

Paris, April 27, 2006

First quarter 2006: Sales up by 13.3% to €2,476 million

- **Buoyant nuclear operations: up 11.6% like-for-like**
- **Strong organic growth of the Transmission and Distribution Division: up 16.6%**

The AREVA group's first quarter 2006 sales was €2,476 million, compared with €2,186 million for the same period in 2005, representing 13.3% growth in terms of reported data. Organic growth was 13.0%.

- ▶ Nuclear operations posted sales of €1,660 million, up 11.5% (up 11.6% like-for-like), and buoyant business volume marked by:
 - net growth for the **Front End** Division (+20.4%**), with 60% coming from volume-product mix effects and 40% from favorable price effects, especially for uranium supply and enrichment services;
 - the contribution from the OL3 (Finland), Ling Ao-Phase II (China) and Flamanville 3 EPR (France) reactor projects, which boosted the **Reactors and Services** Division's sales by 13.2%**;
 - a slight decrease in the Back End Division (-2.5%**).
- ▶ The *Transmission and Distribution* Division posted sales of €817 million, representing strong organic growth (up 16.6%**), consistent with the increase in orders recorded in 2005. Orders booked in the first quarter of 2006 were up by 15.4% like-for-like (up 25.4% in reported data) compared with the first quarter of 2005.

Outlook: For 2006, the Group expects net growth in sales, like-for-like, although not at the particularly high levels of the first quarter.

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** Organic growth, i.e. constant consolidation scope, accounting method and foreign exchange.

April 27, 2006 - First quarter 2006 sales

In millions of euros	1st quarter 2006	1st quarter 2005	Change in %	% change like-for- like ¹
Front End	714	602	+18.5%	+20.4%
Reactors and Services	534	465	+15.0%	+13.2%
Back End	412	422	-2.5%	-2.5%
Sub-total Nuclear Operations	1 660	1 489	+11.5%	+11.6%
Transmission and Distribution	817	691	+18.2%	+16.6%
Corporate	0	6	n/a	n/a
Total	2 476	2 186	+13.3%	+13.0%

Foreign exchange movements between the first quarter 2005 and the first quarter 2006 totaled a positive €49 million. The consolidation effect had a negative impact of €19 million between the two accounting periods.

Front End Division

First quarter 2006 sales for the **Front End** Division were €714 million, representing organic growth of 20.4% (up 18.5% in reported data), up from €602 million in the first quarter of 2005, which represented less than 23% of sales revenue for the year.

- ▶ With close to 3,600 metric tons of uranium sold in the 1st quarter of 2006, up from 2,600 MT in the 1st quarter of 2005, which represented around 20% of the year's volume, the volume effect for the *Mining* Business Unit was quite large. The average sales price for concentrates was also up, due to the progressive contract price escalation effect on uranium market prices. In all, sales for the *Mining* business were up by 87% in reported data and by 71% like-for-like. This is a much higher rate than is expected for the year as a whole.
- ▶ Sales of *Enrichment* services were stable in France, where the Group signed an extension to its supply contract with EDF for 2006. The volumes sold outside France were up by more than 43% compared with those of the first quarter 2005. The change is due to differences in the timing of deliveries to utility customers between the first quarter of 2006 and the first quarter of 2005, and is not representative of the business expected by the Group for the entire year. The large volume effect combined with the positive average sales price trend translates into sales revenue growth of 39.6%, like-for-like, for the business unit.

Sales for the *Fuel* Business Unit were down by 4.4% in reported data and down by 6.0% like-for-like. The downturn is mainly due to a change in contractual scope of MOX fuel supply benefiting the Back End Division. Deliveries to EDF were down by 14% in volume compared with those of the first quarter of 2005, when volumes were particularly high. In the United States, however, volumes delivered in the first quarter of 2006 were up sharply.

For 2006, the Group expects **Front End** Division sales to be up from 2005, like-for-like, although not at the particularly high levels of the first quarter.

¹ i.e. at constant consolidation scope, accounting method, and foreign exchange rate.

April 27, 2006 - First quarter 2006 sales

Reactors and Services Division

The **Reactors and Services** Division had 1st quarter 2006 sales of €534 million, representing organic growth of 13.2% (up 15.0% in reported data) compared with the first quarter of 2005, which represented less than 20% of sales for the year.

- ▶ Sales revenue from the OL3 project in Finland, involving the construction of the first EPR for TVO, from the Ling Ao-Phase II project in China, involving the supply of primary cooling systems for the two duplicate Generation II reactors, and from advance engineering of the Flamanville 3 EPR for EDF in France has boosted the *Plants* Business Unit's organic growth by 43.3% compared with the first quarter of 2005.
- ▶ The downturn in sales in *Nuclear Services* (down 13.5% like-for-like), which had seen a major steam generator replacement project in the first quarter of 2005, and in *Equipment* (down 14.1% like-for-like), where a large share of production is now dedicated to *Plants* projects, is offset by good performance in *Nuclear Measurements* (up 23.0% like-for-like) and in *Consulting and Information Systems* (up 15.7% like-for-like).

For the entire year of 2006, sales for the **Reactors and Services** Division should post an increase compared with 2005, considering the strong contribution of the reactor construction projects in Finland, France and China. With regard to the Finnish project, the 6-month delay announced at the end of December 2005 has been re-estimated at 8-9 months, as mentioned on April 21st 2006, due to the two months failing of a Finnish company in charge of concrete works. The Group will assess the potential consequences of this delay's evolution in its 2006 financial statements.

Back End Division

First quarter 2006 sales for the **Back End** Division were €412 million, down slightly by 2.5% in reported data (likewise like-for-like), compared with €422 million in the first quarter of 2005, which represented less than 22% of sales for the year.

- ▶ *Treatment and Recycling* operations, which represent more than three-fourths of the division's sales, are stable at +0.2% compared with the first quarter of 2005 (down 0.2% like-for-like). Sales revenue for the first quarter of 2006 was bolstered by a favorable volume and mix effect in used fuel *Treatment*, offsetting the contribution of the Eurofab project (*Recycling* of U.S. surplus defense plutonium) in the first quarter of 2005. First quarter 2006 sales revenue from the contract extension with JNFL in connection with start-up assistance for the Rokkasho Mura treatment plant is marginal at this stage.
- ▶ *Logistics* posted an 8.2% drop in sales in reported data (-3.5% like-for-like) compared with the first quarter of 2005, which benefited from transportation operations for the Eurofab project and from the final shipments of used fuel from Germany. However, the growth in sales of transportation and storage equipment, especially on the European market, limited the sales downturn.

The **Back End** Division expects relatively stable sales in 2006, like-for-like.

April 27, 2006 - First quarter 2006 sales

Transmission and Distribution Division (T&D)

A total of €1,108 million in orders were booked in the first quarter of 2006, up 25.4% (+15.4% like-for-like) compared with the same period in 2005. These figures confirm the favorable trend observed in the second half of 2005 and reflect major contracts signed in India, Brazil, Mexico and Libya, where a large contract was won to supply four 400 kV substations.

- ▶ Orders for the *Africa and Middle East* region thus more than doubled, like-for-like, compared with the first quarter of 2005. Orders were also up sharply in Asia (+42.9% compared with the first quarter of 2005, like-for-like), particularly in India (+62.3%), consolidated in August 2005, and in China (+20.6%).
- ▶ In addition to the effect of integration of the Indian units, the high level of activity in the *Systems Business Unit* had a favorable impact on orders in the 1st quarter 2006, as it did at the end of 2005.

In the *Transmission and Distribution* Division, the backlog as of March 31, 2006 was €3,251 million, up 7.8% compared with that of December 31, 2005.

First quarter 2006 sales revenue for the *Transmission and Distribution* Division totaled €817 million, up 18.2% from €691 million in the first quarter of 2005. Sales were up 16.6% on a like-for-like basis. The net consolidation effect, caused chiefly by the integration of the Indian operations in August 2005 and by the disposal of low voltage operations in France (November 2005), of high voltage lines in Germany (April 2005), and of telecom services in Australia and New Zealand (April 2005), totaled a negative €13 million. Conversely, the foreign exchange effect between the two periods was positive, at €22 million.

The sharp upturn in first quarter 2006 sales compared with the same period in 2005 is due mainly to:

- ▶ Increased *Products* sales revenue (+12.3%²), representing almost half of the division's sales, driven by high voltage and transformer operations, and especially major contracts signed in 2005 in the Middle East. The growth in sales revenue includes the effect of the hike in commodities prices, which were passed through to the customer, especially in the medium and high voltage transformer field.
- ▶ A sharp increase in *Systems* sales revenue (+28.5%²), particularly in Europe, India and South America.

Sales were up in the other business units as well: +8.5%² in *Services*, with brisk business in *North America* and the *Asia-Pacific* region, and +5.8%² in *Automation*, where the trends are favorable in all businesses.

In geographic terms, every region in the world posted sales growth. The *Central and South America* region posted the highest growth, with sales revenue up by 100.4% like-for-like.

For 2006 as a whole, the Group expects net growth in sales of the **Transmission and Distribution** Division.

² Before eliminations of inter-business unit sales, like-for-like.

April 27, 2006 - First quarter 2006 sales

Upcoming events and publications

- ▶ May 2, 2006: Annual General Meeting of Shareholders (closed to Investment Certificate holders)
- ▶ June 30, 2006: Dividend payment for fiscal year 2005
- ▶ July 27, 2006 – 5:45 pm: Press release – Second quarter 2006 sales
- ▶ September 27, 2006 – 5:45 pm: Press release and conference call presenting first half 2006 income

About AREVA

With manufacturing facilities in 40 countries and a sales network in more than 100, AREVA offers customers reliable technological solutions for CO₂-free power generation and electricity transmission and distribution. We are the world leader in nuclear power and the only company to cover all industrial activities in this field. Our 58,000 employees are committed to continuous improvement on a daily basis, making sustainable development the focal point of the group's industrial strategy. AREVA's businesses help meet the 21st century's greatest challenges: making energy available to all, protecting the planet, and acting responsibly towards future generations.

For more information: www.areva.com

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