

Paris, May 6, 2004

## Sales revenues for the first quarter of 2004

- **Increase in sales revenues due to the integration of the activities of T&D**

- **Energy:**
  - Nuclear: drop of 9.8% on a like-for-like basis<sup>1</sup> due to an unfavorable base comparison with the first quarter of 2003
  - T&D: drop of 4.4% on a like-for-like basis<sup>1</sup> and strong growth in new orders of 13%

- **Connectors:** Growth of 8.3% on a like-for-like basis<sup>1</sup>

In millions of euro	Q1 2004	Q1 2003	% var.	% var. On a l-f-l basis <sup>1</sup>
Front End	586	698	-16.1%	-12.2%
Reactors & Services	383	471	-18.7%	-14.8%
Back End	385	388	-0.7%	+0.1%
Transmission & Distribution	735	-	-	- 4.4%
<b>S/Total Energy</b>	<b>2,089</b>	<b>1,557</b>	<b>+34.2%</b>	<b>-8.0%</b>
Connectors	317	354	-10.6%	+8.3%
Corporate	4	19	-79.0%	-57.1%
<b>Total</b>	<b>2,410</b>	<b>1,930</b>	<b>+24.9%</b>	<b>-6.3%</b>

Sales revenues for the AREVA group for the first quarter of 2004 amounted to 2,410 million euro, as opposed to 1,930 million euro for the first quarter of 2003, i.e. an increase of 24.9%. A comparison of foreign exchange rate fluctuations between these two periods shows a negative impact of 94 million euro.

The activities in **Energy** recorded a drop of 8% on a like-for-like basis.

- Nuclear recorded a drop<sup>1</sup> in its sales revenues of 9.8% compared to the first quarter of 2003 when activities were particularly buoyant. The Group would like to point out that nuclear activities are spread unevenly throughout the year for the nuclear divisions. Consequently, there is little point in comparing changes from one quarter to another to project future growth.
- Transmission and distribution activities, which were integrated into the Group's financial statements at the beginning of January 2004, have fallen<sup>1</sup> by 4.4% for this the period as a result of the drop in new orders recorded at the end of 2003. However, the number of new orders was placed in a quick succession during the first quarter of 2004, i.e. 900 million euro or a growth<sup>1</sup> rate of 13% compared to the first quarter of 2003.

<sup>1</sup> On a like-for-like (l-f-l) basis

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As for **Connectors**, sales revenues increased by 8.3% on a like-for-like basis, reflecting growth in both telecoms and automotive activities.

### **Front End Division**

Sales revenues for the Front End Division amounted to 586 million euro for the first quarter of 2004, as opposed to 698 million euro for the first quarter of 2003, i.e. a drop of 16.1% and 12.2% on a like-for-like basis. In addition to the impact of euro/dollar exchange rates (negative impact of 31 million euro), this drop was mainly due to the *Mining* and *Fuel* activities which experienced an unfavorable base comparison. The first quarter of 2003 was particularly buoyant as, during this period, Mining generated 32% of sales for the year and Fuel 34%. With regard to Mining, this difference will be offset at the end of 2004. *Fuel* however will see an unfavorable mix effect and a drop in volume for the year. Sales revenues for *Enrichment* remained stable during the period, excluding the impact of foreign exchange rates.

The spot prices for natural uranium and conversion services continued to increase for the first quarter, reaching 17.75 \$/lb and 7.5 \$/kg respectively at the end of March 2004, i.e. an increase of 23% and 7% compared to the end of 2003. Note that, as most sales were made in the framework of long-term contracts, the marked increase in the spot prices will have no significant impact on sales for 2004.

The group projects a slight drop in sales revenues for the Front End Division in 2004 compared to 2003.

### **Reactors and Services Division**

Sales for Reactors and Services amounted to 383 million euro for the first quarter of 2004, as opposed to 471 million euro for the first quarter of 2003, i.e. a drop of 18.7% (a drop of 14.8% on a like-for-like basis). The euro/dollar exchange rate had a negative impact of 14 million euro during this period.

In the *Reactors* Division, new projects<sup>2</sup>, with the construction of a third reactor at Olkiluoto in Finland<sup>3</sup> at the fore-front, once again generated low sales revenues for the first quarter of 2004. The figure is about 20 million euro lower than for the first quarter of 2003.

2003 saw a heavy workload for *Nuclear Services*. The first quarter of 2003 felt the impact of unscheduled work on the steam generators and reactor heads of four US plants. No unscheduled work has been recorded for the first quarter of 2004. The impact on sales revenues was a drop of 30 million euro, to which must be added a less favorable outage schedule for the first quarter of 2004, especially in France.

*Equipment* activities remained healthy thanks to contracts won in the United States for the replacement of heavy components in plants in order to extend their service life.

The sales revenues for the Division for 2004 should increase compared to 2003, as long as projects for *Reactors* proceed smoothly.

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<sup>2</sup> A significant rise in the number of orders for 2003

<sup>3</sup> Contract signed at the end of 2003 and beginning in the first quarter of 2004

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### **Back End Division**

Sales revenues for the Back End Division amounted to 385 million euro for the first quarter of 2004, maintaining the 388 million euro recorded for the first quarter of 2003, i.e. an increase of 0.1% on a like-for-like basis.

Subject to the smooth operation of its industrial installations, spent fuel *Reprocessing* and *Recycling* activities in 2004 should remain stable at 2003 levels.

However, 2004 sales revenues for the Back End Division will drop compared to 2003, as a result of the last training assignment carried out under the contract to assist with the startup of the Rokkasho Mura plant in Japan.

Growth in sales for the first quarter, including export sales, and the negotiations underway to extend certain reprocessing and recycling contracts will provide a healthy workload for the medium and long term.

### **Transmission and Distribution (T&D) Division**

Sales for Transmission and Distribution, acquired on January 9, amounted to 735 million euro for the first quarter of 2004, a drop of 7.6% compared to the first quarter of 2003. Excluding the impact of exchange rates, sales revenues fell by 4.4% due to the drop in new orders for the last three quarters of 2003.

In the first quarter of 2004, new orders amounted to 900 million euro, an increase of 13% on a like-for-like basis compared to new orders for the first quarter of 2003.

The drop in sales revenues affected most activities. *Products*, which accounted for more than 40% of the Division's sales, recorded a drop in high-voltage equipment sales of 8.2% on a like-for-like basis, particularly in Europe and North America. *Projects* (nearly a third of the Division's sales revenues) fell slightly by 1.9% on a like-for-like basis. However, transmission projects, dedicated mainly to the grid connection market, recorded an increase. *Automation* (13% of the Division's sales revenues) recorded a drop of 3.9% on a like-for-like basis, while *Services* (12% of the Division's sales revenues) recorded an increase of 1.6% on a like-for-like basis for the period.

### **Connectors Division**

The Connectors Division recorded sales revenues of 317 million euro for the first quarter of 2004, as opposed to 354 million euro for the first quarter of 2003, i.e. a drop of 10.6%. Sales revenues for the Connectors Division increased by 8.3% on a like-for-like basis (negative impact of exchange rates: 20 million euro; negative scope of consolidation effect<sup>4</sup>: 46 million euro).

*Communication, Data, Consumer* activities, which amounted to 40% of the Division's sales for the first quarter of 2004, recorded an increase in its activities of 8.2% on a like-for-like basis between 2003 and 2004 (a drop of 8% on a reported basis). This increase was mainly due to favorable changes in the telecommunications market which has been recovering since the last quarter of 2003. Sales for America and Asia increased the most and Europe remained stable for the period. These activities remained relatively stable on a like-for-like basis (drop of 1.2%) for the first quarter of 2004 compared to the last quarter of 2003.

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<sup>4</sup> Sale of "Military, Aerospace and Industry" and "Cable and Assembly" activities in 2003

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*Automobile* activities, i.e. 43% of the Division's sales revenues, recorded an increase of 5.8% on a like-for-like basis (0.9% on a reported basis). This increase was the result of a relatively stable world automotive market for the period. It was most marked in Europe (6.6%), ahead of America (3.7%) and Asia (2.8%) and is due to increasing market shares, in particular for Airbag connectors. Excluding the impact of foreign exchange rates, the activities of this Division dropped by 1.9% for the first quarter of 2004, compared to the last quarter of 2003, due to the seasonal nature of sales.

*Electrical Power Interconnect* activities are recovering compared to 2003 which saw a large drop. The increase in sales on a like-for-like basis was 2.7% compared to the first quarter of 2003, with growth spread through all regions. In America, the launch of new ranges of products and the buoyancy of Utilities in Canada helped with the recovery. In Europe, export contracts to Asia and major EDF orders were behind strong growth. Excluding the impact of exchange rates, an increase of 0.5% was recorded for these activities for the first quarter of 2004 compared to the last quarter of 2003.

### **Outlook**

The group is projecting sales revenues for 2004 comparable to those for 2003 for Nuclear activities, with an increase in Connectors on a like-for-like basis.

In light of the general review of activities begun by the Group in January 2004 and still to be completed, projected figures for T&D will be given at a later date.

### **More about**

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With manufacturing facilities in over 40 countries and a sales network in over 100, AREVA offers customers technological solutions for nuclear power generation and electricity transmission and distribution.

The group also provides interconnect systems to the telecommunications, computer and automotive markets.

These businesses engage AREVA's 70,000 employees in the 21<sup>st</sup> century's greatest challenges : making energy and communication resources available to all, protecting the planet, and acting responsibly towards future generations.

For more information : [www.areva.com](http://www.areva.com)

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