

Paris, April 24, 2008

Revenue and data for the first quarter of 2008

Steady 1st quarter 2008 revenue growth to 2.769 billion euros, up 12.1% (+14.5% LFL¹)

First quarter 2008 revenue was up 12.1% year-on-year, to 2.769 billion euros. Like-for-like (at constant exchange rates and consolidation scope), growth came to 14.5%. Foreign exchange had a negative impact of 2.5%, or -69 million euros, mainly due to currency translation tied to the US dollar drop compared with the euro. The consolidation scope had a positive impact of +0.7% or 18 million euros, chiefly as a result of the consolidation of VEI Distribution (specializing in medium voltage distribution) and Passoni & Villa (world leader in the manufacture of high voltage bushings) in the Transmission & Distribution division.

The main growth engines for first quarter revenue were the Reactors and Services division and the Back End division, with growth of 29.7% (+36.8% LFL¹) and 13.8% (+14.1% LFL¹) respectively.

Outside France, revenue rose to 1.857 billion euros, compared with 1.753 billion euros in the first quarter of 2007. This represents 67% of total revenue.

As a reminder, the group points out that:

- revenue can vary significantly from one quarter to the next in the nuclear businesses, and quarterly operations should therefore not be taken as a reliable basis for annual projections;
- the foreign exchange impact mentioned in this release comes from the translation of subsidiary accounts into the group's unit of account, and primarily reflects the US dollar in relation to the euro. AREVA also points out that its foreign exchange hedging policy for commercial operations aims to shield profitability from fluctuations in exchange rates in relation to the euro.

| <i>(in millions of euros)</i> | 1st quarter 2008 | 1 st quarter 2007 | Change | Change LFL ¹ |
|--|------------------------------------|------------------------------|--------------|-------------------------|
| Front End | 679 | 653 | 3.9% | 7.4% |
| Reactors and Services | 665 | 513 | 29.7% | 36.8% |
| Back End | 403 | 354 | 13.8% | 14.1% |
| Sub-total Nuclear Operations | 1 747 | 1 519 | 14.9% | 18.8% |
| Transmission & Distribution | 1 022 | 950 | 7.5% | 7.8% |
| Total | 2 769 | 2 470 | 12.1% | 14.5% |
| including France | 912 | 717 | 27% | - |
| including International | 1 857 | 1 753 | 6% | - |

¹ Like for like, i.e. at constant exchange rates and consolidation scope

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1 – Comments on revenue growth by division

Front End division: continued growth

First quarter 2008 revenue for the Front End division rose by 3.9% (+7.4% LFL¹) to 679 million euros. Foreign exchange had a negative impact of 28 million euros.

Items of note were as follows:

- ▶ In *Mining*, U₃O₈ sales rose and AREVA's average sales price was up, producing a favorable impact on sales, partially offset by the drop in trading operations.
- ▶ In *Enrichment*, the buoyant export business and rising volumes for ETC (a company jointly owned with Urenco) more than offset the drop in sales in France.
- ▶ In *Fuel*, good business volumes in France and Germany benefited sales.

Reactors and Services division: major contracts ramp up and recurring business at a good level

Revenue for the Reactors and Services division was up by 29.7% (+36.8% LFL¹) to 665 million euros. Foreign exchange had a negative impact of 18 million euros.

Of particular note:

- ▶ In *Plants*, the contribution of major contracts (OL3, FA3, Taishan) and recurring business, particularly for engineering design studies;
- ▶ In *Nuclear Services*, strong business in the United States, where several steam generator replacements took place and scheduled reactor outages began earlier than in 2007.

Back End division: return to better business activity

First quarter 2008 revenue for the Back End division rose by 13.8% (+14.1% LFL¹) to 403 million euros.

This increase is due in particular to:

- ▶ The return to normal production levels at La Hague and Marcoule, where business was very slow in the first quarter of 2007;
- ▶ Very good business volume in *Logistics*, particularly in storage in the United States and in transportation.

Transmission & Distribution division: new orders up sharply and growth in revenue

New orders reached a record level of 1.586 billion euros in the first quarter of 2008, an increase of 34.4%, particularly with the T&D division's return to the 400 kV market in the United Arab Emirates. The backlog stood at 5.395 billion euros as of the end of March.

First quarter 2008 revenue for the Transmission & Distribution division was up by 7.5% (+7.8% LFL¹) to 1.022 billion euros. Foreign exchange had a negative impact of 23 million euros, but this was partially offset by the consolidation of Passoni & Villa and VEI Distribution, which contributed a combined total of 23 million euros in revenue.

- ▶ The *Products* and *Automation* business units had very strong sales growth, with sales up by 23.7% and 10.7% LFL¹ respectively, in line with new orders in the preceding months. The 18.3% drop in revenue LFL¹ in *Services* is due to a more selective approach to contracts, which had a very favorable impact on profitability. First quarter 2008 billings for the *Systems* business unit are in line with the phasing of projects in backlog. Nonetheless, they were down by 12.8% LFL¹ from the first quarter of 2007, which saw a very high level of billings.
- ▶ Geographically, revenue growth was driven mainly by Asia (+34.5%), particularly India, followed by the Near East and the Middle East (+20.5%), and Europe (+14.0%), particularly Germany.

¹ Like for like, i.e. at constant exchange rates and consolidation scope

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II – Information to assess the group's performance

The group confirms its 2008 objectives for strong growth in backlog and revenue, an increase in operating income, and continuation of the capital spending program.

First quarter 2008 financial performance was largely the result of the following factors:

- Buoyant business in *Fuel, Services* and *Recycling* in Nuclear operations and in *Products* in Transmission & Distribution had a positive impact on operating income for the first quarter.
- At the OL3 project in Finland, construction of the main buildings is progressing and construction of all auxiliary buildings has begun. For the primary components, final assembly of the first steam generator should start in early summer 2008 at AREVA's Chalon plant; meanwhile, the internal tubing of the fourth and last steam generator is in progress.
- Heavy component manufacturing for the FA3 in France (steam generators and reactor vessel) is being carried out according to schedule. The first equipment deliveries have been made to the site.
- In China, customer CGNPC is continuing to prepare the construction site for the EPRs; engineering design studies have begun.
- Construction of the new Georges Besse II centrifuge enrichment plant (GBII) is proceeding according to plan. AREVA met a key milestone when the keys to the Centrifuge Assembly Building were turned over to ETC, a subsidiary of AREVA and Urenco.

The capital spending program proceeded according to plan in the first quarter.

Meanwhile, the group continued to build up its workforce, with more than 3,000 new hires in the first quarter of 2008, confirming the average 2008 hiring rate of 1,000 new employees per month as of that date. The group's workforce exceeded 68,000 employees as of March 31, 2008.

III – Important operations and events during the period

- ▶ In terms of business strategy, several significant events occurred during the quarter:
 - AREVA signed a partnership agreement with Technip as part of a joint venture enabling it to strengthen operations in engineering and the management of large industrial projects, particularly in mining.
 - On January 31, 2008, the AREVA-led consortium including Alstom, Aveng, Bouygues and EDF submitted a proposal for two EPRs to South African electricity utility Eskom.
 - The UK government invited interested utilities to participate in the nuclear revival in the United Kingdom. AREVA's EPR was chosen by EDF and is supported by 10 other utilities. AREVA crossed another threshold in the process following the publication by UK regulatory authorities of their findings on the Generic Design Assessment of the EPR. AREVA also plans to lend active support to the nuclear revival in the back end of the cycle.
 - The US Nuclear Regulatory Commission (NRC) accepted, without limitation, the US EPR Standard Design Certification Application submitted by AREVA. This key milestone marks the beginning of the detailed review process. The review is expected to last until 2010-2011. In the back end of the cycle, budget proposals for the Global Nuclear Energy Partnership (GNEP), a program to promote the closed cycle in the United States of which AREVA is a member (as the head of the International Nuclear Recycling Alliance, INRA), call for an increase in allocations, confirming the United States' interest in used nuclear fuel recycling.
 - Total, Suez and AREVA signed a partnership agreement to propose an EPR project to authorities in the United Arab Emirates. This announcement follows the signature of an agreement on civilian nuclear power between France and the UAE.

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► In the commercial arena, AREVA signed several large contracts in the first quarter of 2008. Some of the more significant ones are:

- Four contracts with US utilities for a combined total of 200 million euros related to nuclear fuel supply;
- A contract to supply forgings to Unistar Nuclear Energy (jointly owned by the US utility Constellation and EDF);
- A 500-million euro contract with the German company Prokon Nord to supply 80 offshore wind turbines from 2010 to 2011;
- A 150-million euro contract with Dubai Electricity and Water Authority to supply two high voltage substations, won in conjunction with Hyundai Heavy Industries, which will supply four power transformers; and
- A 57-million euro contract in the United Arab Emirates to strengthen the local power grid.

Upcoming events and publications

- July 24, 2008 – 5:45 pm: Press release – Second quarter 2008 revenue
- August 29, 2008 – 5:45 pm: Press release and telephone conference – First half 2008 income

About us

With manufacturing facilities in 43 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 65,000 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.

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