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AREVA

Press Office
Charles Hufnagel
Patrick Germain
T: +33 1 44 83 71 17
F: +33 1 44 83 25 52
press@areva.com

Investor Relations
Vincent Benoit
T: +33 1 44 83 71 79
vincent.benoit@areva.com
Frédéric Potelle
T: +33 1 44 83 72 49
frederic.potelle@areva.com

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2005 Sales: organic growth of 3.7%

- **2005 sales were up 3.1%* in reported data: €10,125 millions**
- **Nuclear operations were buoyant (4.6% organic growth)**
- **Following the one-time peak in 2004 sales (up 11.8%), the Transmission & Distribution division is maintaining a good level of business: +2.0% organic growth**
- **Connectors: deconsolidation retroactive to January 1, 2005**

Following the November 3, 2005 sale of FCI to the investment fund Bain Capital, and in accordance with IFRS standard 5, the *Connectors* division was deconsolidated retroactively to January 1, 2005. The division's net income up to the date of the sale and the net income from the sale will appear on a separate line of the income statement. The division's sales are no longer included in the AREVA group's sales, retroactive to January 1, 2005.

The AREVA group's sales revenue for the year rose to 10,125 million euros, compared with 9,821 million euros in 2004, adjusted for the *Connectors* division, representing 3.1% growth in terms of reported data. Organic growth was up 3.7% for 2005.

- The nuclear divisions posted organic growth of 4.6%, signaled by:
    - growth in the *Front End* division (+5.2%**) linked to the favorable price effect for uranium supplies and to climbing volumes in all of the division's businesses;
    - new projects in Finland, France and China and strong performance in services, the growth driver for the *Reactors & Services* division (+10.8%**);
    - the drop in sales for the *Back End* division (-2.9%**) following the 2004 completion of the support contract with Japanese customer JNFL; a contract extension for 2006 and 2007 was signed in late 2005.
- The *Transmission & Distribution* division recorded organic growth of 2.0%. The 5.8% increase in the second half of 2005 over 2004 offsets the downturn in the first half of 2005 compared with the same period in 2004, when a one-time peak was observed. New orders rose by 13.1% like-for-like over the period, resulting in a large backlog at the end of 2005.

For the fourth quarter of 2005, the group recorded growth of 2.4% in reported data compared with the fourth quarter of 2004, and organic growth of 1.8%. Foreign exchange rate differences had a positive impact of 69 million euros.

Outlook: For 2006, the group expects sales revenue to rise like-for-like in all of its businesses.

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* Change at 12/31/2005 in relation to 12/31/2004, adjusted for the *Connectors* division
** Organic growth i.e at constant consolidation scope, accounting method, and foreign exchange rate

In millions of euros	31/12/2005	31/12/2004 (adjusted)	31/12/2004 (reported)	Change[1] in %	Change[1] in % like-for-like[2]
Front End	2 631	2 524	2 524	+4.2%	+5.2%
Reactors & Services	2 348	2 146	2 146	+9.4%	+10.8%
Back End	1 921	1 946	1 946	-1.3%	-2.9%
Sub-total Nuclear	**6 900**	**6 616**	**6 616**	**+4.3%**	**+4.6%**
Transmission & Distribution	3 212	3 186	3 186	+0.8%	+2.0%
Connectors	-	-	1 289	-	-
Corporate	14	19	18	-30.3%	-30.3%
Total	**10 125**	**9 821**	**11 109**	**+3.1%**	**+3.7%**

Note: Amounts are annual totals. Quarterly data is presented in the appendix.

Exchange rate differences between 2004 and 2005 had a positive impact of 51 million euros. The effect of consolidation between the two periods was -97.6 million euros. Only the *Front End* division was impacted by IFRS adoption, in the amount of -32.9 million euros from 2004 (reported) to 2005 (reported).

Front End division

For the full year, sales revenue for the *Front End* division grew organically by 5.2% (+4.2% in reported data) compared with 2004.

- In the *Mining* field, two-thirds of sales growth (+13.7% organic growth) was the result of favorable prices for uranium supply, with the average price up by 12.9% in US dollars, while one-third was from the increase in volumes sold, which rose to 13,227 metric tons, up by 6.1% over 2004.

- The *Conversion* business was up over the period (+20.4% organic growth) due to the favorable price effect combined with an increase in volumes sold. UF6 production was stable at the historically high level of more than 14,000 metric tons.

- Despite a slight drop in export sales, the volume of *Enrichment* services on the domestic market rose, resulting in increased sales for the period (+6.5% in organic growth).

- *Fuel* posted a 3.5% increase in volumes sold, especially in the United States, but a slight decrease in sales value (-2.0% like-for-like). This can be traced to a less favorable product / price mix in 2005 between natural uranium (UO2) on the one hand, and reprocessed uranium (RepU) and MOX fuels on the other hand.

For 2006, the group expects *Front End* division sales to be up from 2005, like-for-like, in most businesses.

[1] Change at 12/31/2005 in relation to 12/31/2004, adjusted for the *Connectors* division
[2] Organic growth i.e at constant consolidation scope, accounting method, and foreign exchange rate

Reactors & Services division

Sales for the *Reactors & Services* division were up organically by 10.8% in 2005 (+9.4% in reported data) compared with 2004.

The rise in sales revenue is due mainly to the following factors:

- The Finnish EPR contract contributed 90 million euros in additional sales revenue in 2005 compared with 2004. The preliminary design of France's first EPR, contracts to duplicate Chinese power plants (Ling Ao - II) and recurring engineering business also boosted sales in the *Plants* business unit (+31.6% in organic growth over the period).

- With 120 reactor outages managed across the globe in 2005 and an increase in heavy component replacements, business was good for *Nuclear Services* (+3.4% organic growth over the period), especially in France (integrated maintenance services) and in the United States, where a first-time pressurizer replacement was performed. Sustained marketing and sales translated into a sharp rise in orders.

- *Equipment* recorded an upturn in production levels, with equipment fabrication for new reactors in Finland and China accounting for an increasing share. Orders rose sharply as numerous contracts were won, especially in France and the United States. However, since sales for major projects are recorded by the *Plants* business unit, sales were down in *Equipment* by 6.2% like-for-like over the period.

For 2006, sales for the *Reactors & Services* division are expected to rise considerably compared with 2005 as projects in *Plants* ramp up and business increases in *Equipment*.

Back End division

Sales revenue for the *Back End* division was down by 2.9% like-for-like in 2005 (-1.3% in reported data) compared with 2004.

- *Treatment-Recycling* operations, which represented more than three-fourths of the division's sales, were down 1.6% like-for-like in 2005 due to the completion of the support contract for Japanese customer JNFL in 2004. A contract amendment was signed in late 2005 to provide support to JNFL through the start of commercial operations of the Rokkasho Mura plant, scheduled for mid-2007. The drop in business in 2005 was partially offset by a favorable product mix in *Treatment* and by a very strong level of production at the Melox plant (*Recycling*), which is operating at its maximum licensed capacity.

- *Logistics* posted a 13.5% decline for the year like-for-like. This is primarily the result of the scheduled shutdown of used fuel transportation operations with Germany and a cyclical downturn in deliveries of used fuel storage casks in the United States.

For 2006, the *Back End* division is expected to have relatively stable sales, like-for-like.

Transmission & Distribution division (T&D)

The *Transmission & Distribution* division recorded 2.0% organic growth in 2005 sales (+0.8% in reported data) compared with 2004. The organic growth observed over the last three quarters of 2005 offsets the downturn recorded in the first quarter of the year (-6.5% like-for-like).

The net consolidation effect from the sale of businesses in Australia and New Zealand on April 1, 2005 and of non-strategic low voltage operations in November, along with the integration of the Indian and Pakistani businesses in August 2005, was close to -78 million euros.

Orders booked for the year were up by 13.1% like-for-like over 2004 to more than 3.7 billion euros, with the increase driven by exceptional growth of 53.2% like-for-like in the fourth quarter of 2005. Orders were up in all regions, especially South America (+40.8%), Asia (+26.2%), particularly India and China, and North America (+11.9%). Large contracts were signed in Qatar, Bangladesh and the United Arab Emirates in the fourth quarter of 2005. The 3 billion euro backlog as of the end of December 2005 represents more than eleven months of sales revenue, and is up 30% on a reported basis and 25.3% like-for-like compared with the end of 2004.

The rise in sales revenue is set against a backdrop of the cyclical rise in raw materials prices. The division shifted part of the increase to its sales prices, especially in *Products*. In this context, the increased sales are primarily due to the following factors:

- The marked buoyancy of *Products* (+7.2%[3]), representing almost half of the division's sales, in high and medium voltage through its Transformers product line. The business saw a sharp increase in sales volume, especially in China (+17%), where industrial deployment is continuing with the establishment of new joint ventures to operate manufacturing plants for high voltage products.

- Eroding sales prices and the downturn in volumes in Germany, Australia and Singapore caused the *Systems* business unit's prices to drop (-6.3%[3]) during the year, with second half growth arising from greater selectiveness in booking orders limiting the decline.

- *Services* performed well through the period (+5.2%[3]) with the marketing of its integrated offerings, Asset Care and Proximity Business.

- *Automation* business was up (+3.0%[3]) in all product lines, particularly substations, despite the erosion in sales prices. The business unit was able to maintain market share and increase sales, especially in Asia and Africa-Middle East, signaling second half 2005 growth.

Division-wide, sales were up in Europe (+6.6%) and South America (+1.9%) and stable in North America (+0.1%). Asia posted a slight drop (-1.8%), despite the strong growth in China (+11.8%). Africa/Middle East was slightly down, by 3.8%.

The Group forecasts growth in sales of the *Transmission & Distribution* division throughout 2006, as a large proportion of the orders booked in late 2005 are filled.

[3] Before eliminations of inter-business unit sales, like-for-like.

Upcoming events and publications

- March 8, 2006 – 17:45: Press release and presentation of annual results for 2005
- April 27, 2006 – 17:45: Press release – First quarter 2006 sales

About AREVA

With manufacturing facilities in 40 countries and a sales network in more than 100, AREVA offers customers reliable technological solutions for CO_2-free power generation and electricity transmission and distribution. We are the world leader in nuclear power and the only one to operate in every area of this sector. Our 58,000 employees are committed to continuous improvement on a daily basis, making sustainable development the focal point of the group's industrial strategy. AREVA's businesses help meet the 21st century's greatest challenges: making energy available to all, protecting the planet, and acting responsibly towards future generations.

www.areva.com

- **Press Office**
  Charles Hufnagel - Patrick Germain

  T: +33 (0)1 44 83 71 17 - F: +33 (0)1 44 83 25 52

  press@areva.com

- **Investor Relations**
  Vincent Benoit - T: +33 (0)1 44 83 71 79 - vincent.benoit@areva.com
  Frédéric Potelle - T: +33 (0)1 44 83 72 49 - frederic.potelle@areva.com

Appendix

Consolidated sales by quarter

In millions of euros	2005	2004 (adjusted)	2004 (reported)	Change 2005 / adjusted 2004 in %	Change 2005 / adjusted 2004 in % like-for-like
1st quarter					
Front End	602	586	586	+2.8%	+5.4%
Reactors & Services	465	383	383	+21.3%	+23.7%
Back End	422	385	385	+9.6%	+9.6%
Sub-total Nuclear	**1 489**	**1 354**	**1 354**	**+10.0%**	**+11.8%**
Transmission & Distribution	691	735	735	-6.0%	-6.5%
Connectors	n/a	n/a	317	n/a	n/a
Corporate and other	6	2	4	+147.3%	+158.2%
Total	**2 186**	**2 092**	**2 410**	**+4.5%**	**+5.4%**
2nd quarter					
Front End	648	593	593	+9.2%	+12.2%
Reactors & Services	575	576	576	-0.3%	+1.4%
Back End	569	619	619	-8.0%	-11.1%
Sub-total Nuclear	**1 792**	**1 788**	**1 788**	**+0.2%**	**+0.4%**
Transmission & Distribution	782	798	798	-2.0%	+2.1%
Connectors	n/a	n/a	336	n/a	n/a
Corporate and other	4	7	6	-44.2%	-43.3%
Total	**2 578**	**2 593**	**2 929**	**-0.6%**	**+0.8%**
3rd quarter					
Front End	561	533	533	+5.2%	+8.8%
Reactors & Services	535	471	471	+13.6%	+17.1%
Back End	329	321	321	+2.6%	-3.8%
Sub-total Nuclear	**1 426**	**1 326**	**1 326**	**+7.6%**	**+8.4%**
Transmission & Distribution	801	741	741	+8.2%	+9.9%
Connectors	n/a	n/a	313	n/a	n/a
Corporate and other	1	11	10	-90.5%	-91.6%
Total	**2 228**	**2 077**	**2 389**	**+7.3%**	**+8.4%**
4th quarter					
Front End	820	812	812	+1.0%	-1.9%
Reactors & Services	773	715	715	+8.2%	+7.5%
Back End	600	621	621	-3.3%	-1.5%
Sub-total Nuclear	**2 193**	**2 148**	**2 148**	**+2.1%**	**+1.3%**
Transmission & Distribution	937	912	912	+2.8%	+2.6%
Connectors	n/a	n/a	323	n/a	n/a
Corporate and other	3	(1)	(2)	n/a	n/a
Total	**3 133**	**3 059**	**3 381**	**+2.4%**	**+1.8%**
Sales for the year					
Front End	2 631	2 524	2 524	+4.2%	+5.2%
Reactors & Services	2 348	2 146	2 146	+9.4%	+10.8%
Back End	1 921	1 946	1 946	-1.3%	-2.9%
Sub-total Nuclear	**6 900**	**6 616**	**6 616**	**+4.3%**	**+4.6%**
Transmission & Distribution	3 212	3 186	3 186	+0.8%	+2.0%
Connectors	n/a	n/a	1 289	n/a	n/a
Corporate and other	14	19	18	-30.3%	-30.3%
Total	**10 125**	**9 821**	**11 109**	**+3.1%**	**+3.7%**