

Paris, February 8, 2005

Sales revenue for 2004: €11,109M

- Sales were up 34.6% compared with 2003
- Like-for-like, growth was 4.1%
- Energy
 - Nuclear Power: stable (+ 0.5% like-for-like¹) with fewer fuel deliveries
 - T&D: + 11.8%, with booked orders up 12.9%, indicating renewed customer confidence
- Connectors
 - Growth of 6.5% like-for-like

in millions of euros	2004	2003	% change	% change like-for-like ¹
Front End	2 524	2 683	-5.9%	-4.3%
Reactors & Services	2 146	2 124	+1.0%	+4.8%
Back End	1 946	2 023	-3.8%	+2.5%
Transmission & Distribution.	3 186	-	n/a	+11.8%
Sub-total Energy	9 802	6 830	+43.5%	+3.9%
Connectors	1 289	1 338	-3.7%	+6.5%
Corporate	18	88	insignificant	insignificant
Total	11 109	8 255	+34.6%	+4.1%

Quarterly data is presented in the attachment

Sales revenue for 2004

AREVA group sales in 2004 were €11,109M, compared with €8,255M in 2003, representing a gain of 34.6%.

This sharp rise in sales is due primarily to the acquisition of the Transmission & Distribution division, which was integrated into the group's accounts in early January 2004. At comparable consolidation scope and exchange rates² (like-for-like) the group recorded growth of 4.1% for 2004.

¹ like-for-like: at constant consolidation scope and exchange rates

² Impact of changes in consolidation scope: + €2747M, including €2877M for T&D, €20M for Nuclear Power, and €(94)M for Connectors. Impact of standardized accounting methods: €(124)M. Impact of foreign exchange fluctuations: €(218)M.

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Exchange rate fluctuations, particularly the €/€ exchange rate, had a consolidated negative impact of €218M.

- ▶ Nuclear power sales were stable, gaining 0.5% like-for-like compared with 2003. The downturn in Front End division sales, linked to fuel volumes, was largely offset by the start of the EPR contract in Finland.
- ▶ Transmission and distribution operations, which have been consolidated since early January 2004, were up 11.8% like-for-like over 2003. Orders booked in 2004, at €3.3 billion, were up 12.9% over 2003.
- ▶ In connectors, sales rose by 6.5% like-for-like. However, reported revenue for the second half of 2004 was down slightly, by 2.6%, compared with first-half 2004 revenue.

Sales revenue by division in 2004

Front End

Front End division sales settled at €2,524M for 2004, compared with €2,683M in 2003, representing a decrease of 5.9% (-4.3% like-for-like).

Exchange rate fluctuations had a negative impact of €73M over the period.

Mining operations posted sales of €475M, up 7.4% over 2003 (+6.2% like-for-like³). Excluding the trading business, the volumes of uranium sold were stable compared with 2003. The average sales price was slightly up owing to price adjustment clauses.

In *Chemistry*, sales rose by 2.5% (both LFL and reported) to €232M, compared with €226M in 2003. This reflects a strong activity in uranium conversion, with more than 14,000 metric tons of UF₆ produced.

Sales in *Enrichment* fell by 6.3% (down 2.8% LFL) to €681M, compared with €727M in 2003. Record levels had been reached in 2003, especially in Asia and North America. In Japan, with reactors off-line for nuclear safety inspections begun in 2003 and continuing in 2004, volumes declined. This was only partially offset by increased sales in Europe, excluding France.

Fuel sales, representing 45% of the Front End division's sales for the period, settled at €1,136M, compared with €1,284M in 2003, a drop of 11.5% (-9.9% LFL). This is due to lower volumes in UO₂ fuel as well as in MOX fuel. Significant deliveries were made in 2003, particularly to EDF. Conversely, 2004 had a low level of deliveries, especially in France and Germany. These fluctuations are linked to the timing of deliveries, set by our customers.

Reactors & Services division

Sales for the **Reactors & Services** division rose to €2,146M in 2004, up 1.0% compared with €2,124M in 2003. Like-for-like, the division posted growth of 4.8%.

The impact of exchange rate fluctuations for the division was a negative €57M compared with 2003.

³ Including proportional consolidation of Cominak in Niger and AMC in Sudan, representing +€29M. Previously, these companies had been consolidated under the equity method.

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In the *Reactors* sector, sales settled at €582M, up 8.1% from 2003. The change is mainly due to the start of the Olkiluoto-3 EPR project in Finland in 2004.

Services posted sales of €696M, down 8.8% (-3.1% LFL). Non-recurring items were recorded in 2003, notably in the United States (vessel-head inspections and repairs, spare parts.) The year was characterized by price pressures from electric utilities and a trend towards concentrating many reactor outages in increasingly tighter windows, particularly in the United States. The number of reactor outages undertaken by U.S. utilities in 2004 was down sharply compared with 2003. Nonetheless, the limited drop in corresponding sales is credited to continuing strong steam generator replacement operations.

The *Equipment* business continues to grow. Sales rose to €242M, compared with €217M in 2003, up 11.5% (+ 12.7% LFL). The increase is primarily due to the supply of replacement equipment to the U.S. market by the group's French plants. However, after three years of growth in this market, the business unit's penetration of the U.S. market has leveled, mainly due to unfavorable euro/dollar exchange rates.

Sales recorded by the division's other operations were up 6.5% LFL (*Technicatome, Nuclear Measurements, Consulting and Information Systems*).

Back End division

Back End division sales settled at €1,946M for 2004, down 3.8% compared with €2,023M recorded in 2003. Like-for-like,⁴ sales were up 2.5%.

Compared with 2003, exchange rate fluctuations had a negative impact of €11M on the division.

Treatment and Recycling sales settled at €1,541M in 2004, down 1.3% from 2003. Like-for-like,⁵ 2004 sales were up 6.5%. The volume of fuel treated at the La Hague plant was up by more than 6% due to non-recurrent events. The Melox plant's production of MOX fuel was also up, by 10%, compared to 2003. Operator training for the Japanese treatment plant was completed in the second half of 2004 for our customer JNFL.

Logistics posted sales of €222M in 2004, down 8.6% compared with 2003 (down 6.7% LFL). The scheduled reduction in used fuel transportation from Germany made its mark on the year. On the other hand, samples of U.S. defense plutonium were shipped across the Atlantic. This plutonium will be used to fabricate four MOX assemblies for the "MOX for Peace" program in the first half of 2005.

The Back End division's other business operations (*Engineering, Nuclear cleanup*) posted sales of €183M in 2004, compared with €219M in 2003, for a drop of 17% (-14.5% LFL).

Transmission & Distribution division (T&D)

The **Transmission & Distribution** division recorded 2004 sales of €3,186M, up 11.8% like-for-like compared with 2003⁵, which had been a difficult year for this business.

⁴ The standardization of sales accounting methods, established in 2003 in *Recycling*, had a negative impact of €113M. Impact of foreign exchange rate fluctuations: €(11)M for the entire division.

⁵ Unaudited data compiled for 2003.

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Second half sales totaled €1,653M, up 15.0% compared with the same period in 2003, and up 7.8% from the first half of 2004.

The volume effect for the full year is a positive €407M, less a negative price effect of €71M representing 2.5% of the division's sales in 2003. Exchange rate fluctuations had a negative impact of €28M over the period.

The *Products* business recorded 8.1% growth⁶ at constant exchange rates compared with 2003. Sales grew steadily in the Middle East and in the Asia-Pacific region, in particular due to the start-up of a manufacturing plant for high voltage products in China in 2004. In Western Europe, on the other hand, demand was weak. In terms of product mix, transmission product sales (high voltage) are up, while distribution product sales (medium voltage) were stable on the whole.

Sales were up 28.8% in *Systems* in 2004 at constant exchange rates. This increase is the result of new contracts awarded to the company's transmission systems segment (high voltage), especially in the Middle East. Sales in the distribution segment (medium voltage) remained stable, reflecting the sluggishness of the European market.

In the *Automation* business, sales were up 3.2% at constant exchange rates, in line with market growth.

Services operations posted a 4% increase in sales over 2003 at constant exchange rates. The growth is linked in part to the company's Telecom business in Australia and New Zealand. These operations, which do not belong to the company's core business, are in the final stages of being sold.

T&D's booked orders rebounded sharply in 2004, at €3.3 billion compared with €2.9 billion in 2003 (+ 12.9%). Orders continued to increase in the second half of the year.

Connectors division

Sales in the **Connectors** division settled at €1,289M in 2004, compared with €1,338M in 2003, a 3.6% decrease. At constant consolidation scope⁷ and exchange rates, Connectors division sales were up 6.5%.

Fourth quarter sales totaled €323M, up 2.4% LFL compared with the fourth quarter of 2003.

Exchange rate fluctuations had a negative impact of €46M on the division, compared with 2003. In addition, the market continued to experience price pressures.

The *Communication, Data, Consumer* business recorded growth of 3.5% LFL in 2004 (down 8.4% in reported data), with sales of €488M. Sales slowed in the second half of the year, from €257M to €231M, with customers depleting their inventories. The year saw a sharp rise in the proportion of new products in the mix.⁸ This trend, driven by a commitment to R&D, was particularly strong in the computer and consumer electronics markets.

With 2004 sales of €554M, the *Automotive* business recorded growth of 2.2% (+ 5.3% at constant exchange rates). Sales were up 14% in Asia. The automotive market remained

⁶ The "contribution to sales", i.e. sales adjusted for sales between business units, is not available for the T&D division for 2003. Consequently, changes in 2004 vs. 2003 sales for the T&D division's business units are calculated based on gross sales revenue.

⁷ i.e. adjusted, notably, for the dollar effect and for the sale of the Military/Aerospace & Industrial (MAI) and Cable & Assembly businesses in 2003.

⁸ A new product is defined as a product launched within the past three years.

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sluggish in Europe and the United States. Commercially, the year saw new successes at General Motors, BMW and Hyundai. Also, the group was selected by Valeo as its only VIP (“Very Important Partner”) in the connectors field

The *Electrical Power Interconnect (EPI)* business reported sales of €165M, stable compared with 2003 and up 6.2% like-for-like. The price pressures continued, mainly due to the globalization of the competition. Sales were lackluster in Europe but rose in the United States following the reorganization of the sales force and partial localization of production in Mexico.

With the smart card market in full recovery, sales for the *Microconnections* business rose to €83M, up 42.2% like-for-like compared with 2003. The group once again asserted its leadership position in this market segment in 2004. The start-up of the business unit's second plant, located in Singapore, contributed to this performance. Nonetheless, the group stresses the cyclical nature of this market, with a trend towards growth in the mid-term, but with short-term fluctuations that can be significant.

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Outlook

The group confirmed its objectives for 2004:

- Growth of the group's operating income and ROACE⁹, on a like-for-like consolidated group basis
- Positive operating income and operating cash flow in Connectors
- Maintaining a strong balance sheet.

Upcoming events and publications

- ▶ March 8, 2005 – 5:45 p.m.: Press release – 2004 earnings
- ▶ March 8, 2005 – 5:45 p.m.: Meeting to present annual performance for 2004
- ▶ April 28, 2005 – 5:45 p.m.: Press release – First quarter 2005 sales

More about

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 70,000 employees in the 21st century's greatest challenges: making energy and communication resources available to all, protecting the planet, and acting responsibly towards future generations.

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⁹ ROACE: Return on Average Capital Employed

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**Attachment
Consolidated sales by quarter**

in millions of euros	2004	2003	2004/2003 change (in %)	2004/2003 change in % like-for- like
1st quarter				
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	-	n/a	-4.4%
Sub-total Energy	2 089	1 557	+34.2%	-8.0%
Connectors	317	354	-10.6%	+8.3%
Corporate and other	4	19	-79.0%	-57.1%
Total	2 410	1 930	+24.9%	-6.3%
2nd quarter				
Front End	593	727	-18.4%	-19.0%
Reactors & Services	576	519	+11.1%	+15.4%
Back End	619	599	+3.3%	+26.9%
Transmission & Distribution.	798	-	n/a	+21.2%
Sub-total Energy	2 586	1 846	+40.1 %	+8.8%
Connectors	336	335	+0.3%	+8.9%
Corporate and other	6	27	-75.9%	+ 5.8%
Total	2 929	2 208	+32.7%	+8.7%
3rd quarter				
Front End	533	549	-2.9%	-2.3%
Reactors & Services	472	445	+5.9%	+6.8%
Back End	321	401	-20.0%	-13.9%
Transmission & Distribution.	741	-	n/a	+5.9%
Sub-total Energy	2 066	1 396	+48.0%	+0.4%
Connectors	313	315	-0.7%	+6.8%
Corporate and other	10	23	-58.7%	+168%
Total	2 389	1 734	+37.8%	+1.4%
4th quarter				
Front End	812	707	+14.8%	+17.1%
Reactors & Services	715	688	+3.9%	+9.0%
Back End	621	635	-2.2%	-5.0%
Transmission & Distribution.	912	-	n/a	+26.1%
Sub-total Energy	3 060	2 031	+50.7%	+12.3%
Connectors	323	332	-2.7%	+2.4%
Corporate and other	-2	21	-109.5%	-120.4%
Total	3 381	2 383	+41.9%	+10.9%
Sales for the year				
Front End	2 524	2 683	-5,9%	-4,3%
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Connectors	1 289	1 338	-3.7%	+6.5%
Corporate and other	18	88	-79.5%	-33.6%
Total	11 109	8 255	+34,6%	+4,1%