

Docket, Hearing

From: Liz Woodruff [lwoodruff@snakeriveralliance.org]
Sent: Wednesday, July 27, 2011 6:29 PM
To: Bollwerk, Paul; Eser, Jonathan
Subject: Areva statement in the Wall Street Journal

Dear Judge Bollwerk,

I wanted to make sure you were aware of Areva's public statements to the Wall Street Journal about the consequences of the Fukushima disaster for the nuclear industry (see below). These statements seem to contradict their claims at the evidentiary hearing. It is these kinds of inconsistencies that make us highly skeptical of Areva's credibility in terms of the forecasting evidence they provided to the ASLB.

Thank you,
Liz Woodruff
Executive Director
Snake River Alliance

UPDATE: Areva Profits Drop, Warns Of Deeper Long-term Fukushima Hit

- [Article](#)

(Rewrites, adds details)
By Geraldine Amiel
OF DOW JONES NEWSWIRES

PARIS (Dow Jones)--French state-controlled nuclear engineering firm Areva SA (AREVA.FR) Wednesday reported a large drop in quarterly earnings and warned that it is still too soon to assess the full consequences of the Fukushima nuclear disaster on its long-term financial outlook.

In the first half of 2011, Areva's net profit stood at EUR351 million, down from the EUR843 million a year earlier. Operating income excluding special items fell to EUR62 million in the period from EUR213 million a year earlier.

But Areva's earnings statement was even more noteworthy as an articulation of the new uncertainty that shadows the nuclear business following Fukushima. Areva has touted its 3rd generation EPR reactor as the world's safest nuclear source.

In its most extensive comments yet on the consequences of Fukushima on its business, Areva warned the full long-term impacts "remain extremely difficult to assess at this time." It noted that leading international organizations also had "not published post-Fukushima forecasts."

The shift could "concern all operations in the nuclear cycle and will be included in the strategic plan to be prepared by the end of the second half of the year," the group's new Chief Executive Luc Oursel said in a statement.

The company's backlog at the end of June stood at EUR43.12 billion, down from EUR44.1 billion a year earlier, following the loss of nearly EUR200 million in canceled orders from Japan and Germany. Areva also said it had recorded EUR62 million in impairments on some units whose short-term business volume has been affected by the nuclear retreat.

Among the business units that are "particularly sensitive" to the reevaluation include some mining businesses in Africa, worth around EUR3.5 billion at end June. Some activities related to the development of third-generation nuclear reactors could also be dented; the value of these assets stood at EUR750 million at end June, Areva said.

At the same time, Oursel, who succeeded Anne Lauvergeon on July 1st, pointed to strong "fundamentals underpinning the development of the nuclear market," which include strong electricity demand growth and the impetus to address climate change and energy security.

Areva's results Wednesday were boosted by a EUR648 million payment by Siemens AG (SI) following a favorable arbitration ruling. But the year-on-year comparison was distorted by special items from the 2010 period. Areva said the earnings results from a year ago were boosted by the accounting effects of special EUR417 million adjustment related to losses in its reactors and services division and a EUR300 million adjustment on some mining assets.

Over the last six months, shares in Areva shed nearly 30% as the nuclear accident in Fukushima on March 11th has dramatically dented the global nuclear market prospects. Shares closed Wednesday at EUR24.80.

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