

Paris, May 7, 2003

## 1st quarter 2003 revenue

- **Nuclear**                      **Year off to a strong start**
- **Connectors**                **Excellent results in the automotive industry do not offset the decline in telecom & electrical equipment**

In millions of euros	Q1 2003	Q1 2002	Change (%)
Front End	698	730	-4.3
Reactors & Services	471	339	+38.9
Back End	388	267	+45.1
<b>Total Nuclear</b>	<b>1,557</b>	<b>1,336</b>	<b>+16.5</b>
Connectors	354	400	-11.3
Corporate and sundry	19	28	-33.8
<b>Total</b>	<b>1,930</b>	<b>1,763</b>	<b>+9.5</b>

### Press Office

Charles Hufnagel  
Patrick Germain  
Sophie Renaud  
T: 01 44 83 71 17  
F: 01 44 83 25 52  
press@arevagroup.com

The AREVA Group posted revenue of 1,930 million euros in the first quarter of 2003, compared with 1,763 million euros in Q1 2002, for 9.5% growth. Overall revenue growth excluding acquisitions and divestitures was 9.8%, with sales to the nuclear industry rising 17% and connector sales falling 11.3%.

The decline in the USD/EUR exchange rate from Q1 2002 to Q1 2003 reduced sales by €80m, or 4.5%<sup>1</sup> of annual revenue.

### Front End Division

- ▶ Excluding the effect of acquisitions<sup>2</sup> and energy supply options in contracts<sup>3</sup>, Front End Division sales rose 1.3%.
- ▶ *Mines* business posted substantial growth of 17.4% due to increased uranium sales and a positive product mix effect. The incident in the Mc Arthur mine in Canada, in early April of this year, is not expected to compromise deliveries in 2003<sup>4</sup>, given the Group's considerable stock of uranium.
- ▶ *Enrichment* services revenue in the first quarter of 2003 is 37.1% higher than a year earlier, due to the high percentage of customer orders early in the year. This is much higher than the growth forecast for 2003.

<sup>1</sup> This impact was -€52m for Nuclear business (or -3.9%) and -€28m (-7%) for Connectors

<sup>2</sup> The acquisition of Duke Engineering & Services in May 2002 increased sales by €11m.

<sup>3</sup> Some Enrichment services customers are now exercising a contractual option that enables them to supply the power necessary to perform our services. To enable accurate comparison with our sales in the 1st quarter of 2002, the value of this power, which was previously purchased and then billed to customers, must be added to Q1-2003 revenue.

<sup>4</sup> However, as we announced on April 16, 2003, the impact on AREVA's operating income could be about three million euros for every month that production is stopped.

### Investor Relations

Vincent Benoit  
T: 01 44 83 71 79  
vincent.benoit@arevagroup.com  
Frédéric Potelle  
T: 01 44 83 72 49  
frederic.potelle@arevagroup.com

- ▶ Sales of *Fuels* fell 27%. Fuel deliveries depend on reactor refueling campaigns, which are not spread out evenly over the year. Large deliveries in the first quarter of 2002 accounted for 37% of that year's sales. Fuel sales in Q1 2003 are in line with our full-year sales forecast.

### **Reactors and Services**

- ▶ Excluding the effect of acquisitions<sup>5</sup>, Reactors and Services sales increased 28.6%.
- ▶ *Equipment* and *Services* sales rose sharply by 60.8% and 47.6% respectively, particularly in the United States, where many closure heads were replaced.
- ▶ The impressive 57.2% growth in *Reactor* sales is due in part to additional invoicing on completed contracts. Sales for this business in 2003 should be in line with 2002.

### **Back End Division**

- ▶ *Reprocessing & Recycling* revenue, which accounted for three-fourths of the Back End Division's sales, rose 62.5%. This difference is due to the fact that Q1 2002 sales accounted for only 10% of that year's revenue. Full-year sales in 2003 are expected to be slightly less than last year due to the rescheduling of MOX production campaigns for Japanese customers.
- ▶ Large *Reprocessing & Recycling* contracts for EDF and foreign customers are in line with technical and commercial objectives. Training for the future operators of the Rokkasho-Mura plant in Japan was completed in the first quarter 2003.
- ▶ The 31.1% increase in *Logistics* revenue marks the return of this business to a normal level of activity.

### **Connectors**

- ▶ *Data Consumer Communication* sales have dropped 16.4% with respect to Q1 2002. The 4.2% decline from the fourth quarter of 2002 may still be attributed to the sluggish telecoms sector.
- ▶ *Electrical Power Interconnect* revenue has declined 24.7% (and 12% sequentially), due mainly to the weakening of the US market, to which this business is significantly exposed.
- ▶ *Automotive* business continues to grow, with sales rising 4.1%. This performance reflects increased market share, since sales of automobiles fell 2.2% in Europe and 4.4% in the United States from Q1 2002 to Q1 2003.
- ▶ The Group sold its *Military Aerospace Industry* business – whose sales were down 15% – on April 30, 2003, as announced last December.

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<sup>5</sup> The acquisition of Duke Engineering & Services in May 2002 increased sales by €35m.

## **Prospects in 2003**

Nuclear business sales are expected to remain stable throughout 2003 and globalization should continue in all business areas.

Management does not expect a pick-up in connector sales in the telecommunications industry.

### **Financial calendar**

- ▶ May 12, 2003 – Annual and Extraordinary Shareholders' Meeting
- ▶ August 4, 2003 – Second quarter 2003 sales report
- ▶ September 30, 2003 – First half 2003 sales report

### **Contacts**

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## **More about**

*AREVA is a high-tech industrial group and world leader in its businesses, nuclear energy and connectors. With 50,000 employees in over 30 countries, in 2002 AREVA generated revenues of 8.3 billion euros. 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, IT and automobile sectors.*

*For further information: [www.arevagroup.com](http://www.arevagroup.com)*