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Paris, 17 october 2001

The AREVA Management Board presented the accounts of CEA-Industrie for the first half of 2001 to the Supervisory Board on 15 October 2001. CEA-Industrie became AREVA on 3 September 2001. AREVA now unites the forces of CEA-Industrie, Cogema, Framatome ANP and FCI.

KEY FIGURES IN THE INCOME STATEMENT – FIRST HALF 2001

In millions of euros	30.06.2001	30.06.2000	Variation 2001/2000
Sales:	4,251	4,153	+ 2.4%
- Nuclear	2,741	2,465	+ 11.2%
- Connectors	1,149	1,266	- 9.2%
- Other services	361	422	- 14.5%
Operating income:	179	248	(69)
% of sales	4.2%	6.0%	-1.8 pts
- Nuclear	156	134	22
- Connectors	17	138	(121)
- Other services	6	(24)	30
Financial income	72	39	33
Exceptional items	285	32	253
Net income of companies accounted for by the equity method	78	212	(134)
Consolidated net income	414	420	(6)
Net income attributable to the Group	208	218	(10)

Note: These accounts are presented in detail in the appendix.

Sales of CEA-Industrie at 30 June 2001 were EUR 4,251m, compared with EUR 4,153m at 30 June 2000, a gain of 2.4%. The increase in sales reflects, on the one hand, growth of 11.2% in the sales of the Nuclear Division (65% of total sales) owing to the merger of Siemens's activities at the beginning of the year, and on the other, a 9.2% decline in the sales of the Connectors Division
(27% of total sales), which were severely affected by the slowdown in the telecom sector and the U.S. economy.

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Consolidated net income remained stable, with the one-time gain from the dilution that came with the merger of Siemens's activities offsetting the decline in operating income and the smaller contribution from STMicroelectronics to consolidated income. After deduction of substantial minority interests, which reflect the situation at 30 June, before AREVA was created, net income attributable to the Group stood at EUR 208m.

I – SALES BY ACTIVITY

EUR m		Sales		
		30/06/01	30/06/00	Var. (%)
Nuclear	Mining-Chemistry	291	265	+ 9.8%
	Reprocessing-Engineering	931	814	+ 14.4%
	Enrichment	297	317	- 6.3%
	Reactors-Fuel	1 222	1 069	+ 14.3%
Connectors		1 149	1 266	- 9.2%
Other Services		361	422	- 14.5%
Total		4 251	4 153	+ 2.4%

Nuclear (Cogema, Framatome ANP)

Sales of the Nuclear Division were EUR 2,741m as of 30 June 2001, compared with EUR 2,465m as of 30 June 2000, and increase of 11.2%.

- Sales of *Mining-Chemistry* rose by 9.8%, reflecting increased production at the Canadian mines and good technical performance of the uranium conversion installations. The rising dollar accounted for nearly 2 points of the increase.

- The 6.3% decline in the sales of the *Enrichment* branch is due to the renegotiation of services to EDF. This had no impact on the margin, since the cost price of these services went down by the same amount.

- In the *Reprocessing-Engineering* branch**,** the growth in sales is related to the agreement signed with EDF in August 2001 setting the terms for the termination of current contracts. Under this agreement, adjustments were made for storage services provided previously to the electric utility.

- Sales of the *Reactors and Fuel* branch rose by 14.4%, owing to the integration of Siemens's nuclear activities in early 2001. The impact of this merger on first-half sales was EUR 275m. If the contribution from Siemens's activities is excluded, sales of this branch decreased, reflecting the final impact on sales in 2000 and 2001, respectively, of the Civaux 2 contract in France and the Ling Ao contract in China.

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Connectors (FCI)

At the end of June, sales of the Connectors Division stood at EUR 1,149m, down 9.2% from the first half of 2000 (EUR 1,266m). The pace of the slowdown quickened in the second quarter with the massive cancellations of orders in the United States, which began in late February 2001. The U.S. market contributed 35% of sales in the first half of 2001, compared with 42% in the year-earlier period.

An analysis of performance by sector shows that the hardest hit branches were Electronics(-18.7%) and to a lesser degree Electrical (- 6.9%). In both cases, the main reason was the sharp decline in the Telecommunication and Data market, which accounted for 57% of the Electronics branch's sales in 2000. The other sectors (Automotive, Interconnect and Microelectronics) progressed substantially. In the Automotive sector, there is a sharp contrast between Europe, where sales were up 16% from the first half of 2000, and the United States, where they fell by 18%.

The United States, where the Telecommunications and Data segment is proportionately the largest and where the slowdown began sooner, is the region most affected, with a 25% decline in revenues. Europe progressed 1.4% over the period due to growth in the Automotive market.

Other services

There were notable changes in the consolidation of the Group's other activities (mechanical engineering, nuclear measurement, IT services, logistics, site cleanup). These included:

- The sale of Krebs at the end of 2000 and the consolidation of Clemessy's results by the equity method (instead of proportionately, as before) from the second quarter of 2001; sales of these entities were EUR 133m in the first half of 2000

- The acquisition of Canberra (nuclear measurements) in February 2001 contributed additional sales of EUR 38m in the first half

Excluding these operations, the service activities reported an increase in sales of about 10%.

The Group had operating income of EUR 179m as of 30 June 2001, compared with EUR 248m as of the same date in 2000, or a 1.8-point decrease in margin, which was attributable to the Connectors/Electronics Division.

II – OPERATING INCOME BY ACTIVITY

IN MILLIONS OF EUR		Operating income					
		30/06/01	% of sales	30/06/00	% of sales	Var. (EUR m)	Var. (pts)
Nuclear	Mining - Chemistry	28	9.60%	(17)	- 6.4%	+ 45	+ 16.0 pts
	Reprocessing - Engineering	34	3.70%	(9)	- 1.1%	+ 43	- 4.8 pts
	Enrichment	(1)	- 0.30%	(16)	- 5.0%	+ 15	+ 4.7 pts
	Reactors - Fuel	95	7.80%	176	16.5%	- 81	- 8.7 pts
Connectors		17	1.50%	138	10.9%	- 121	- 9.4 pts
Other services		6	1.70%	(24)	- 5.7%	30	+ 7.3 pts
Total		179	4.20%	248	6.0%	- 69	- 1.8 pts

- The operating income of *Connectors* fell from EUR 138m at 30 June 2000 to EUR 17m, essentially because of inadequate absorption of fixed production and structural costs. These two categories of costs were estimated at the beginning of the year on the basis of much higher sales than were actually realized. The *Connectors* Division took cost-cutting initiatives during the first quarter, which enabled it to save nearly EUR 25m in fixed costs in the second quarter. These measures were to be reinforced during the second half of the year.

- The difference in operating income at 30 June 2001 also reflects the recovery of provisions and insurance indemnities that had been recorded for an amount of EUR 60m for the *Reactors and Fuel* branch as of 30 June 2000. Weaker results since February 2001 in Siemens's merged activities also had an impact on operating income.

- The other activities showed improvement, notably due to wider margins for *Mining–Chemistry* and for *Enrichment*, which have succeeded in substantially reducing their production costs.

Financial income increased to EUR 72m over the period, compared with EUR 39m in the year-earlier period, reflecting gains on the sale of investment securities and exchange differences. The
Group had a net cash of EUR 109m at 30 June 2001 and shareholders' equity (including minority interests) of EUR 6,649m.

Exceptional items totaled EUR 285m as of 30 June 2001, corresponding mainly to the gain of EUR 284m from the dilution on the merger of Siemens's activities in Framatome ANP (*Reactors and Fuel*).

Last, the total net income of companies accounted for by the equity method fell because of the 69% decline in the net profit of STMicrolectronics as of 30 June 2001 ($176m, compared with $575m at 30 June 2000). This decrease followed one-time write-downs of assets and provisions for restructuring made by STMicroelectronics because of the slump in the semiconductor market.

Including minority interests, net income attributable to the Group at 30 June 2001 was EUR 208m (EUR 7.07 per share), compared with EUR 218m (EUR 7.42 per share) at 30 June 2000.

OUTLOOK

Today, AREVA has a good outlook in its nuclear activities, which was strengthened by the signing of two major contracts in the *Reprocessing and Engineering* branch early in the second half of 2001. The agreement concluded with EDF last August sets the terms for services to be provided by Cogema for the back end of the fuel cycle (reprocessing, recycling, transport, storage) until 2007, for an amount of about EUR 4bn, with a commitment from the electric utility until 2016. A second agreement was signed in July with JNFL, a consortium of Japanese electricity producers, for the supply of services and training of engineers for the startup of the spent nuclear fuel reprocessing plant at Rokkasho Mura, which is modeled on the UP3 facility at La Hague. The latter contract should generate revenues of about EUR 1.1bn between now and mid-2004.

Like all firms in the connector sector, the company is suffering from the serious slowdown in the market, especially on the American continent. This situation now looks set to continue at least until the end of 2001.

Considering these elements, the Group's sales are expected to be slightly lower in 2001 than in 2000. A decrease in operating income is forecast because of the difficulties facing the Connectors Division, which will report a loss for the year. This division has already taken steps to return to profitability in 2002. The Group is anticipating a decline in the net income of STMicroelectronics, in view of information communicated by the management of this company. AREVA is therefore forecasting a decrease in net income in 2001, compared with the preceding year.

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A word about AREVA

Uniting the activities of CEA-Industrie, Cogema, Framatome ANP and FCI, the new industrial group AREVA is already a leader in its markets. In the field of nuclear energy, AREVA offers a full range of services. From mining and fuel fabrication to nuclear-plant construction and cleanup/dismantling, we have broad experience and know-how. Driven by the requirements of clients throughout the world and supported by our strong research capabilities, we continually improve our performance, not only as a supplier of products and services, but also as a company concerned with security and environmental protection.

The Connectors division of AREVA ranks among the leaders in its field. Smart cars, mobile phones, satellites, high-speed trains – there is no modern means of communication that does not rely on our services to provide people with the comfort and safety they seek. And therein lies the common characteristic of all our group's businesses. They aim to contribute each day to the well being of the inhabitants of our planet, who are more and more demanding, for both the planet and themselves. By proposing solutions to fight against the greenhouse effect and by developing products that continually improve communication, we are striving to meet their needs and expectations. We have only one ambition: to be worthy of their confidence.

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AREVA: Statement of Income
(In millions of euros, except for amounts per share)

	30.06.2001	30.06.2000	31.12.2000
Sales	4,251	4,153	9,042
Production in inventories	(316)	341	166
Production in fixed assets	27	16	117
Recovery of provisions, operational allowances	662	627	1,543
Other income	10	19	306
Operating income	4,634	5,155	11,174
Purchase of materials sold, outside services	2,197	2,378	4,857
Taxes other than income tax	121	145	287
Payroll expenses and related charges	1,165	1,187	2,392
Amortization, depreciation and provisions	886	1,071	2,871
Other expenses	88	135	193
Operating expenses	4,457	4,916	10,601
Share of income in joint ventures	2	9	2
Net operating income	179	248	576
Exceptional income from ordinary activities		63	
Interest and other financial income	333	234	527
Recovery of provisions and transfer of charges	11	7	24
Financial income	344	241	551
Interest and other financial expenses	239	190	428
Provisions	33	11	53
Financial expenses	272	201	481
Net financial income	72	39	71
Net income before income tax and exceptional items	251	350	646
Exceptional income	366	266	655
Exceptional expenses	81	235	473
Net exceptional income	285	32	183
Employee profit-sharing	16	19	34
Income tax	88	82	299
Net income of consolidated companies	**432**	**281**	**496**
Net income of companies accounted for by the equity method	78	212	443
Amortization of goodwill	(96)	(72)	(154)
Consolidated net income	**414**	**420**	**785**
Minority interest	206	202	322
Net income attributable to the Group	208	218	463
Net income (Group) per share	7.07	7.42	15.73