



**AREVA**

**PURE ENERGY**

***AREVA group***  
***Half-year 2008 results and outlook***

**Friday, August 29, 2008**

## ▶ Forward-looking statements

- ◆ This document contains forward-looking statements and information. These statements include financial forecasts and estimates as well as the assumptions on which they are based, statements related to projects, objectives and expectations concerning future operations, products and services or future performance. Although AREVA's management believes that these forward-looking statements are reasonable, AREVA's investors and investment certificate holders are hereby advised that these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee and generally beyond AREVA's control, which may mean that the expected results and developments differ significantly from those expressed, induced or forecast in the forward-looking statements and information. These risks include those developed or identified in the public documents filed by AREVA with the AMF, including those listed in the "Risk Factors" section of the Reference Document registered with the AMF on April 15, 2008 (which may be read online on AREVA's website, [www.aveva.com](http://www.aveva.com)). AREVA makes no commitment to update the forward-looking statements and information, except as required by applicable laws and regulations.

## *Highlights and overall performance*

## Highlights and recent events (1/2)

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- ▶ **AREVA is strengthening its lead in the **fuel cycle****
  - ◆ Strategic agreement with Kazakhstan in the front end of the cycle
  - ◆ Receipt of mining permit in Namibia
  - ◆ Cooperation with MHI expanded to nuclear fuel in Japan
  - ◆ Construction of a MOX fuel fabrication facility in the United States
  
- ▶ **AREVA is pursuing its strategy of **partnerships** with utility customers**
  - ◆ SUEZ: long-term commercial agreements and minority interest in GBII
  - ◆ E.ON: global partnership in Reactors and Services
  
- ▶ **AREVA is leading **major projects****
  - ◆ Site selection for construction of the U.S. enrichment plant
  - ◆ GBII, FA3, Taishan: progress on track
  - ◆ OL3:
    - June 30 milestone met for start of installation
    - Satisfaction of the Finnish Nuclear Safety Authority (STUK)
    - Additional provisions

- ▶ **AREVA is consolidating recent acquisitions in Renewable Energies**
  - ◆ **Wind**
    - Multibrid: industrialization of production capacities
    - Disposal of REpower shares
  - ◆ **Biomass: development of projects in Brazil (Koblitz), France, Germany and the United States**
  
- ▶ **AREVA is gaining strength in growth regions and segments in Transmission & Distribution**
  - ◆ **High voltage: IFA 2000 contract and two substations in Dubai**
  - ◆ **Industrial sector: contract with Rio Tinto Alcan**
  - ◆ **Buoyant operations in India**
    - AREVA, number 1 in the first half of 2008 (orders up 90%)
    - AREVA selected for international airport in New Delhi
  - ◆ **19 industrial projects to build or expand capacity**
  - ◆ **Intelligent networks: supply of a grid management system for North China Grid to secure power supply to Beijing during the Olympic Games**

## Key figures at June 30, 2008

<i>In millions of euros</i>	H1 2007	H1 2008	Δ 08/07
<b>Backlog</b>	33,553	38,123	+ 13.6%
<b>Revenue</b>	5,373	6,168	+ 14.8%
<b>Operating income</b> <i>% of revenue</i>	207 3.9%	539 8.7%	+ €332M + 4.8 pts
<b>Consolidated net income</b>	295	760	+ €465M
<b>Earnings per share</b>	€8.31	€21.45	+ €13.14
<b>Free operating cash flow*</b>	(513)	(521)	
	<b>12/31/2007</b>	<b>6/30/2008</b>	
<b>Debt/equity ratio (excl. minority puts)**</b>	26.2%	30.1%	

**Organic  
growth\*\*\*  
+ 16.0%**

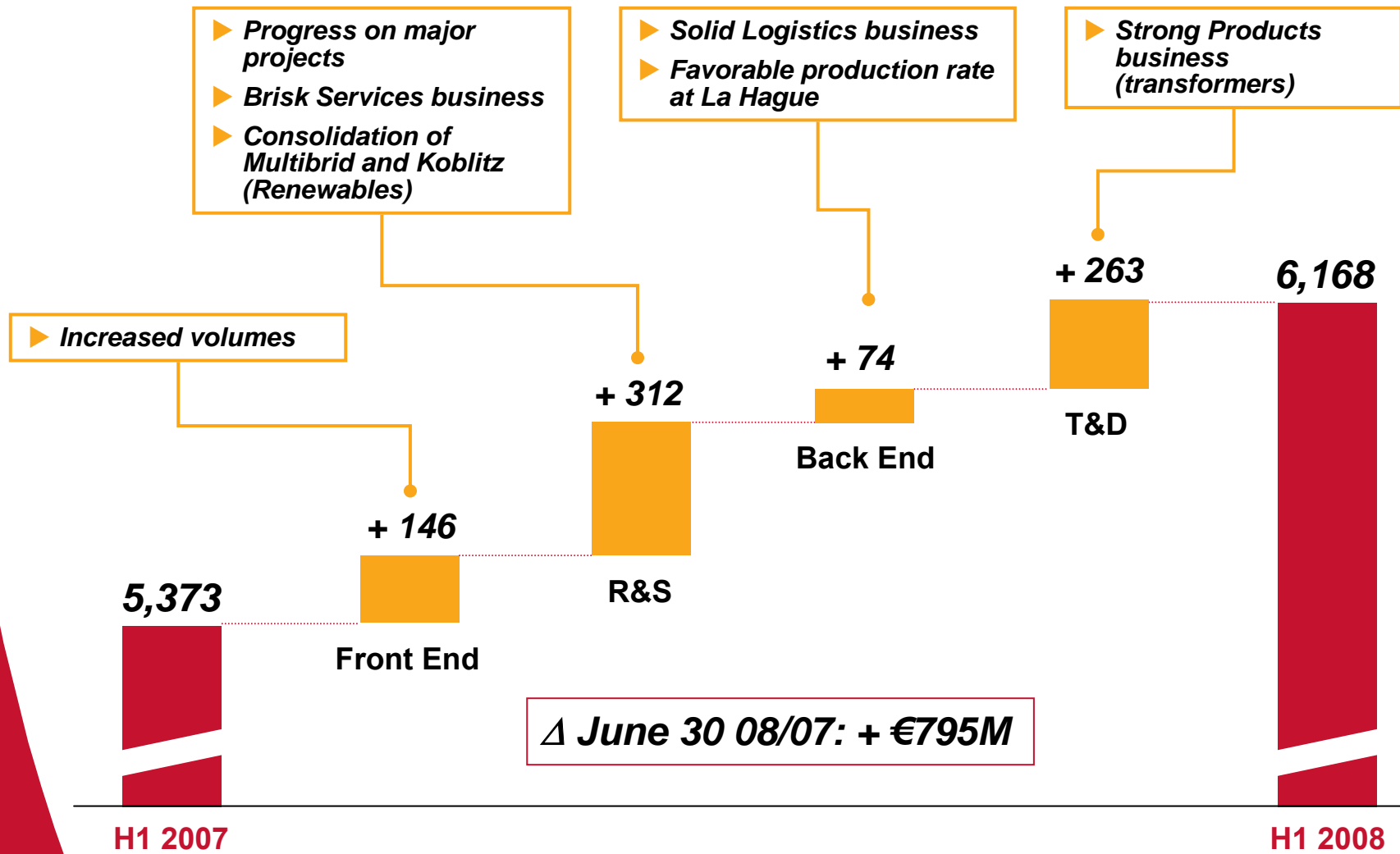
\* EBITDA +/- change in Operating WCR – Operating Capex, net of disposals

\*\* Debt/equity ratio: net debt / equity (including minority interests)

\*\*\* at constant exchange rate and consolidation scope

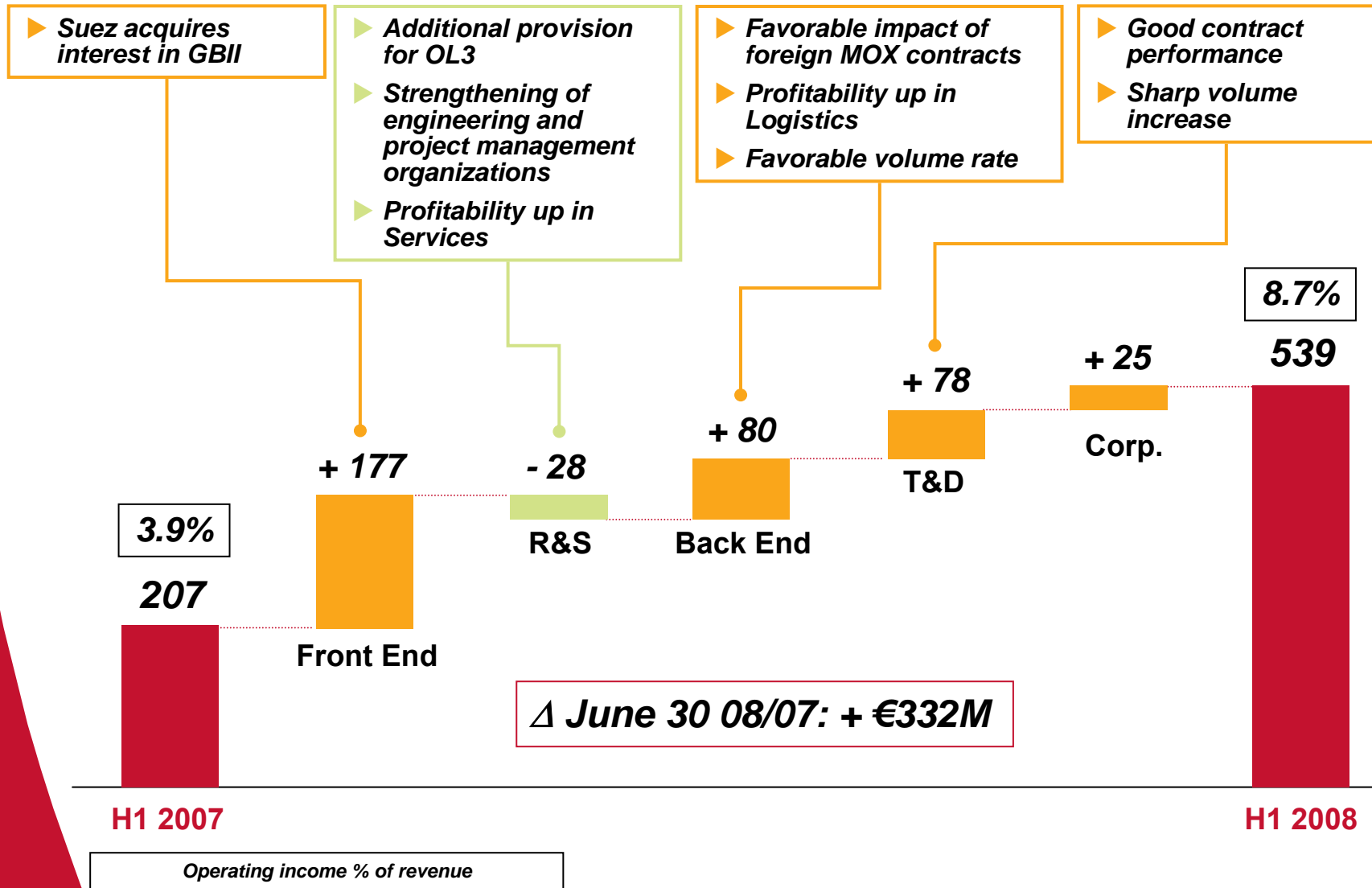
# 14.8% growth in revenue

(+16.0% like-for-like)





# Operating income growth



<i>In millions of euros</i>	EBITDA		Δ Op. WCR		Net Op. Capex		Free op. cash flow before tax	
	H1 07	H1 08	H1 07	H1 08	H1 07	H1 08	H1 07	H1 08
<b>Group</b>	451	863	(459)	(739)	(501)	(455)	(513)	(521)

▶ **Continuing Capex program**

- ◆ Front End projects - mining, GBII (net of Suez capital contribution)
- ◆ Additional products in Plants
- ◆ Investment in forging capacity (Creusot) and EPR certification in several countries, particularly the United States
- ◆ 19 new manufacturing sites under construction (or capacity expansion) in the T&D division

▶ **Increased WCR**

- ◆ Reconstitution of inventories in the Front End
- ◆ Increased trade receivables in T&D, in line with revenue growth

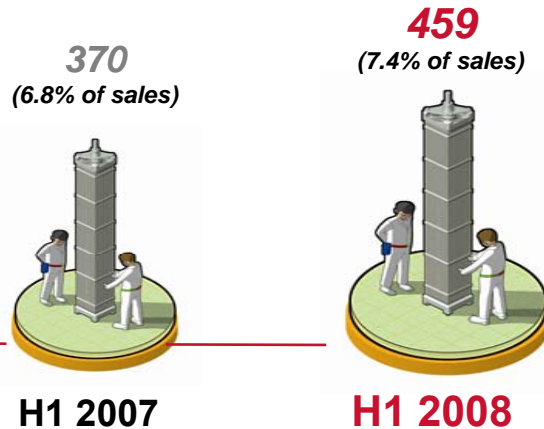
▶ **Impact of Suez's acquisition of equity interest in GBII (EBITDA and net Capex)**

# Investments in R&D and human resources

## Investment in technology

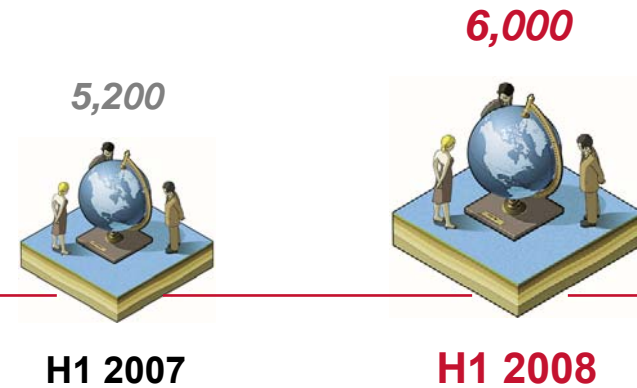
Total R&D spending, in millions of euros

- ▶ Intensification of uranium exploration
- ▶ EPR certification
- ▶ New generations of fuel
- ▶ Ultra High Voltage technology and intelligent networks (T&D)

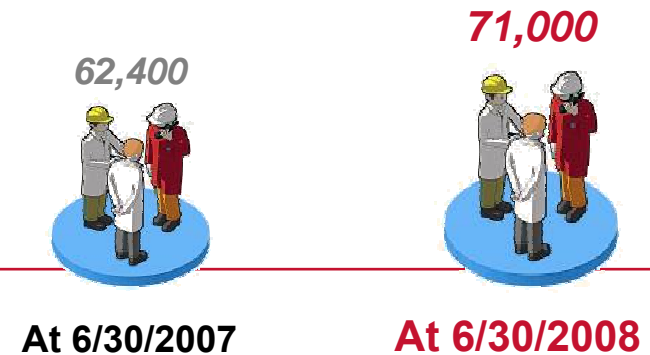


## Investment in human capital

Hiring – H1 2008 vs. H1 2007



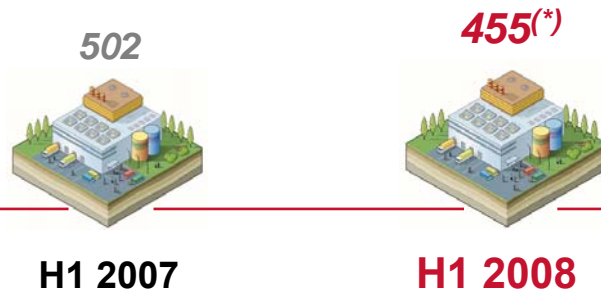
Workforce



# The operating Capex program

## Operating Capex in millions of euros

- ▶ Ramp-up of mining projects (Namibia, Canada, Niger)
- ▶ GBII project
- ▶ Comurhex II
- ▶ Production capacities in Reactors and Services
- ▶ EPR certifications and development of ATMEA and SWR
- ▶ T&D manufacturing capacity



(\*) including Suez capital contribution to GBII

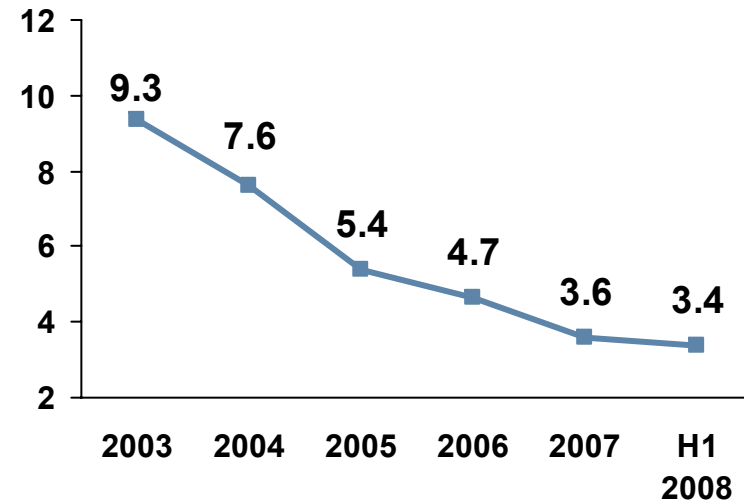
## Examples of Capex program commitments

- ▶ Mining investments
  - ◆ Imouraren: €1B program over 5 years for 5,000 MTU/yr
- ▶ Forgings – Creusot: **€70M**
  - ◆ Increased ingot production capacity at Industeel
  - ◆ Increased forging capacity at AREVA plants
- ▶ Mobile components (Jeumont): **€60M**
  - ◆ Doubling of capacity
  - ◆ Development of a test loop for primary coolant pumps under actual operating conditions
- ▶ T&D: more than **€250M**
  - ◆ 16 new sites (Asia, Europe, North & South America)
  - ◆ Increased capacity at 3 existing sites

- ▶ In H1 2008, AREVA had **7** level 1\*\* incidents in France, compared with **56** reported at the national level
- ▶ AREVA dedicated more than **€300 million** to safety, security and facility maintenance in 2007 and allocated **€400 million in 2008**

## Accident frequency rate\*\*\*

AREVA divided its frequency rate by 2.8 in five years



The average frequency rate for French industry is **25.7** (in 2006 – source: INRS)

\* : Licensed nuclear facilities and transportation of nuclear materials

\*\* : The INES scale includes eight level from 0 (deviation) to 7 (major accident)

Level 0 : deviation below INES scale. Deviation from normal facility operations or transport of materials

Level 1 : Anomaly beyond the authorized operating regime

Level 2 : Incident with on site impact (significant spread of contamination / overexposure of a worker) and/or incident with significant failure in safety provisions

\*\*\* : Sliding 12-month period

## *Performance by division*

## Front End division: very strong contribution to profitability

<i>In millions of euros</i>	<b>6/30/2007</b>	<b>6/30/2008</b>	<b>Δ 08/07 (%)</b>
<b>Backlog</b>	<b>17,223</b>	<b>19,108</b>	<b>10.9%</b>
<b>Contribution to revenue</b>	<b>1,342</b>	<b>1,488</b>	<b>10.9%</b>
<b>Contribution to operating income</b> <i>% of revenue</i>	<b>223</b> <i>16.6%</i>	<b>400</b> <i>26.9%</i>	<b>x 1.8</b> <b>+ 10.3 pt</b>
<b>Free operating cash flow before tax*</b>	<b>(122)</b>	<b>(46)</b>	<b>+ 62%</b>

\* EBITDA +/- disposal gains +/- Change in WCR - Net Capex

- ▶ **New orders: multi-year contracts in the United States, Japan and France**
- ▶ **Revenue up 10.9%: buoyant export sales, particularly in Asia**
- ▶ **Operating performance marked by global agreement with Suez including in particular the latter's minority interest in GBII**
- ▶ **Free operating cash flow affected primarily by cash contribution for minority interest in GBII**

# Securing supplies for our customers

## Access to mineral resources

### Mining projects

#### ► Projects and partnerships:

- ◆ **Kazatomprom – KATCO** (Kazakhstan)
  - Production ramp-up and agreement to raise production to 4,000 MTU/year
  - Fuel: industrial cooperation and marketing exclusivity for 400 MT/year
- ◆ **Namibia - Trekkopje**
  - Operating permit received
  - Production to start end of 2009
- ◆ **Cameco - Cigar Lake**: restart date of operations to be confirmed by Cameco (project operator)

#### ► Increased exploration

### Uranium price index at 6/30/2008 (\$/lb U3O8)

- Long-term price\*: \$82.50 (\$80.00 at 8/15/08)
- Short-term price\*: \$59 (\$64.50 at 8/15/08)
- AREVA's average sale price: \$36.60 (\$35.50 at 6/30/2007)

Source: Ux Consulting and TradeTech



# **Securing supplies for our customers**

## **More enrichment capacities**

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### ▶ **France - GBII**

- ◆ Capacity: 7.5 million SWU
- ◆ Start of assembly of the first centrifuges by ETC on schedule
- ◆ Start-up of the first module confirmed for 2009

### ▶ **United States - Eagle Rock Enrichment Facility**

- ◆ Capacity: 3 million SWU – phase 1
- ◆ Selection of Bonneville County in the State of Idaho
- ◆ Diplomatic process and license requests to U.S. government
- ◆ Strong support from U.S. utilities

## R&S: development of major projects

<i>In millions of euros</i>	6/30/2007	6/30/2008	Δ 08/07 (%)
<b>Backlog</b>	5,597	7,633	36.4%
<b>Contribution to revenue</b>	1,154	1,466	27.0%
<b>Contribution to operating income</b>	(230)	(258)	- 12.2%
<i>% of revenue</i>	- 19.9%	- 17.6%	+ 2.3 pts
<b>Free operating cash flow before tax*</b>	(236)	(407)	- 72.5%

\* EBITDA +/- disposal gains +/- Change in WCR - net Capex

- ▶ **Orders booked in H1 2008: Engineering and Services contracts in the United States and France**
- ▶ **Strong revenue growth driven by the development of major contracts, brisk business in Engineering and Services, and the consolidation of Multibrid and Koblitz**
- ▶ **Operating income incorporates additional OL3 provision to recognize:**
  - ◆ Cost overruns tied to the mobilization of additional resources to meet the schedule (labor, components) and offset the customer's intervention methods
  - ◆ Difficulties and risks of operations managed by some subcontractors
- ▶ **Positive impact of Services on operating margin**
- ▶ **Free operating cash flow marked by drop in EBITDA and rise in operating Capex (particularly Koblitz)**

- ▶ Forging of primary coolant pipes and steam generator tubing completed
- ▶ Pool vault installed in the reactor building
- ▶ Successful completion of hydraulic pressure test for the reactor pressure vessel to be delivered on site before the end of 2008
- ▶ 6/30 milestone met: start of assembly of piping for the auxiliary coolant system



- ▶ TVO appoints new OL3 project director
- ▶ The managements of TVO, AREVA and Siemens agree on 50 measures to improve and accelerate the project (deployed or being deployed)
  - ◆ Management of documentation path
  - ◆ Prioritization of topics based on project's critical path
  - ◆ Additional measures under discussion (management of project interfaces)
- ▶ Acceleration of claims by the AREVA/Siemens consortium to exercise its rights: first arbitration proceeding begun
- ▶ Relations with the Finnish safety authority (STUK)
  - ◆ *"... I want to assure you that my judgment of the Olkiluoto 3 project success is based solely on the actual performance of AREVA in providing adequate quality and safety. In spite of some difficulties met in the past I have no doubt about the acceptability of the final product. I have tried to indicate in all of my discussions with the technical and public audience that I am still very pleased with the choice made by TVO when they signed the contract with AREVA in 2003.*

*I fully recognize the value of AREVA's pioneering work in re-establishing the capability for nuclear construction in the western world and in the USA, and **I do not believe that any other company could have done better in these circumstances.**"*

*Jukka Laaksonen – Director General STUK – Letter to Anne Lauvergeon – May 26, 2008*

  - ◆ *"AREVA and its subcontractors remain the world's leaders in the nuclear industry. **They offer the best product and the safest product.**"*

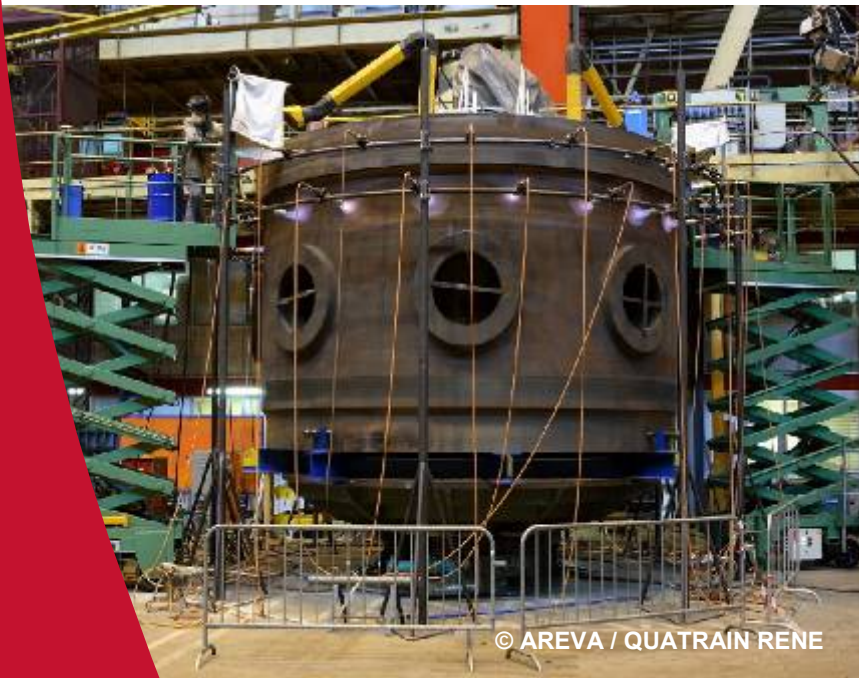
*Jukka Laaksonen – General Director STUK  
- Interview on Finnish television MTV3 – August 22, 2008*

## ***Focus on EPRs under construction***

### ***Flamanville 3 : Areva provides the Nuclear Steam Supply System***

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- ▶ **AREVA is responsible for the NSSS**
- ▶ **Component manufacturing: on schedule**
  - ◆ **Reactor vessel, vessel head, steams generators: manufacturing has begun**
  - ◆ **Pressurizer: procurements launched with suppliers**
  - ◆ **Primary branches: already cast and forged**
- ▶ **Engineering studies: progress is consistent with the customer's deadlines**

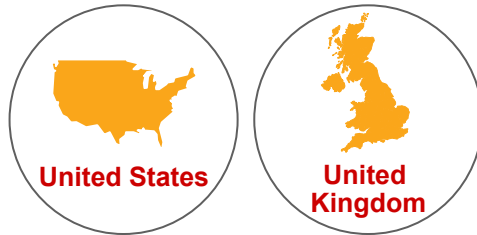


## ***Focus on EPR reactors under construction*** *Nuclear islands for Taishan 1&2*

- ▶ **AREVA is in charge of the engineering and the supply of nuclear islands for two EPR reactors**
- ▶ **Site preparation is ongoing (CGNPC) – excavation ceremony on August 26/08**
- ▶ **AREVA submitted the preliminary safety report to the client on July 22**
- ▶ **Authorization to proceed issued by the Chinese authorities in July as well**
- ▶ **A first delegation of Chinese engineers is being trained by AREVA**



# ***AREVA reactors: projects and ongoing calls for tender***



## ***EPRs already selected***

- ▶ **UK: E.ON, EDF**
- ▶ **United States: Constellation, AmerenUE, PPL, Amarillo, Alternate Energy Holding Inc**
- ▶ **France : 2<sup>nd</sup> EPR has been announced**

## ***Ongoing tenders and proposals***

- ▶ **South Africa (decision expected in H2-2008)**
- ▶ **Canada**
- ▶ **United Arab Emirates**

## ***Ongoing design work***

- ▶ **ATMEA – 1,100+ MWe (with MHI)**
- ▶ **SWR – 1,250+ MWe (with EON)**

## *Back End division: favorable production levels in H1 2008*

<i>In millions of euros</i>	<b>6/30/2007</b>	<b>6/30/2008</b>	<b>Δ 08/07 (%)</b>
<b>Backlog</b>	<b>6,621</b>	<b>5,591</b>	<b>- 15.6%</b>
<b>Contribution to revenue</b>	<b>856</b>	<b>930</b>	<b>8.7%</b>
<b>Contribution to operating income</b>	<b>95</b>	<b>175</b>	<b>+ 84%</b>
<i>% of revenue</i>	<i>11.3%</i>	<i>18.8%</i>	<i>+ 7.7 pts</i>
<b>Free operating cash flow before tax*</b>	<b>(73)</b>	<b>73</b>	<b>200%</b>

\* EBITDA +/- disposal gains +/- change in WCR – net Capex

- ▶ **Orders booked: MOX assemblies (Kansai and Kyushu), support to JNFL at Rokkasho Mura**
- ▶ **Revenue growth driven by brisk business in Logistics and favorable production levels in Recycling**
- ▶ **Operating income up sharply: very favorable customer mix in MOX fuel, improved profitability in Logistics, favorable production levels in Recycling in H1**
- ▶ **Upturn in free operating cash flow: strong EBITDA growth**



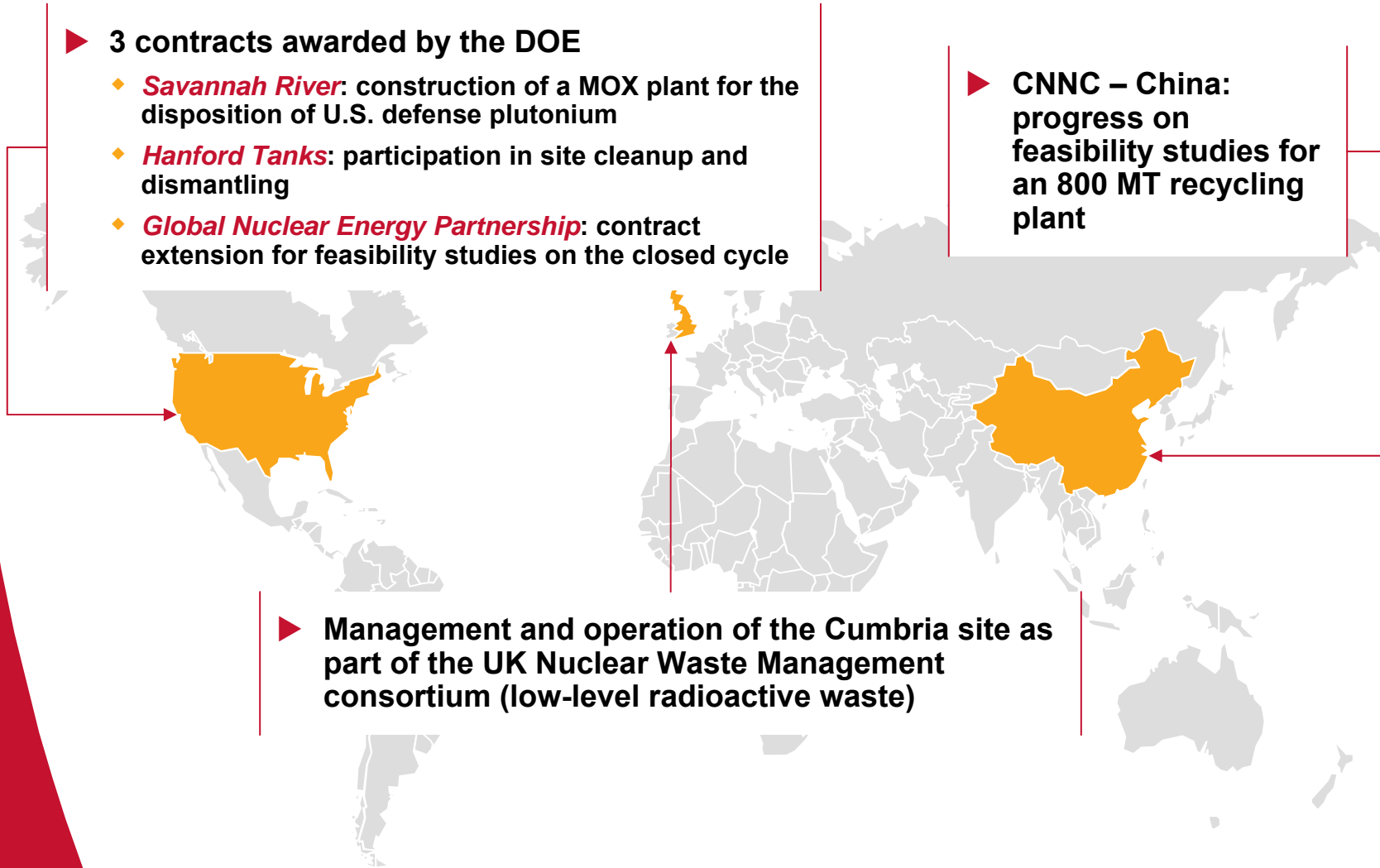
# International recognition for AREVA's leadership in the back end of the cycle

▶ 3 contracts awarded by the DOE

- ◆ *Savannah River*: construction of a MOX plant for the disposition of U.S. defense plutonium
- ◆ *Hanford Tanks*: participation in site cleanup and dismantling
- ◆ *Global Nuclear Energy Partnership*: contract extension for feasibility studies on the closed cycle

▶ CNNC – China:  
progress on  
feasibility studies for  
an 800 MT recycling  
plant

▶ Management and operation of the Cumbria site as part of the UK Nuclear Waste Management consortium (low-level radioactive waste)



## T&D: strong contribution to growth and profitability

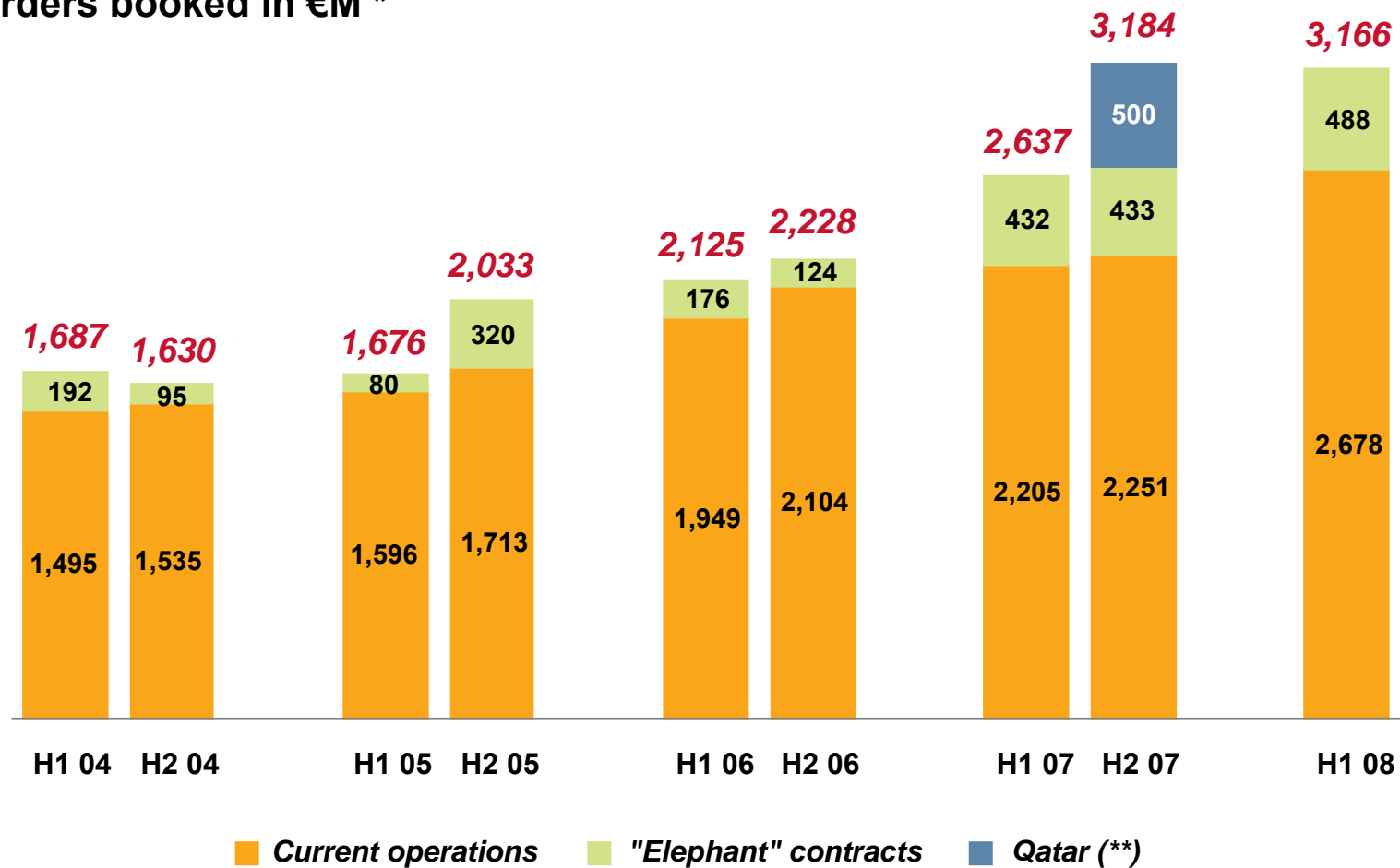
<i>In millions of euros</i>	<b>6/30/2007</b>	<b>6/30/2008</b>	<b>Δ 08/07 (%)</b>
<b>Backlog</b>	<b>4,116</b>	<b>5,791</b>	<b>40.7%</b>
<b>Contribution to revenue</b>	<b>2,021</b>	<b>2,284</b>	<b>13%</b>
<b>Contribution to operating income</b> <i>% of revenue</i>	<b>175</b> 8.7%	<b>253</b> 11.1%	<b>44.6%</b> + 2.4 pts
<b>Free operating cash flow before tax*</b>	<b>17</b>	<b>- 45</b>	<b>n.s.</b>

\* EBITDA +/- disposal gains +/- change in WCR – net Capex

- ▶ **Buoyant marketing and sales with first-half record for orders booked: €3.2B, i.e. +20% compared with H1 2007**
- ▶ **Revenue growth of 13% driven by *Products* and *Automation***
- ▶ **Operating income sharply up in *Products* and *Systems***
- ▶ **Operating cash flow: increased Capex and WCR in line with business growth**

## T&D: Vitality and solidity of orders booked

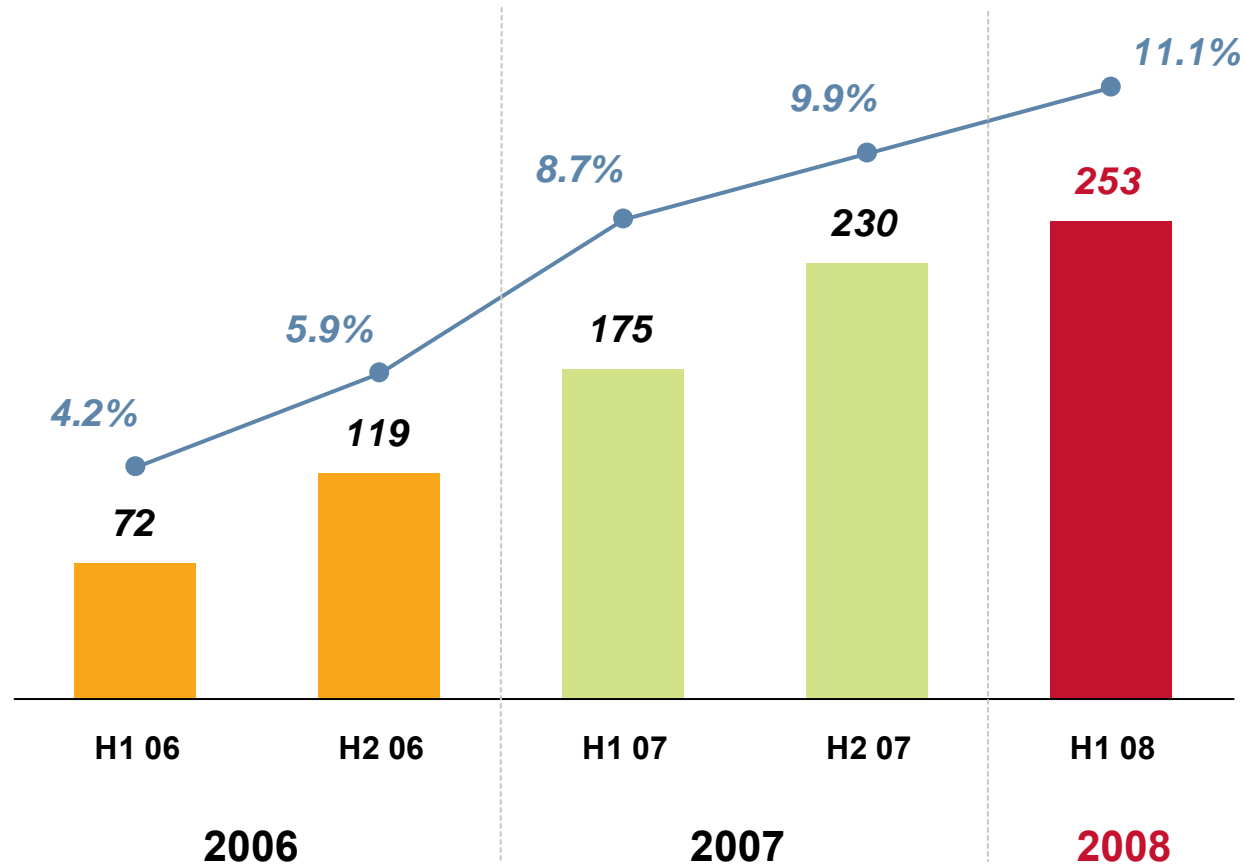
► Orders booked in €M \*



\* Before inter-divisional eliminations

\*\* Exchange rate at 12/31/2007

***T&D: objective of double-digit operating margin achieved 18 months early***



## ***Results and Outlook***

## Consolidated income statement

<i>In millions of euros</i>	H1 2007	H1 2008	Δ 08/07 (%)
Revenue	5,373	6,168	14.8%
Operating income	207	539	x 2.6
<b>Net financial income</b>	<b>118</b>	<b>213</b>	<b>+ 80.5%</b>
Income tax	(53)	(74)	(21)
Share in net income of associates	34	121	x 3.6
Minority interests	12	38	x 3.2
<b>Consolidated net income</b>	<b>295</b>	<b>760</b>	<b>x 2.6</b>

- ▶ **Net financial income: income from sale of REpower shares**
- ▶ **Associates: reduction of loss recorded by STMicroelectronics and strong income growth for Eramet**
- ▶ **Minority interests: improved Eurodif and T&D India results and impact of additional OL3 provision on AREVA NP minority interests**

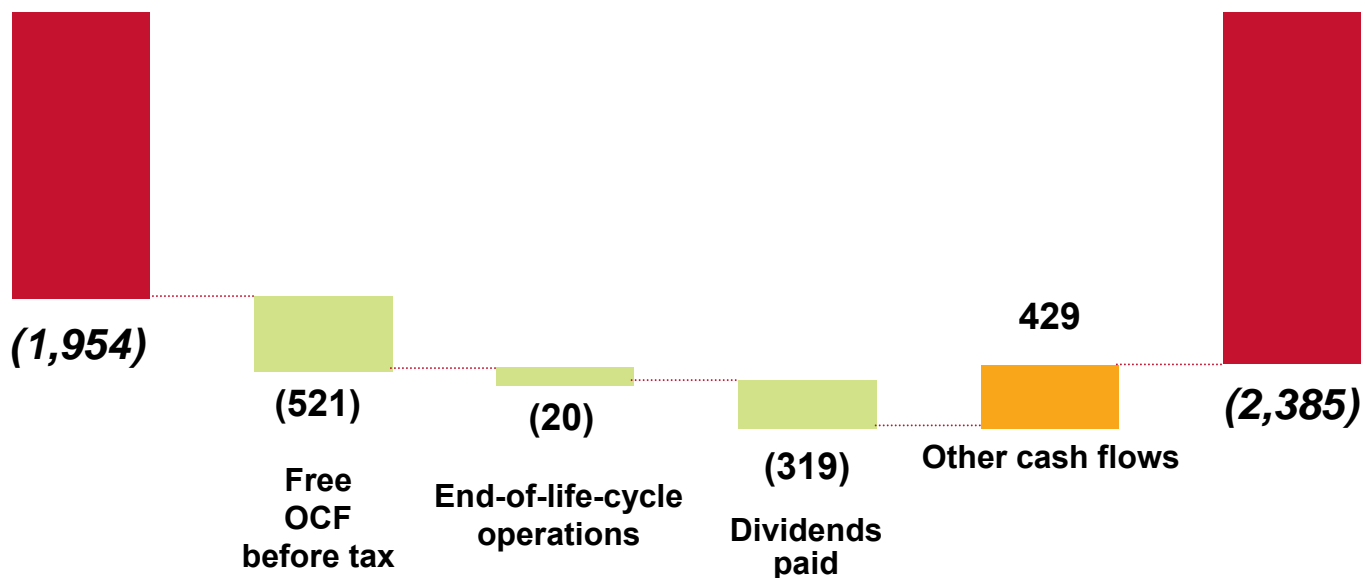
*In millions of euros*

Net debt  
excl. minority  
put options

Net debt  
excl. minority put  
options

**12/31/07**

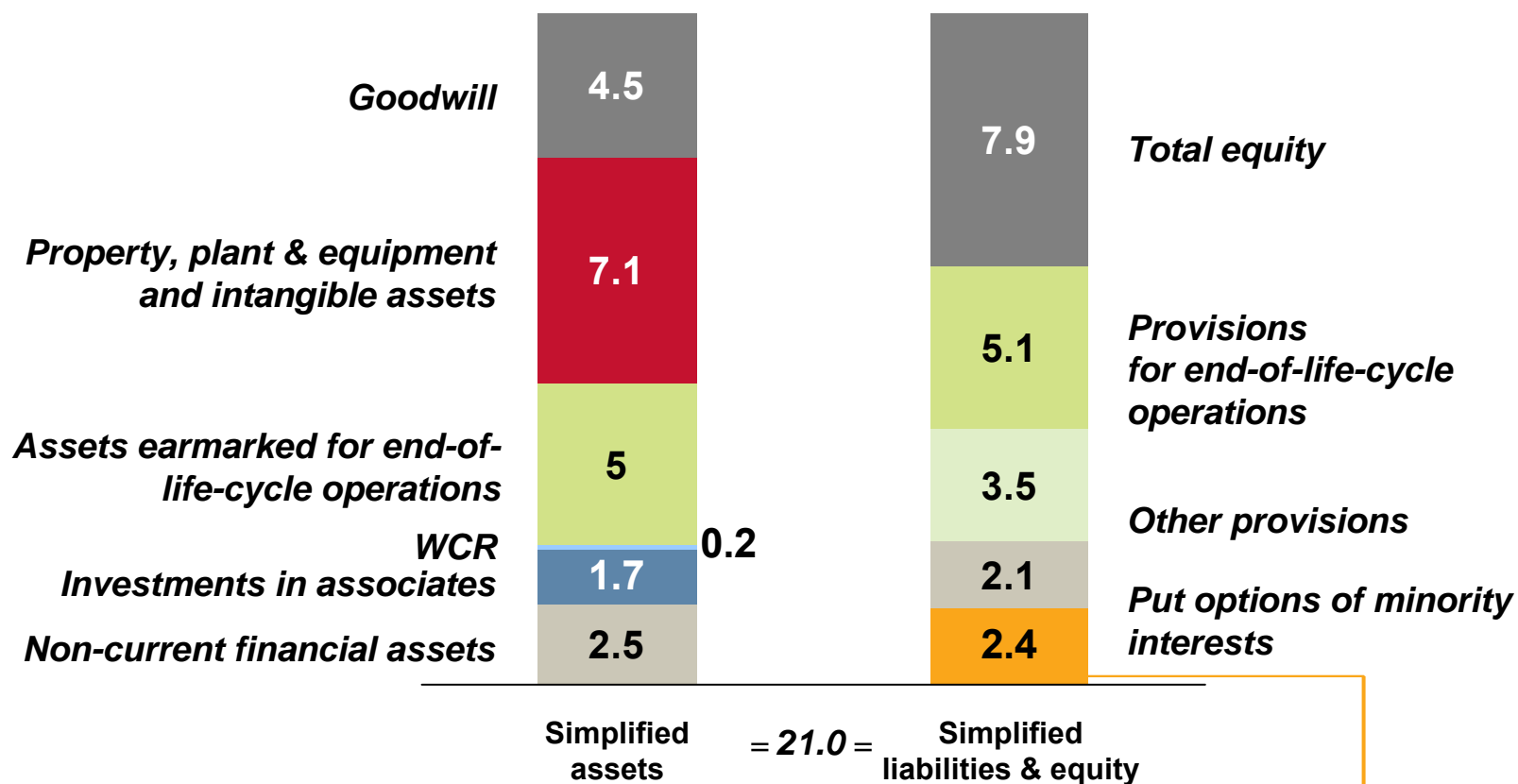
**6/30/08**



- ▶ **Sale of REpower shares**
- ▶ **Debt / equity ratio before put options of minority interests: 30.1%**
- ▶ **Value of put options of minority interests: 2.074 billion euros**

# Simplified balance sheet at 6/30/2008

In billions of euros



**Net debt, excluding put options of minority interest\*: €2.385B**

(\* ) Debt excluding put option = debt including interest-bearing advances – cash – marketable securities – current account



- ▶ **Strong backlog and revenue growth**
- ▶ **Rising operating income**
- ▶ **Continued Capex program**



**AREVA**

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## Appendix 1a – Net financial income

<i>In millions of euros</i>	H1 2007	H1 2008
<b>Cost of debt service</b>	(12)	(76)
<b>End-of-life-cycle obligations</b>	44	1
Income from earmarked financial portfolio	107	65
Discounting reversal of the provision	(63)	(64)
<b>Income from disposals of securities and change in value</b>	19	354
<b>Discounting reversal of retirement provision</b>	(28)	(35)
<b>Other income and expenses</b>	94	(32)
<b>Net financial income</b>	118	213

## Appendix 1b – Share in net income of associates up sharply

<i>In millions of euros</i>	H1 2007	H1 2008
<b>STMicroelectronics</b>	(46)	(3)
<b>Eramet group</b>	71	116
<b>Other</b>	9	8
<b>Total</b>	<b>34</b>	<b>121</b>

## Appendix 1c – Minority interests

<i>In millions of euros</i>	H1 2007	H1 2008
<b>AREVA NP</b> (formerly Framatome ANP)	(38)	(44)
<b>AREVA NC</b> (formerly COGEMA)	37	68
<b>AREVA T&amp;D and other</b>	13	14
<b>Total</b>	<b>12</b>	<b>38</b>

## Appendix 2: Change in revenue from first half 2007 to first half 2008 at comparable consolidation scope

<i>In millions of euros</i>	H1 2008		H1 2007			
	Reported revenue*	Revenue like-for-like	Change in exchange rates	Change in consolidation scope	Change in valuation method	Reported revenue
<b>Front End division</b>	<b>1,488</b>	<b>1,307</b>	<b>(52)</b>	<b>17</b>	<b>0</b>	<b>1,342</b>
<b>Reactors and Services division</b>	<b>1,466</b>	<b>1,116</b>	<b>(36)</b>	<b>(2)</b>	<b>0</b>	<b>1,154</b>
<b>Back End division</b>	<b>930</b>	<b>853</b>	<b>(3)</b>	<b>0</b>	<b>0</b>	<b>856</b>
<b>Total Nuclear</b>	<b>3,883</b>	<b>3,276</b>	<b>(92)</b>	<b>16</b>	<b>0</b>	<b>3,352</b>
<b>T&amp;D division</b>	<b>2,284</b>	<b>2,040</b>	<b>(63)</b>	<b>82</b>	<b>0</b>	<b>2,021</b>
<b>Corporate</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Consolidated</b>	<b>6,168</b>	<b>5,316</b>	<b>(155)</b>	<b>97</b>	<b>0</b>	<b>5,373</b>

\* Contribution to revenue

## Appendix 3: Income statement

<i>In millions of euros</i>	<b>H1 2008</b>	<b>H1 2007</b>	<b>FY 2007</b>
<b>Revenue</b>	<b>6,168</b>	<b>5,373</b>	<b>11,923</b>
<b>Other income from operations</b>	<b>18</b>	<b>12</b>	<b>21</b>
<b>Cost of sales</b>	<b>(4,905)</b>	<b>(4,301)</b>	<b>(9,183)</b>
<b>Gross margin</b>	<b>1,281</b>	<b>1,084</b>	<b>2,762</b>
Research and development expenses	(205)	(197)	(421)
Marketing and sales expenses	(287)	(252)	(529)
General and administrative expenses	(468)	(424)	(881)
Other operating income and expenses	219	(3)	(179)
<b>Operating income</b>	<b>539</b>	<b>207</b>	<b>751</b>
Income from cash and cash equivalents	13	20	37
Gross borrowing costs	(89)	(32)	(110)
<b>Net borrowing costs</b>	<b>(76)</b>	<b>(12)</b>	<b>(73)</b>
<b>Other financial income and expenses</b>	<b>289</b>	<b>130</b>	<b>138</b>
<b>Net financial income</b>	<b>213</b>	<b>118</b>	<b>64</b>
<b>Income tax</b>	<b>(74)</b>	<b>(53)</b>	<b>(81)</b>
<b>Net income of consolidated businesses</b>	<b>678</b>	<b>273</b>	<b>734</b>
<b>Share in net income of associates</b>	<b>121</b>	<b>34</b>	<b>148</b>
<b>Net income from continuing operations</b>	<b>799</b>	<b>306</b>	<b>882</b>
<b>Net income from discontinued operations</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net income for the period	799	306	882
<b>- including minority interests</b>	<b>(38)</b>	<b>(12)</b>	<b>(139)</b>
<b>Net income attributable to equity holders of the parent</b>	<b>760</b>	<b>295</b>	<b>743</b>

## Appendix 4: Balance sheet - assets

<i>In millions of euros</i>	<b>June 30, 2008</b>	<b>December 31, 2007</b>
<b>Non-current assets</b>	<b>21,393</b>	<b>21,425</b>
Goodwill on consolidated companies	4,461	4,377
Intangible assets	2,771	2,729
Property, plant and equipment	4,366	4,204
End-of-life-cycle asset (third party share)	2,514	2,491
Assets earmarked for end-of-life-cycle operations	2,490	2,873
Investments in associates	1,661	1,558
Other non-current financial assets	2,475	2,588
Pension fund assets	1	0
Deferred tax assets	655	604
<b>Current assets</b>	<b>10,448</b>	<b>9,251</b>
Inventories and work-in-process	3,201	2,817
Trade accounts received and related accounts	4,399	3,884
Other operating receivables	1,724	1,402
Current tax assets	100	94
Other non-operating receivables	178	141
Cash and cash equivalents	642	634
Other current financial assets	204	279
Assets of operations held for sale	0	0
<b>Total assets</b>	<b>31,841</b>	<b>30,676</b>



## Appendix 4: Balance sheet – liabilities and equity

<i>In millions of euros</i>	<b>June 30, 2008</b>	<b>December 31, 2007</b>
<b>Equity and minority interests</b>	<b>7,916</b>	<b>7,464</b>
Share capital	1,347	1,347
Consolidated premiums and reserves	4,455	3,925
Deferred unrealized gains and losses on financial instruments	895	1,117
Currency translation reserves	(271)	(138)
Net income attributable to equity holders of the parent	760	743
Minority interests	729	470
<b>Non-current liabilities</b>	<b>11,674</b>	<b>11,951</b>
Employee benefits	1,197	1,175
Provisions for end-of-life-cycle operations	5,135	5,075
Other non-current provisions	117	121
Long-term borrowings	4,282	4,302
Deferred tax liabilities	944	1,277
<b>Current liabilities</b>	<b>12,251</b>	<b>11,261</b>
Current provisions	1,871	1,823
Short-term borrowings	1,023	613
Advances and prepayments received	4,388	4,172
Trade accounts payable and related accounts	2,717	2,565
Other operating liabilities	2,118	1,921
Current tax liabilities	64	127
Other non-operating liabilities	71	41
Liabilities of operations held for sale	0	0
<b>Total liabilities and equity</b>	<b>31,841</b>	<b>30,676</b>

## Appendix 5: Cash flow statement (1/2)

<i>In millions of euros</i>	6/30/2008	6/30/2007	12/31/2007
Net income before minority interests	799	306	882
Less: income from dedicated operations	-	-	-
<b>Net income from continuing operations</b>	<b>799</b>	<b>306</b>	<b>882</b>
Share in net income of associates	(121)	(34)	(148)
Net amortization, depreciation and impairment of PP&E and intangible assets and marketable securities maturing in more than three months	310	233	553
Goodwill impairment losses	-	-	-
Net share to provisions	(25)	(19)	9
Net effect of discounting reversals for assets and provisions	108	98	147
Income tax expense (current and deferred)	74	53	81
Net interest included in borrowing costs	54	6	55
Loss (gain) on disposals of fixed assets and securities held for trading maturing in more than three months; change in fair value	(270)	(104)	(160)
Other non-cash items	(235)	(75)	(125)
<b>Cash flow from operations before interest and tax</b>	<b>694</b>	<b>466</b>	<b>1 294</b>
Net interest received (paid)	(42)	5	(26)
Income tax paid	(145)	(71)	(130)
<b>Cash flow from operations after interest and tax</b>	<b>506</b>	<b>400</b>	<b>1,138</b>
Change in working capital requirement	(733)	(454)	(416)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(226)</b>	<b>(54)</b>	<b>722</b>

## Appendix 5: Cash flow statement (2/2)

<i>In millions of euros</i>	6/30/2008	6/30/2007	12/31/2007
Investment in PP&E and intangible assets	(669)	(506)	(1,112)
Loans granted and acquisitions of non-current financial assets	(449)	(649)	(1,127)
Acquisitions of shares of consolidated companies, net of acquired cash	(61)	(54)	(1,853)
Disposals of PP&E and intangible assets	14	23	40
Loan repayments and disposals of non-current financial assets	432	757	1,204
Disposals of shares of consolidated companies, net of disposed cash	493	-	-
Dividends received from associates	78	50	52
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(162)</b>	<b>(379)</b>	<b>(2,796)</b>
Share issues subscribed by minority shareholders in consolidated subsidiaries	265	3	5
Dividends paid to shareholders of the parent company	(240)	(300)	(300)
Dividends paid to minority shareholders in consolidated companies	(78)	(40)	(45)
Increase (decrease) in debt	365	137	1,862
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>312</b>	<b>(200)</b>	<b>1,522</b>
Decrease (increase) in marketable securities maturing in more than three months	7	179	178
Foreign exchange adjustments	(1)	5	(7)
<b>NET CASH FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN NET CASH</b>	<b>(70)</b>	<b>(450)</b>	<b>(381)</b>
<i>Net cash at the beginning of the year</i>	<i>520</i>	<i>901</i>	<i>901</i>
Cash at closing	642	506	634
Less: short-term bank facilities and non-trade current accounts	(192)	(55)	(113)
<i>Net cash at the end of the year</i>	<i>450</i>	<i>451</i>	<i>520</i>

## Appendix 6: Segment reporting

### H1 2008

<i>In millions of euros</i>	Front End	Reactors and Services	Back End	Transmission & Distribution	Corporate	Total
<b>Contribution to consolidated revenue</b>	<b>1,487</b>	<b>1,466</b>	<b>930</b>	<b>2,284</b>	<b>1</b>	<b>6,168</b>
<b>EBITDA</b>	<b>533</b>	<b>-98</b>	<b>205</b>	<b>255</b>	<b>(32)</b>	<b>863</b>
<i>% of contribution to consolidated revenue</i>	<i>36%</i>	<i>- 7%</i>	<i>22%</i>	<i>11%</i>	<i>N/A</i>	<i>14%</i>
<b>Operating income</b>	<b>400</b>	<b>(258)</b>	<b>175</b>	<b>253</b>	<b>(31)</b>	<b>539</b>
<i>% of contribution to consolidated revenue</i>	<i>27%</i>	<i>- 18%</i>	<i>18.8%</i>	<i>11%</i>	<i>N/A</i>	<i>9%</i>
<b>Change in operating WCR</b>	<b>(264)</b>	<b>(130)</b>	<b>(87)</b>	<b>(198)</b>	<b>(59)</b>	<b>(739)</b>
<b>Net operating Capex</b>	<b>(125)</b>	<b>(178)</b>	<b>(44)</b>	<b>(99)</b>	<b>(9)</b>	<b>(455)</b>
<b>Free operating cash flow before tax</b>	<b>(46)</b>	<b>(407)</b>	<b>73</b>	<b>(45)</b>	<b>(96)</b>	<b>(521)</b>

### H1 2007

<i>In millions of euros</i>	Front End	Reactors and Services	Back End	Transmission & Distribution	Corporate	Total
<b>Contribution to consolidated revenue</b>	<b>1,342</b>	<b>1,154</b>	<b>856</b>	<b>2 021</b>	<b>0</b>	<b>5,373</b>
<b>EBITDA</b>	<b>292</b>	<b>(122)</b>	<b>172</b>	<b>156</b>	<b>(48)</b>	<b>451</b>
<i>% of contribution to consolidated revenue</i>	<i>21.8%</i>	<i>- 10.6%</i>	<i>20.1%</i>	<i>7.7%</i>	<i>-</i>	<i>8.4%</i>
<b>Operating income</b>	<b>223</b>	<b>(230)</b>	<b>95</b>	<b>175</b>	<b>(56)</b>	<b>207</b>
<i>% of contribution to consolidated revenue</i>	<i>16.6%</i>	<i>- 19.9%</i>	<i>11.1%</i>	<i>8.7%</i>	<i>-</i>	<i>3.9%</i>
<b>Change in operating WCR</b>	<b>(167)</b>	<b>9</b>	<b>(197)</b>	<b>(71)</b>	<b>(34)</b>	<b>(459)</b>
<b>Net operating Capex</b>	<b>(243)</b>	<b>(124)</b>	<b>(47)</b>	<b>(70)</b>	<b>(18)</b>	<b>(501)</b>
<b>Free operating cash flow before tax</b>	<b>(122)</b>	<b>(236)</b>	<b>(73)</b>	<b>17</b>	<b>(100)</b>	<b>(513)</b>

## Appendix 7: Definition of indicators used by AREVA (1/2)

- ▶ **Backlog:** The backlog is valued based on economic conditions at the end of the period. It includes firm orders and excludes unconfirmed options. Foreign currency orders that are hedged are valued at the hedge exchange rate. Foreign currency orders that are not hedged are valued at the exchange rate as of the last date of the period under consideration. Natural uranium orders are valued at the closing price of applicable spot and long term indices

The backlog reported for long-term contracts recorded under the percentage of completion method and partially performed as of the reporting date is equal to the difference between (a) the projected revenue from the contract at completion and (b) the revenue already booked for this particular contract. Accordingly, the backlog takes into account escalation and price revision assumptions used by the group to determine the projected revenue at completion.

- **EBITDA:** EBITDA is equal to operating income plus net amortization, depreciation and operating provisions (except for provisions for impairment of working capital items) included in operating income. Beginning in fiscal year 2004, EBITDA is adjusted to exclude costs associated with nuclear facility end-of-life cycle operations (dismantling, retrieval and packaging of waste) performed during the year, including, in 2004, amounts paid or to be paid to third parties in this regard.
- ▶ **Cash flow from end-of-life-cycle operations:** This indicator encompasses all of the cash flows linked to end-of-life-cycle operations and to assets earmarked to cover those operations. It is equal to the sum of the following items:
  - ◆ income from the portfolio of assets earmarked to cover end-of-life-cycle expenses,
  - ◆ cash from the sale of earmarked assets,
  - ◆ minus acquisitions of earmarked assets,
  - ◆ minus cash spent during the year on end-of-life-cycle operations,
  - ◆ plus full and final payments received for facility dismantling,
  - ◆ minus full and final payments made for facility dismantling.

## *Appendix 7: Definition of indicators used by AREVA (2/2)*

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- ▶ **Free operating cash flow:** represents the cash flow generated by operating activities. It is equal to the sum of the following items:
  - ◆ EBITDA before end-of-life-cycle obligations,
  - ◆ plus losses or minus gains on disposals of property, plant and equipment and intangible assets included in operating income,
  - ◆ plus the decrease or minus the increase in operating working capital requirement between the beginning and the end of the period (excluding reclassifications, currency translation adjustments and changes in consolidation scope),
  - ◆ minus acquisitions of property, plant and equipment and intangible assets, net of changes in trade accounts payable related to fixed assets,
  - ◆ plus sales of PPE and intangible assets included in operating income, net of changes in receivables on the sale of fixed assets,
  - ◆ plus customer prepayments on fixed assets, received during the period,
  - ◆ plus acquisitions (or disposals) of consolidated companies (excluding associates).
  
- ▶ **Net cash (debt):** Net cash is defined as the sum of “cash and cash equivalents” and “other current financial assets”, minus “borrowings”. “Long- and short-term borrowings” include the current value of minority put options.
  
- ▶ **Operating working capital requirements (OWCR).** OWCR represents all of the current assets and liabilities related directly to operations and includes the following items:
  - ◆ Inventories and work-in-process,
  - ◆ Trade accounts receivable and related accounts,
  - ◆ Interest-bearing advances,
  - ◆ Other accounts receivable, accrued income and prepaid expenses,
  - ◆ Less: Trade accounts payable and related accounts, Prepayments received (excluding interest-bearing advances), Other operating liabilities, Accrued expenses, and Deferred income.
  - ◆ Note: It does not include non-operating receivables and liabilities such as corporate tax debt, receivables on the disposal of non-current assets, or debt on acquisitions of non-current assets.



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