PRESS
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AREVA

Paris, March 22, 2007

Net income: 649 million euros

- Backlog up by 24.6% to 25.6 billion euros
- Steady growth of sales revenue: + 7.3%[1] to 10.863 billion euros
- Operating income of 407 million euros: excellent divisional performance and constitution of a significant provision for the OL3 project
- Dividend proposed to Annual General Meeting of Shareholders : 8.46 euros per share

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The Supervisory Board of the AREVA group, met today under the chairmanship of Frédéric Lemoine to examine the financial statements for 2006, as submitted by the Executive Board on March 5, 2007.

Anne Lauvergeon, Chairman of the Executive Board, offered the following comments:

"In 2006, AREVA recorded a large increase in its backlog and sharp growth in consolidated net income, at constant consolidation scope, to 649 million euros.

The significant provision taken on the OL3 project in Finland was largely offset by the excellent performance of the other businesses. For example, we achieved our recovery goals for the T&D division one year early.

AREVA confirms the profitable growth objectives it has set for itself. Our customers are announcing increased capital spending and embrace our strategy as an integrated supplier of CO2-free solutions. To take full advantage of these developments, we have strenghtened our management of major projects and substantially increased our Research and Development spending, our investment in operations, and our hiring."

[1] +6.7% like-for-like

Consolidated performance (see appended financial statements)

(in millions of euros)	2006	2005	Change 2006/2005	Change 2006/2005 LFL
Backlog	25 627	20 569	+24.6%	
Sales revenue	10 863	10 125	+7.3%	+6.7%
Operating income	407	551	-26.1%	
In % of sales revenue	*3.7%*	*5.4%*	*-1.7 points*	
Consolidated net income	649	1 049	-38.1%	-
Adjusted consolidated net income*	649	451*	+43.9%	-
Net cash (debt)	-865	-268	-	-

** i.e. before net income from disposals, net of taxes, in 2005 (FCI, Connectors division)*

Backlog up by 24.6%

The backlog of 25.627 billion euros at December 31, 2006 represents more than two years of sales revenue. Every business contributed to this growth: +40% in the **Front End**, +16% in **Reactors and Services**, +12.5% in the **Back End** and +16% in **Transmission & Distribution**.

Sales revenue up by 7.3%[2]

On January 31, 2007, the AREVA group reported 2006 sales revenue of 10.863 billion euros[3], as compared with 10.125 billion euros in 2005, for growth of 7.3%[2], of which 3.5%[4] were reported for Nuclear Power and 15.9%[5] for the Transmission & Distribution division.

Operating income stable at 3.7% of sales revenue

The Group's operating income for 2006 was 407 million euros, down from 551 million euros in 2005.

- The decrease was primarily due to the downturn in the **Reactors and Services** division, which was penalized by the OL3 project in Finland.
- Operating performance was strong in all other businesses:
    - The **Front End** and **Back End** divisions had growth of 21.9% and 31.3% respectively, and recurring business in the **Reactors and Services** division was also up.
    - The **Transmission & Distribution** division achieved the goal set in 2004 one year early, with operating income of 191 million euros and operating margin of 5.1%. Before restructuring expenses, operating margin was 6.7%, as against 3.2% in 2005.

Sharp increase in net income (adjusted for net income from discontinued operations in 2005 – FCI, Connectors division)

Consolidated net income was 649 million euros in 2006, for growth of 43.9%, compared with 451 million euros in 2005, excluding net income from discontinued operations (Connectors division). Detail on the income statement is provided in Appendix 2.

(2) +6.7% like-for-like
(3) Press release available at www.areva.com
(4) +2.9% like-for-like
(5) +15.2% like-for-like

The change in operating cash flow reflects the ramp-up of major capital spending projects

- EBITDA rose by 6.2% from 2005, to 1.293 billion euros.
- Net operating Capex accelerated, going from 395 million euros in 2005 to 1.248 billion euros in 2006, marked by the acquisition of 50% of ETC and of the ultracentrifugation technology; by the acquisition of Sfarsteel and of Ritz High Voltage; by the development of new mines in Canada and Kazakhstan; by EPR certification in the United States; and by the start of construction of the GB II plant. This trend should continue over the mid term as the group pursues its strategic objectives.
- A 352 million euro increase in 2006 in the operating working capital requirement (WCR), mainly due to the use of customer advances.

Consequently, the Group had -358 million euros in free operating cash flow, compared with 783 million euros in 2005.

Sound financial structure maintained

Net cash position of 251 million euros (excluding Siemens' put option)

The Group ended 2006 with a net cash position of 251 million euros, down from 808 million euros at year-end 2005. Including Siemens' put option, net debt comes to 865 million euros, up from 268 million euros at the end of 2005.

This change is the result of negative operating cash flow, the payment of dividends in the amount of 429 million euros, and the proceeds from the disposal of Société Générale shares held by the group, for 217 million euros.

Earmarked assets are sufficient to cover provisions for end-of-life-cycle operations

Provisions for end-of-life-cycle operations stood at 4.585 billion euros at year-end 2006, compared with 4.490 billion euros at December 31, 2005. These provisions are covered by the earmarked portfolio and by future receivables from third parties for a total of 5.077 million euros, giving a surplus of 492 million euros.

Dividend of 8.46 euros to be recommended to the Annual General Meeting of Shareholders of May 3, 2007

The Supervisory Board will propose a dividend for 2006 of 8.46 euros per share or investment certificate to the Combined Meeting of Shareholders of May 3, 2007. The dividend corresponds to a distribution rate of 46% of consolidated net income and will be paid on June 30, 2007.

Outlook

The outlook for 2007 calls for:

- Strong sales revenue growth,
- Sharp increase in operating income,
- Continued capital spending.

Upcoming events and publications

- April 26, 2007 – 5:45 pm: Press release – First quarter 2007 sales and related information
- July 26, 2007 – 5:45 pm: Press release – Second quarter 2007 sales and related information
- August 30, 2007 – 5:45 pm: Press release – H1 2007 results
- October 25, 2007 – 5:45 pm: Press release – Third quarter 2007 sales and related information

About us

With manufacturing facilities in 41 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 company to cover all industrial activities in this field. Our 61,000 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.

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Appendix 1: Performance by division

Front End division

In millions of euros	2006	2005	Change 06/05	2006/2005 change like-for-like*
Backlog	11 335	8 086	40.2%	-
Sales revenue	2 919	2 631	10.9%	11.6%
Operating income *In % of sales revenue*	456 15.6%	374 14.2%	21.9% +1.4 points	-
Free operating cash flow before tax	-186	197	immaterial	-

* At constant exchange rate and consolidation scope

- The ***Front End*** division had 2006 operating income of 456 million euros, or 15.6% of sales revenue, compared with 374 million euros in 2005, or 14.2% of sales revenue. This improvement in profitability is mainly the result of favorable prices in uranium and enrichment and a favorable geographic mix in Fuel.

- As expected, free operating cash flow in the ***Front End*** division was negative (-186 million euros in 2006, compared with +197 million euros in 2005), due primarily to the sharp upturn in capital expenditure in *Mining* and *Enrichment* with, for the latter, the acquisition of the ultracentrifugation technology and a 50% interest in ETC, and the start of construction of the GB II plant.

Reactors and Services division

In millions of euros	2006	2005	Change 06/05	2006/2005 change like-for-like*
Backlog	4 413	3 804	16.0%	-
Sales revenue	2 312	2 348	-1.5%	-4.0%
Operating income *In % of sales revenue*	-420 -18.2%	87 3.7%	immaterial -	-
Free operating cash flow before tax	-350	228	immaterial	-

* At constant exchange rate and consolidation scope

- Operating income for the **Reactors and Services** division came to -420 million euros in 2006, or -18.2% of sales revenue, compared with +87 million euros in 2005, or 3.7 % of sales revenue. The decline is primarily due to the recording of provisions connected with the OL3 project in Finland.

- Free operating cash flow for the ***Reactors and Services*** division came to -350 million euros in 2006, down from 228 million euros in 2005, when net proceeds from customer advances were recorded. This change results from a combination of a drop in EBITDA for the OL3 project and increased capital expenditure, particularly for capacity upgrades at the Chalon Saint Marcel plant and the acquisition of Sfarsteel.

Back End division

In millions of euros	**2006**	**2005**	**Change 06/05**	**2006/2005 change like-for-like***
Backlog	6 375	5 665	12.5%	-
Sales revenue	1 908	1 921	-0.7%	-0.3%
Operating income *In % of sales revenue*	273 14.3%	208 10.8%	31.3% +3.5 points	-
Free operating cash flow before tax	156	332	-53.0%	-

* At constant exchange rate and consolidation scope

- Operating income for the ***Back End*** division was 273 million euros in 2006, compared with 208 million euros in 2005. This income reflects the contractualization and execution of operations in completion of old treatment services. Accordingly, the 2006 increase is non-recurring in nature.

- Free operating cash flow for the ***Back End*** division was down, going from 332 million euros in 2005 to 156 million euros in 2006. This change is primarily due to the use of customer advances.

Transmission & Distribution division

In millions of euros	**2006**	**2005**	**Change 06/05**	**2006/2005 change like-for-like***
Backlog	3 514	3 015	16.6%	-
Sales revenue	3 724	3 212	15.9%	15.2%
Operating income *In % of sales revenue*	191 5.1%	-61 -1.9%	immaterial +7 points	-
Free operating cash flow before tax	94	116	-19.0%	-

* At constant exchange rate and consolidation scope

- Operating income for the ***Transmission & Distribution*** division stood at 191 million euros in 2006, i.e. 5.1% of sales revenue, up very sharply from -61 million euros in 2005. This change is due to the three-year recovery plan “3YP”, to adjust production capacity, enhance productivity, reduce costs and streamline procurement, and to a favorable volume effect.

- The ***Transmission & Distribution*** division had free operating cash flow of 94 million euros in 2006, compared with 116 million euros in 2005, when 127 million euros in proceeds from disposals were recorded. Adjusted for proceeds from these disposals, free operating cash flow was -11 million euros in 2005. This sharp upturn, indicative of the Division's ability to generate substantial cash from operations, is largely attributable to the sharp growth in EBITDA, which was multiplied by 2.5, which more than offsets the increase in WCR linked to the growth of the business.

Appendix 2 – Income Statement

In millions of euros	**2006**	**2005**
Sales revenue	**10 863**	**10 125**
Other operating revenue	55	7
Cost of sales	(8 698)	(7 852)
Gross margin	**2 220**	**2 280**
Research and development expenses	(355)	(328)
Marketing and sales expenses	(493)	(478)
General and administrative expenses	(778)	(724)
Restructuring and early retirement expenses	(131)	(138)
Other operating income and expenses	(56)	(61)
Operating income	**407**	**551**
Income from cash and cash equivalents	50	59
Gross borrowing costs	(78)	(42)
Net borrowing costs	**(29)**	**17**
Other financial income and expenses	126	(30)
Net financial income	**97**	**(13)**
Income tax	(51)	(146)
Net income of consolidated businesses	**453**	**393**
Share in net income of associates	220	153
Net income from continued operations	**672**	**546**
Net income from discontinued operations	0	598
Net income for the period	**672**	**1 144**
Minority interests	(24)	(95)
Consolidated net income	**649**	**1 049**
Average number of shares outstanding	35 442 701	35 442 701
Consolidated net income per share	**18.31**	**29.60**
Adjusted earnings per share[6]	18.31	12.72

(6) Adjusted of net income from discontinued operations

Appendix 3 – Consolidated Cash Flow Statement

In millions of euros	**2006**	**2005**
Cash flow from operations	1 231	1 173
Interest expense and taxes paid	(90)	(117)
Cash flow from operations after interest and taxes	**1 141**	**1 056**
Change in working capital requirement	(344)	(286)
Cash from operating activities	**797**	**770**
Cash used for investing activities	**(953)**	**(739)**
Cash used for financing activities	**(364)**	**(392)**
Decrease or (increase) in marketable securities maturing in more than 3 months	(1)	(9)
Change in consolidated group, Forex adjustments, etc.	2	(7)
Cash from discontinued operations	0	853
Increase (decrease) in net cash	**(518)**	**475**
Cash at the beginning of the year	1 419	945
Cash at the end of the year	**901**	**1 419**

Appendix 4 – Simplified Balance Sheet

In millions of euros	**2006**	**2005**
ASSETS		
Net goodwill	2 515	2 095
Tangible and intangible assets	4 989	4 303
End-of-life-cycle assets (third party share)	2 091	2 045
Assets earmarked to finance end-of-life-cycle obligations	2 986	2 798
Shares of associates	1 521	1 288
Other non-current financial assets	2 376	2 365
Deferred taxes (assets - liabilities)	(251)	27
Working capital requirement	(736)	(1 061)
Cash and cash equivalents	962	1 484
Other current financial assets	292	264
Net assets from operations held for sale	0	6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	6 722	6 362
Minority interests	294	228
Provisions for end-of-life-cycle obligations – third party share	2 091	2 045
Provisions for end-of-life-cycle obligations – AREVA share	2494	2 444
Other current and non-current provisions	3 023	2 518
Borrowings	2 119	2 016
Summary balance sheet total	**16 743**	**15 613**
Net cash (debt) (including Siemens' put)	**(865)**	**(268)**
Net cash (debt) (excluding Siemens' put)	**251**	**808**

Appendix 5 – Definitions

Cash flow from end-of-life-cycle operations: this indicator encompasses all of the cash flows linked to end-of-life-cycle obligations and to assets earmarked to cover those obligations. It is equal to the sum of the following items:

- income from the portfolio of earmarked assets,
- cash from the sale of earmarked assets,
- minus acquisitions of earmarked assets,
- minus cash spent during the year on end-of-life-cycle obligations,
- full and final payments received for facility decommissioning,
- less full and final payments paid for facility decommissioning.

EBITDA: EBITDA is equal to operating income plus net amortization, depreciation and operating provisions (except for provisions for impairment of working capital items).

EBITDA excluding end-of-life-cycle obligations: EBITDA is adjusted to exclude the cost of end-of-life-cycle obligations for nuclear facilities (dismantling, waste retrieval and packaging) met during the year, as well as the full and final payments made or to be made to third parties for facility decommissioning. It should be noted that the cash flows linked to end-of-life-cycle operations are presented separately.

Free operating cash flow: represents the cash flow generated by operating activities. It is equal to the sum of the following items:

- EBITDA, excluding end-of-life-cycle obligations;
- plus losses or minus gains on sales of tangible and intangible assets included in operating income;
- plus the decrease or minus the increase in operating working capital requirement between the beginning and the end of the year (excluding reclassifications, currency translation adjustments and changes in consolidation scope);
- minus acquisitions of tangible and intangible assets, net of changes in accounts payable related to fixed assets;
- plus sales of tangible and intangible assets included in operating income, net of changes in receivables on the sale of fixed assets;
- plus customer prepayments on non-current assets received during the year;
- plus acquisitions (or disposals) of consolidated companies (excluding associates companies).

This indicator is before income tax.

Net debt: This heading includes borrowings due in less than or more than one year, which include interest-bearing advances received from customers and put options of minority shareholders, less cash balances, non-trade current accounts, securities held for trading and other current financial assets. Shares classified as “available-for-sale securities” are no longer included in the net debt or (cash) position.