PRESS RELEASE

AREVA

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2002 Sales revenues

Sales revenues for the AREVA Group for 2002 totaled 8,265 million euros compared with 8,901 million euros in 2001, i.e a drop of 7.1%, including a decrease of 3.6% for nuclear and 20.7% for connectors.

On a like-for-like basis, and before non-recurring payments for 2001 at the Back End of the cycle[1], the organic growth of the nuclear business rose by 3.8%. The decrease in the connectors business (- 20.7%) reflects the strong slump in the telecommunication infrastructure market, which has remained depressed, especially in the United States.

Cumulative sales revenues (in millions of euros)	Dec. 31, 2002	Dec 31, 2001	Change in %
Front End	2,559	2,733	-6.3%
Reactors & Services	1,931	1,879	+2.8%
Back End	2,086	2,213	-5.7%
Nuclear Sub Total	**6 576**	**6 825**	**-3.6%**
Connectors	1,560	1,966	-20.7%
Corporate and other items	129	110	+16.5%
Total	**8,265**	**8,901**	**-7.1%**

See Appendix 1, which shows a breakdown by quarter.

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Front End Division: strong growth in Mining and Enrichment

The **Front End** Division recorded sales revenues of 2,559 million euros compared with 2,733 million euros in 2001, i.e. a 6.3% variation. This change is mainly due to a change in accounting method: the electricity used for enrichment activities carried out on behalf of EDF was made available to the plant in 2002 by EDF, ending two-way billing which accounted for 286 million euros of the Division's sales revenues for 2001. Once this change in accounting method is taken into account, revenues grew by 4.6%. In addition, with changes in consolidation, sales revenues for the Division remained stable (-0.6%).

- Sales revenues for *Mining* increased by 10% with strong activity in trading. The Mc Clean plant (Canada), whose operating license was under threat when it was taken to court, received the go-ahead from the Canadian authorities to continue its activities. Uranium production increased by 3.3% in 2002 to 7,458 tons compared with 7,217 tons in 2001.

[1] See detail in Annexe 2

- *Chemistry* saw its business drop over the year (–11%), with sales remaining stable for its conversion activities but dropping for services linked to dismantling facilities on behalf of third parties.

- As for *Enrichment*, using the same accounting method, sales revenues increased by 20% due to an increase in export sales. The quantities sold increased by 8%.

- After a exceptionally strong 2001, *Fuels* recorded a drop of 3% in its sales revenues and 12% on a like-for-like basis. In France and Germany, total deliveries increased but with a product mix which was not as good for prices.

Reactors and Services Division: strong growth in the United States, reinforced during the year by the acquisition of DE&S (Duke Engineering & Services)

The **Reactors and Services** Division generated sales revenues that increased by 2.8% to 1,931 million euros compared with 1,879 million euros in 2001. On a like-for-like basis, this figure was down slightly by 1.4%. The Division's sales revenues for the United States increased by nearly 10% on a like-for-like basis compared to 2001.

- *Reactors* strengthened its position in the United States due to the acquisition of DE&S at the end of April 2002 and posted sales revenues up by 4%. Excluding this acquisition, business was down compared with 2001 when figures were inflated by the final billings for the Ling Ao plant (China). The buoyancy of the US market linked to studies to increase the capacity or extend the service life of plants, however, did not compensate for the lack of billings for new plant construction projects.

- As for *Services*, business increased by 9% due to the integration of Duke Engineering & Services. Business remained strong in the United States with several contracts won for reactor vessel inspections and repairs. In Europe, business remained relatively stable, excluding France where there were several contracts for outage services.

- *Equipment* supply services remained strong in 2002 (+6%) with an increase in business for Chalon Saint Marcel plant, which received several orders for reactor vessels from the United States. Jeumont's wind turbine business also showed strong growth with the *Escale 1* project in France and several prototypes in Canada, South Korea and South Africa.

- As for other business activities, there was an increase in the activities of *Technicatome* (+9%), which benefited from some major naval propulsion projects coming through. *Nuclear measurements* grew by 7% due to a favorable change in consolidation, but showed a decrease in business in the United States due to delayed orders by the Department of Energy. The business unit strengthened its position in Japan by setting up a subsidiary in Tokyo, thus benefiting from the strong presence of the Group in this area. Business for *Information Systems* dropped by 5% due to the slowing down of the systems integration markets linked to the drop in industrial investment in France. The drop was limited due to the strength of the outsourcing activities.

Back End Division: increasing importance of major reprocessing-recycling contracts

The **Back End** Division posted sales revenues of 2,086 million euros, a drop of 5.7% compared with the sales revenues for 2001 which included non-recurring billings linked to the regularization of spent fuel storage services for EDF over the last few years. If this is subtracted, the Division's sales revenues increased by 21% due to growth in engineering and support services in the United States and Japan.

- Business for *Reprocessing* increased by 21%, once non-recurring billings for 2001 are taken into account. This healthy increase resulted from the coming into effect of the contract to provide assistance with the start up of the Rokkasho-Mura reprocessing plant (Japan) signed in mid-2001. Three training programs were completed by the end of 2002, and training sessions are planned until 2005. Industrial activity for La Hague increased in 2002 with 1,061 t sheared spent fuel rods compared with 951 t for the previous year (+12%), but overall sales revenues remained stable due to a change in billing procedures between old "cost + fee" contracts and the new per unit payment contracts entered into in October 2001.

- Strong growth in *Recycling* (+121%) was mainly due to growth in the production of MOX fuel for Japan, as well as the sale of technological services, along with the *Engineering* Business Unit, with a view to building a MOX fabrication plant in Japan – this plant would work with the Rokkasho-Mura reprocessing plant, which is at the start-up phase.

- Business for *Engineering* increased by 10% due to the MFF project (MOX Fuel Facility) in the United States, which also includes building a MOX plant to dispose of weapons-grade plutonium.

- Finally, a slight drop in business for *Logistics* (-2%), although there was an increase in its cask sales for dry storage in the United States.

Connectors Division: no recovery on the telecommunication equipment market, but an increasing automotive market

In the fourth quarter of 2002, the **Connectors** Division recorded sales revenues of 374 million euros, the same as for the third quarter of 2002. The second six months of 2002 posted a drop of 8% compared with the first six months, which reflected a continuing slump in the telecommunication equipment market and the US energy market. For the whole year, sales revenues for the Connectors Division totaled 1,560 million euros compared with 1,966 million euros in 2001, i.e. a drop of 20.7%.

- *Communication Data Consumer* and *Electrical Power Interconnect* recorded a big drop in their activities between 2001 and 2002 (-37.5% and –17.8%). The quarterly analysis shows that the fourth quarter of 2002 remained stable compared to the third quarter, which were down by 13% and 9% respectively compared with the second quarter of 2002. This drop was mainly due to the telecommunication equipment manufacture in the United States, who expected the market to recover in the middle of the year but it did not.

- Business for *Automotive* increased by 6% over 2002, a bigger increase than for the automotive connectors market (which increased by about 4%). Relations with existing customers improved due to an increase in orders for Airbag connectors. The Business Unit signed a contract for the supply of a new generation of Airbag connectors with PSA.

- *Military, Aerospace and Industry* recorded a drop of 9% over 2002 compared with 2001, as the civil aeronautics market slowed down in Germany and the United States. FCI signed an agreement in December 2002 to sell this business unit to Axa Private Equity. This sale should go through in the first six months of 2003.

The largest drop in sales revenues for the **Connectors** Division over 2002 was in the Americas (-33%). This drop was mainly due to *Communication Data Consumer* (–54%), *Electrical Power Interconnect* (–24%), and *Military, Aerospace and Industry* (–28%) activities.

As for Asia, due to the transfer of activities of some clients from Europe and the Americas to this region, the drop in sales revenues was limited to 14%. Sales revenues for other Business Units in this region increased. In Europe, the drop in sales revenues totaled 21%, mainly linked to the drop in business for *Communication Data Consumer* activities (-45%).

Sales revenues for **Corporate and Other** were mainly generated by non-strategic group activities, which should be sold.

Outlook

The Group has met its income targets for 2002, namely:

- Two-figure increase in operating income for Nuclear activities in 2002 to 2004.
- As for Connectors, the Group aims to generate operating income for 2002, before restructuring costs, up from 2001, despite a marked drop in sales revenues. The total operating loss for 2002 should however be much higher than that for 2001, due to restructuring costs as of the fourth quarter of 2001 and an exceptional depreciation in industrial assets.

Next events:

- March 27, 2003: Publication of the Results for 2002 and the Information Meeting
- May 7, 2003: Sales revenues for the first quarter of 2003

AREVA

More about

AREVA is a high-tech industrial group and world leader in its businesses, nuclear energy and components. With 50,000 employees in over 30 countries, AREVA generates revenues of almost EUR 9 billion. AREVA offers major international utilities a complete range of products and services for electricity generation using nuclear power. The Group also develops interconnection systems, mainly for the telecom and IT sectors.

Appendix 1: Sales Revenues by quarter

In millions of euros	2002	2001	Variation
1st Quarter			
Front End	730	523	+39.4%
Reactors & Services	339	356	-5.0%
Back End	267	212	+26.2%
Connectors	400	614	-35.0%
Corporate and Other	27	38	-26.4%
Total	1,763	1,743	+1.1%
2nd Quarter			
Front End	570	603	-5.5%
Reactors & Services	501	474	+5.8%
Back End	716	882	-18.9%
Connectors	414	535	-22.7%
Corporate and Other	18	13	+46.3%
Total	2,219	2,507	-11.5%
3rd Quarter			
Front End	609	763	-20.2%
Reactors & Services	473	340	+39.3%
Back End	414	341	+21.3%
Connectors	373	427	-12.6%
Corporate and Other	31	33	-7.3%
Total	1,900	1,904	-0.2%
4th Quarter			
Front End	651	843	-22.8%
Reactors & Services	618	709	-12.8%
Back End	690	778	-11.4%
Connectors	374	390	-4.2%
Corporate and Other	52	27	+93.0%
Total	2,384	2,747	-13.2%
Total			
Front End	2,560	2,733	-6.3%
Reactors & Services	1,931	1,879	+2.8%
Back End	2,086	2,213	-5.7%
Connectors	1,560	1,966	-20.7%
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Appendix 2: Analysis of the variation in sales revenues for the nuclear business

	2002	2001	Variation
Published sales revenues	6 576	6 825	**- 3.6%**
Constant accounting method[2]	*0*	*-286*	
Sales revenues using contant accounting method	6 576	6 539	**+ 0.5%**
Adjustments for like-for-like basis[3]	*-128*	*+ 78*	
Sales revenues for constant accounting method and like-for-like basis	6 448	6 617	**- 2.5%**
Non-recurring billings[4]	-	*-486*	
Sales revenues for constant accounting method, like-for like basis, and removing non-recurring payments	6 448	6 131	**+ 3.8%**

[2] Accounts for Change in accounting method tied to the end of the two-way billing with EdF for increased transparency in the enrichment business.

[3] Accounts for the acquisition of Duke Engineering & Services in April 2002, the end of the maintenance in September 2001 and the acquisitions of Siemens and Canberra in February 2001.

[4] Accounts for non-recurring payments in 2001 in the Front End of the fuel cycle tied to normalization of storage services over the past several years.

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