular expansion, but it is inflexible and best run at full capacity with low operating cost.” -Uranium Enrichment, World Nuclear Association (updated July 2013).
- “While gaseous diffusion plants have the advantage of being less capital intensive than gaseous centrifuge plants, there appear to be a number of important advantages of the gaseous centrifuge facilities that render them technologically superior to the gas diffusion facilities, especially the more up-to-date centrifuge technologies. These include lower electrical costs, higher capacity utilization rates, and the ability to incrementally add gaseous centrifuge capacity based on market needs.” – Prehearing Staff Report at IV-11.

AREVA's Georges Besse II Plant Will Outstrip Its Georges Besse I (Eurodif) Plant's Production by 2014













AREVA's Georges Besse II Plant Has Significant Capacity and the Ability to Expand That Capacity

- “It will have a production capacity of 7.5 million SWU (Separative Work Units), which could be increased to 11 million SWU.” - AREVA Press Release: Enrichment: Inauguration of the Georges Besse II Plant (December 14, 2010).
- “Another advantage is its modular construction, enabling rapid ramp-up of production and adjustment of production capacity to market demand.” - AREVA 2012 Reference Document at 84.
- “increasing capacity can be achieved according to the market needs.” - AREVA Technical Days Front End presentation (June 5, 2012) at 72.

AREVA is a Full Integrated Producer

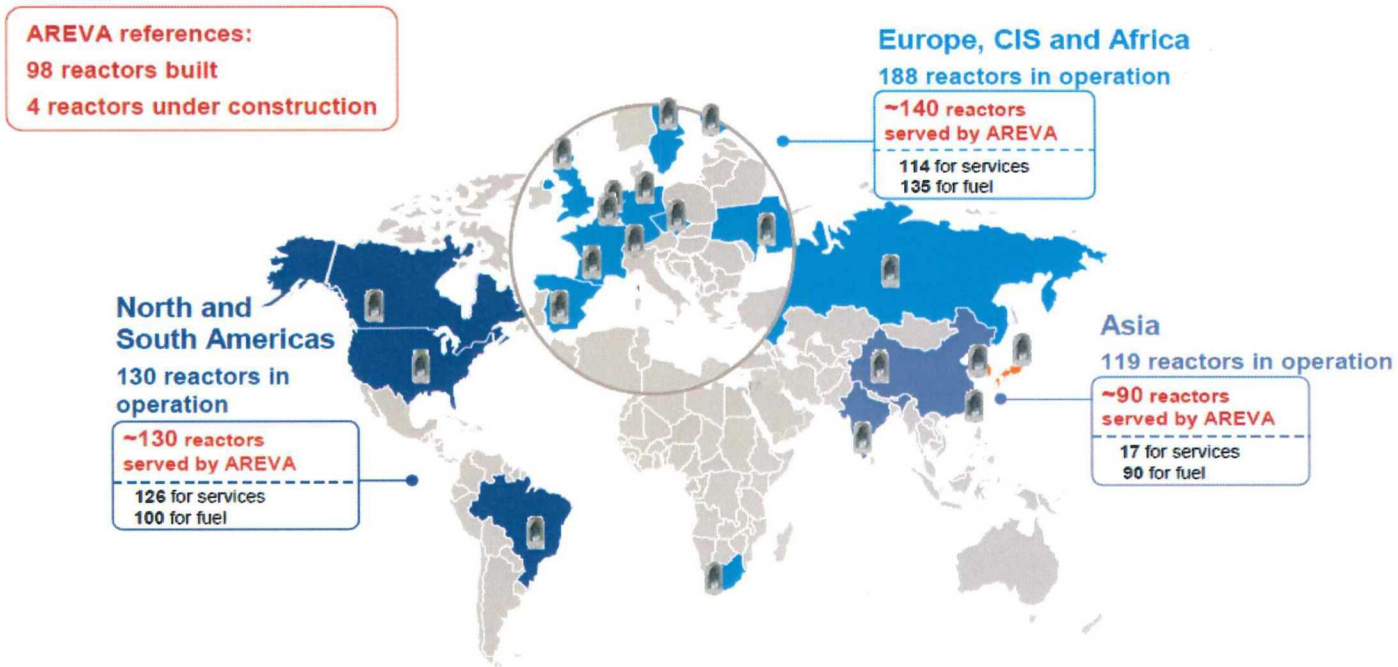
A business model copied by our major competitors

											
Front-End	Mining / Natural Uranium	●	●	●		●	●	○	○	○	
	Conversion / Chemistry	●	●	○		●	●	○	○	○	
	Enrichment	●	○	○	●	●	●	○	○	○	
	Natural Uranium fuel	●	●	●			●	●	●	●	●
Reactors and Services		●					●	●	●	●	●
Back-End	Treatment	●					●				
	Recycling	●						●	○		

● Presence ○ Recent move

AREVA Has Commercial Relations with All North and South American Reactors

95% of all nuclear utilities are AREVA customers



» AREVA provides products and services to 360 reactors worldwide

AREVA Has Substantial Operations in North America



 **Canada**

McArthur

Mine operator: Cameco

Mine Shareholders: Cameco (70%), AREVA (30%)

Open since: 1999

Type: Deep underground with freezing panels

Average Grade: 143‰

Production (2011): 7,686 tU



 **Cigar Lake**

Mine operator: Cameco

Mine shareholders:

Cameco (50%), AREVA (37%), third parties.
Ore milled at JEB facility (70% owned by AREVA)

Reserves : 82,116 tU (after recovery)

Planned production: 6,900 tU / yr

Investment (100%): >€2bn

Expected start of production: 2013

-  Fuel Design – Contracts & Services – Products & Technology – Supply Chain
-  Zirconium
-  Fuel Manufacturing

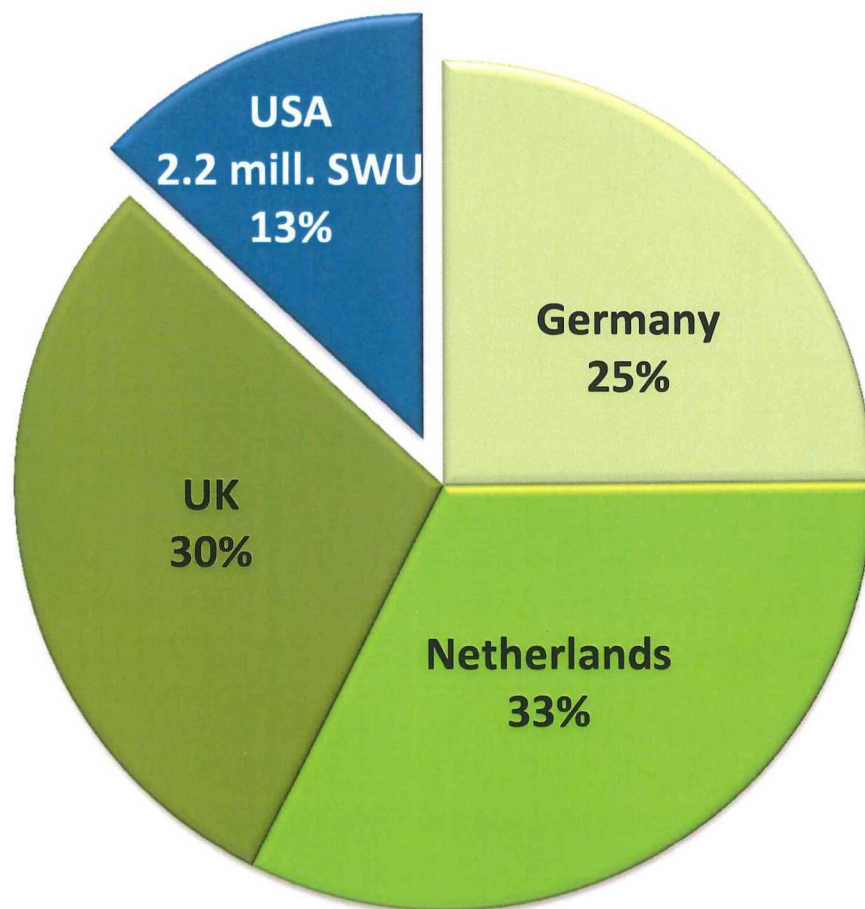


AREVA Bid Low for the Korea Hydro Enrichment Contract

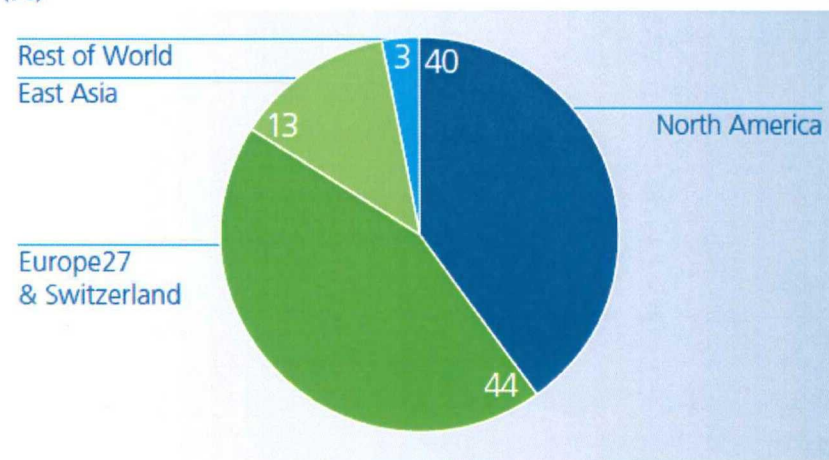
- “On enrichment, France’s Areva was rumored to have submitted the lowest bid for the outstanding tender from Korea Hydro and Nuclear Power for 600,000 separative work units worth of low enriched uranium for delivery in 2013, although the deal is not yet final, sources said.”-Nuclear Intelligence Weekly, “Market: Uncertain and Depressed” (Oct. 19, 2012) .
- “The enrichment price continued to fall in September, with NIW's monthly assessment dropping to a range of \$121-\$129 per Separative Work Unit (SWU) from a range of \$128-\$133/SWU last month after France's Areva submitted in September the lowest bid for a Korea Hydro Nuclear Power tender for spot delivery next year.” -Nuclear Intelligence Weekly, “Market: Cameco and USEC Retrench” (Nov. 2, 2012) .
- “Lower prices were precipitated by Areva's widely regarded low bid for EUP delivery to Korea Hydro & Nuclear Power in October but have persisted because of market sentiment regarding oversupply of enriched product in the market.” - Nuclear Intelligence Weekly, “Market: More Activity in Term Market” (Dec. 7, 2012).

URENCO Must Import to Meet Its U.S. Commitments

**URENCO's 2012 Capacity by Plant
(Total Capacity 16.9 million SWU)**



**URENCO SWU Deliveries by Region
(%)**



“Our order book extends beyond 2025 and reflects our global customer base: 46% USA, 37% Europe, 17% Rest of World.”

AREVA's Enrichment Order Cancellations Have Soared Since the Fukushima Accident

