

***Financial results and outlook  
as of June 30, 2006  
AREVA group***

**Wednesday, September 27, 2006**

***Overall performance***  
***Recent events***

## ▶ Nuclear operations

- ◆ Operating income is up before impact of OL3 contract
- ◆ Significant impact of OL3 contract on financial performance for the first half
- ◆ Increased backlog
- ◆ Agreement with Constellation Energy to reserve capacity for the supply of heavy components for the first US-EPR reactor

## ▶ Transmission & Distribution

- ◆ Successful recovery
- ◆ Increased backlog

## ▶ Recent events

- ◆ Establishment of Enrichment Technology Company (ETC) on July 3, 2006 and launch of Georges Besse II plant construction
- ◆ Sfarsteel, one of the world's leading manufacturers of large forgings, acquired on September 8, 2006

# Key figures as of June 30, 2006

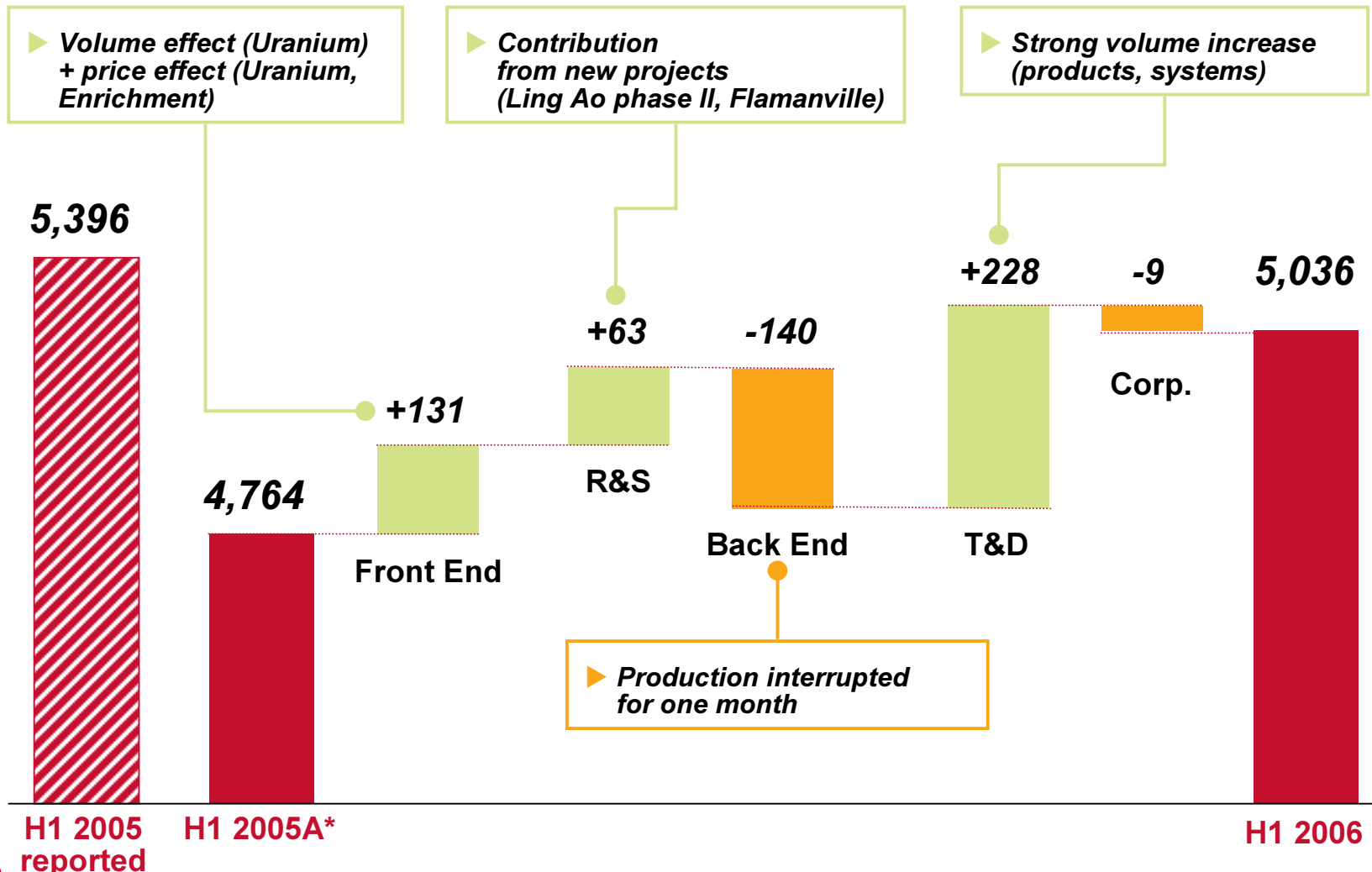
<i>In millions of euros</i>	H1 2005	H1 2005A*	H1 2006	Δ 2006/2005A
<b>Sales revenue</b>	<b>5,396</b>	<b>4,764</b>	<b>5,036</b>	<b>+5.7%</b>
<b>Current operating income</b>	<b>431</b>	<b>390</b>	<b>167</b>	<b>-57.2%</b>
<i>% of sales revenue</i>	<i>8.0%</i>	<i>8.2%</i>	<i>3.3%</i>	<i>-4.9 pts</i>
<b>Operating income</b>	<b>368</b>	<b>326</b>	<b>115</b>	<b>-64.7%</b>
<i>% of sales revenue</i>	<i>6.8%</i>	<i>6.8%</i>	<i>2.3%</i>	<i>-4.5 pts</i>
<b>Net income, group share</b>	<b>301</b>	<b>301</b>	<b>245</b>	<b>-18.6%</b>
<i>% of sales revenue</i>	<i>5.6%</i>	<i>6.3%</i>	<i>4.9%</i>	<i>-1.4 pt</i>
<b>Free OCF before tax**</b>	<b>535</b>	<b>599</b>	<b>-40</b>	
		12/31/05	6/30/06	
<b>Net cash / (Net debt)**</b>		<b>(268)</b>	<b>(588)</b>	

\* Adjusted for FCI (sold on 11/3/2005) and for change in definition of operating cash flow before tax

\*\* See definition in attachment

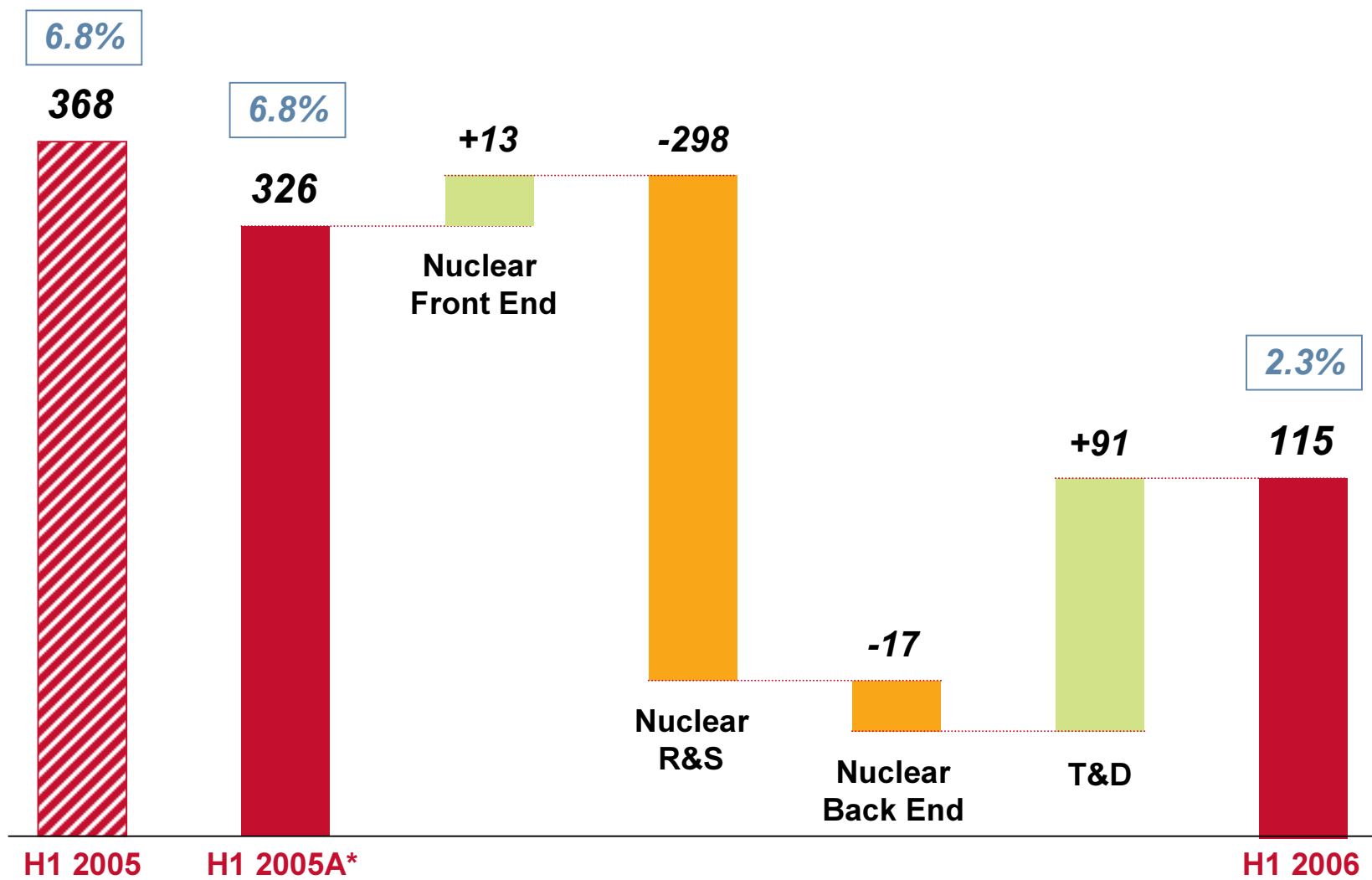
# Sales revenue up 5.7%

(5.1% like-for-like)



\* Adjusted for FCI, sold on 11/3/2005

# Operating income: impact of OL3 construction, strong T&D performance



\*Adjusted for FCI, sold on 11/3/2005

## ► Background

- ◆ **First Generation III reactor under construction worldwide**
- ◆ **Only reactor for which two safety authorities - in France and in Germany - were involved during the design phase**
- ◆ **Contract sets tight cost and schedule terms**
- ◆ **Specific requirements of the Finnish approval process**
  - **Technical documentation approval (customer) and detailed design approval (Safety Authority) as the work progresses**
  - **Any delay in the production and approval of technical documentation affects operations**

# Update on performance of the OL3 contract

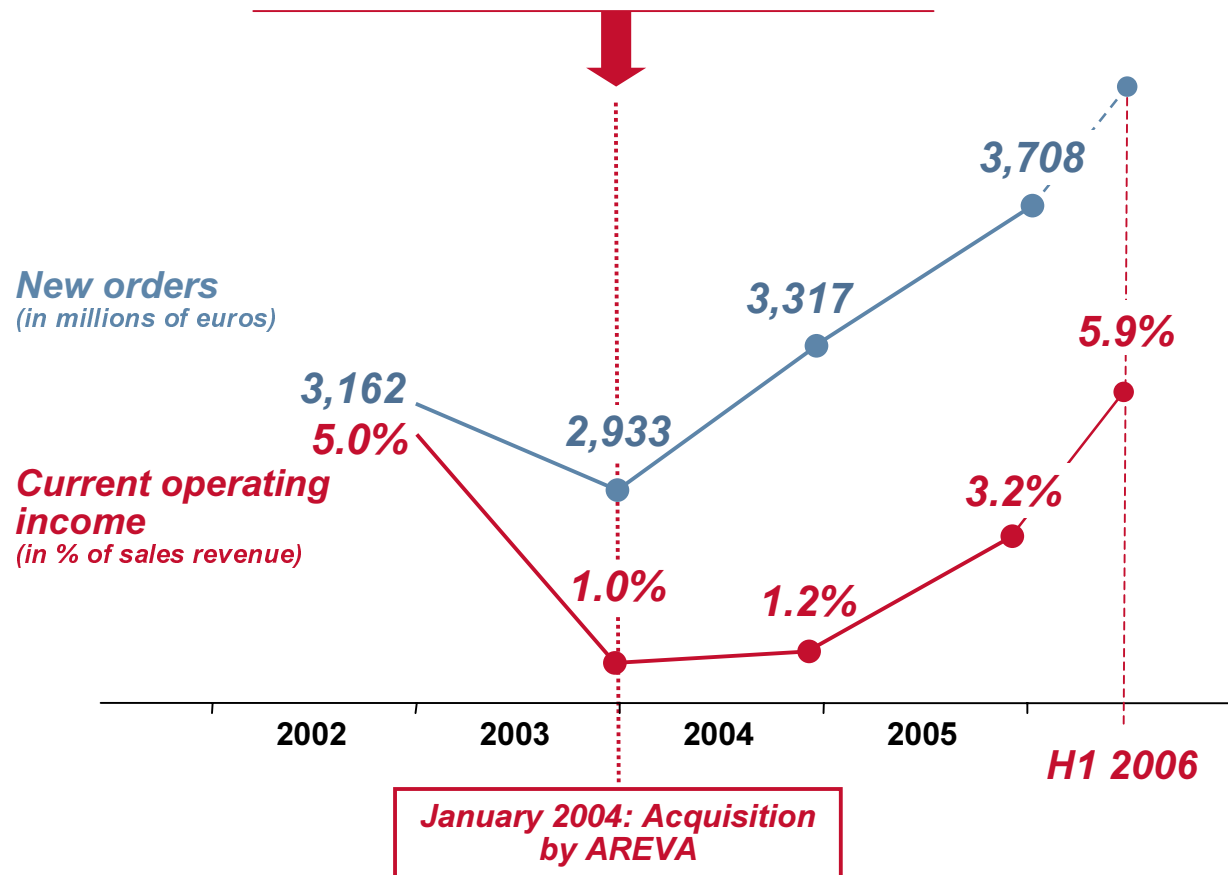
- ▶ **Financial impact: the group recorded a significant provision in H1 2006 corresponding to:**
  - ◆ **The best management's estimation of additional costs, in particular for additional engineering tasks and civil works**
  - ◆ **An estimation of the risks, in particular regarding uncertainties on the project execution conditions**
  
- ▶ **Steps taken**
  - ◆ **New project teams director**
  - ◆ **Coordination of dedicated group resources under the direct authority of the Chief Operating Officer**
  - ◆ **Ongoing discussions with the customers to remedy current difficulties**
  - ◆ **Strengthened support so that the suppliers can more quickly achieve the level of quality required for nuclear projects**



- ▶ **OL3 construction gives the group unique experience in the worldwide market for Generation III reactors**
- ▶ **The group will supply the nuclear island and instrumentation & control systems for the Flamanville EPR**
- ▶ **Unistar deployment: Constellation Energy has reserved production capacities for heavy equipment for the first US-EPR reactor**
- ▶ **AREVA is actively negotiating with several other customers**

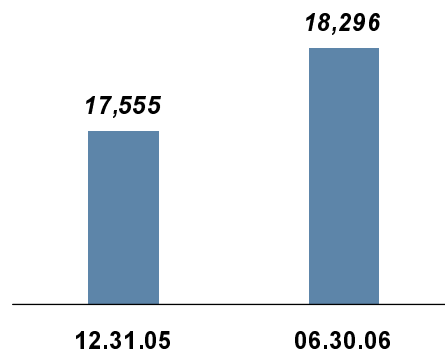
# T&D - 2004-2007 optimization plan is successful

- ▶ Refocusing on core business completed in 2005
- ▶ Industrial restructuring in Europe (France, Germany, UK) completed
- ▶ ~290 million euros in cumulative restructuring expenses through 6/30/2006



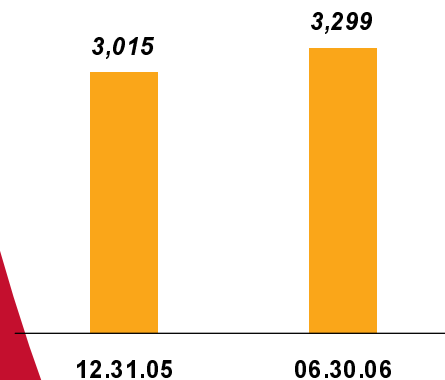
# Strong marketing and sales activity on the whole group

**Backlog  
Nuclear (€M)**



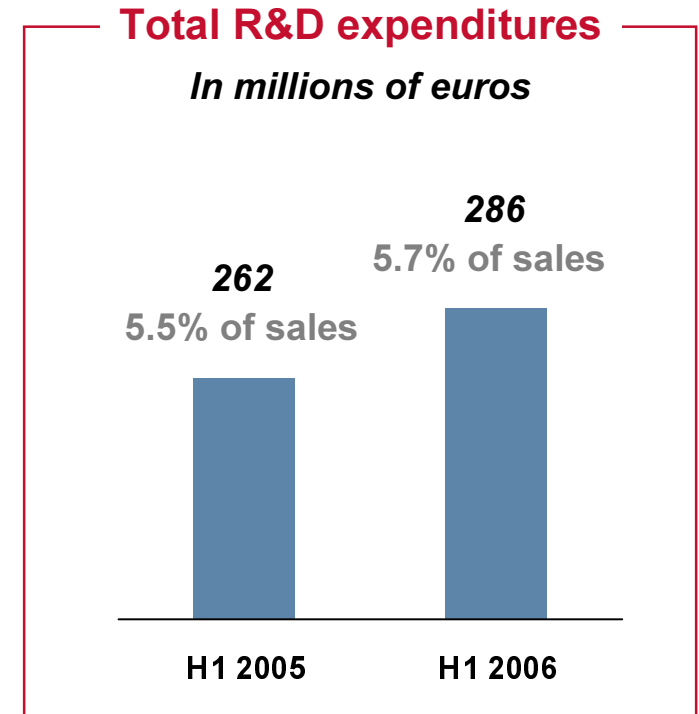
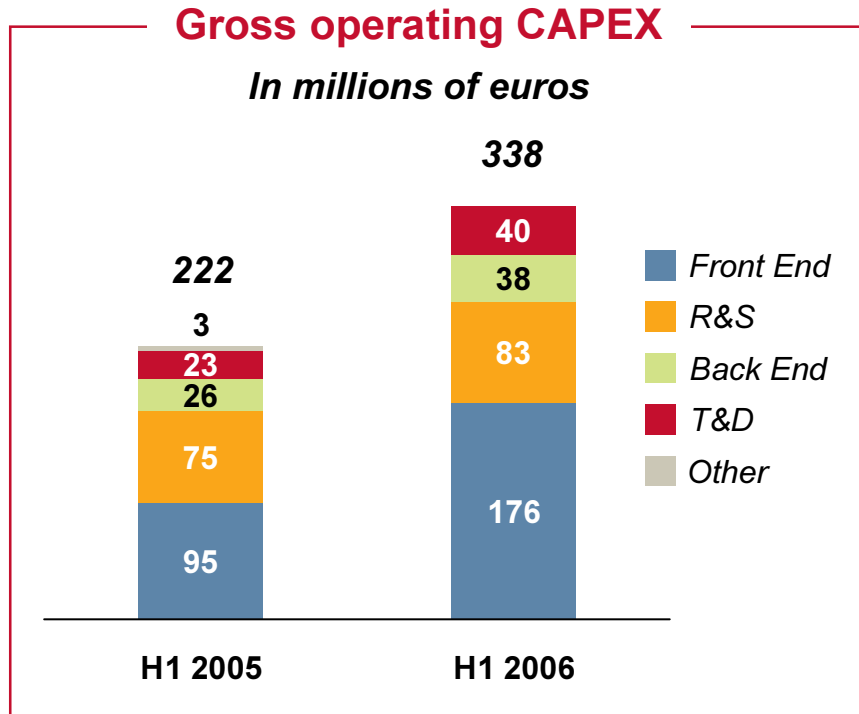
- ▶ **Backlog up 4.3% since the end of 2005**
- ▶ **Mining:** net “price effect” in orders received in H1 2006 compared with H1 2005
- ▶ **Enrichment:** new orders triple compared with first half 2005
- ▶ **Reactors:** some customers anticipate their orders for forgings
- ▶ **Back end:** Backlog decreases as planned, success in MOX

**Backlog  
T&D (€M)**



- ▶ **Backlog up 9.5% since the end of 2005**
- ▶ **Organic growth of 17.5% in new orders compared with H1 2005**
- ▶ **Libya:** contract to upgrade thirteen 220 kV substations
- ▶ **Niger Delta power plant:** order received to build the 330 kV substation
- ▶ **UK:** turnkey supply of Marchwood 400 kV substation
- ▶ **Malaysia:** 500/275 kV substation project in Lenggeng
- ▶ **Australia:** contract to connect the Studland Bay wind farm to the grid

# AREVA increases its capital expenditures and R&D



- ▶ Doubled exploration / prospecting plus new mining development projects
- ▶ EPR certification program is ramping up
- ▶ Strategically targeted actions in Transmission & Distribution

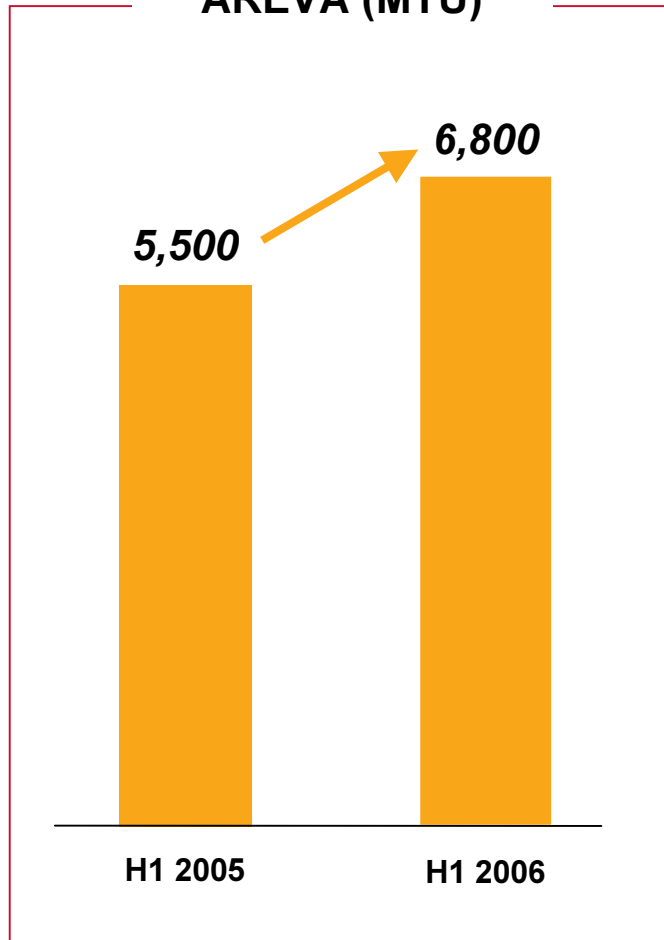
***Front End***

<i>In millions of euros</i>	H1 2005	H1 2006	Δ 2006/2005
<b>Sales revenue</b>	<b>1,250</b>	<b>1,381</b>	<b>+10.5%</b>
<b>Operating income</b> <i>% of sales revenue</i>	<b>207</b> <i>16.6%</i>	<b>221</b> <i>16.0%</i>	<b>+6.8%</b> <i>-0.6pt</i>
<b>Free OCF before tax*</b>	<b>140</b>	<b>229</b>	<b>+63.6%</b>

\* Free operating cash flow before income tax (see definition in attachment)

- ▶ **Sales revenue up 12.9% like-for-like**
  - ◆ Positive volume and price effects in Mining
- ▶ **Operating income is up**
  - ◆ The effect of increasing uranium prices is being felt, though offset in part by increasing production costs
  - ◆ Unfavorable product mix in Fuel business
- ▶ **Free operating cash flow up sharply**
  - ◆ Reduction of inventories and positive effect on EBITDA of prices and sales volumes
  - ◆ Despite the €81M increase in Capex

## Uranium deliveries AREVA (MTU)



## Mining operations

### Exploration and development programs

#### ► Site development projects

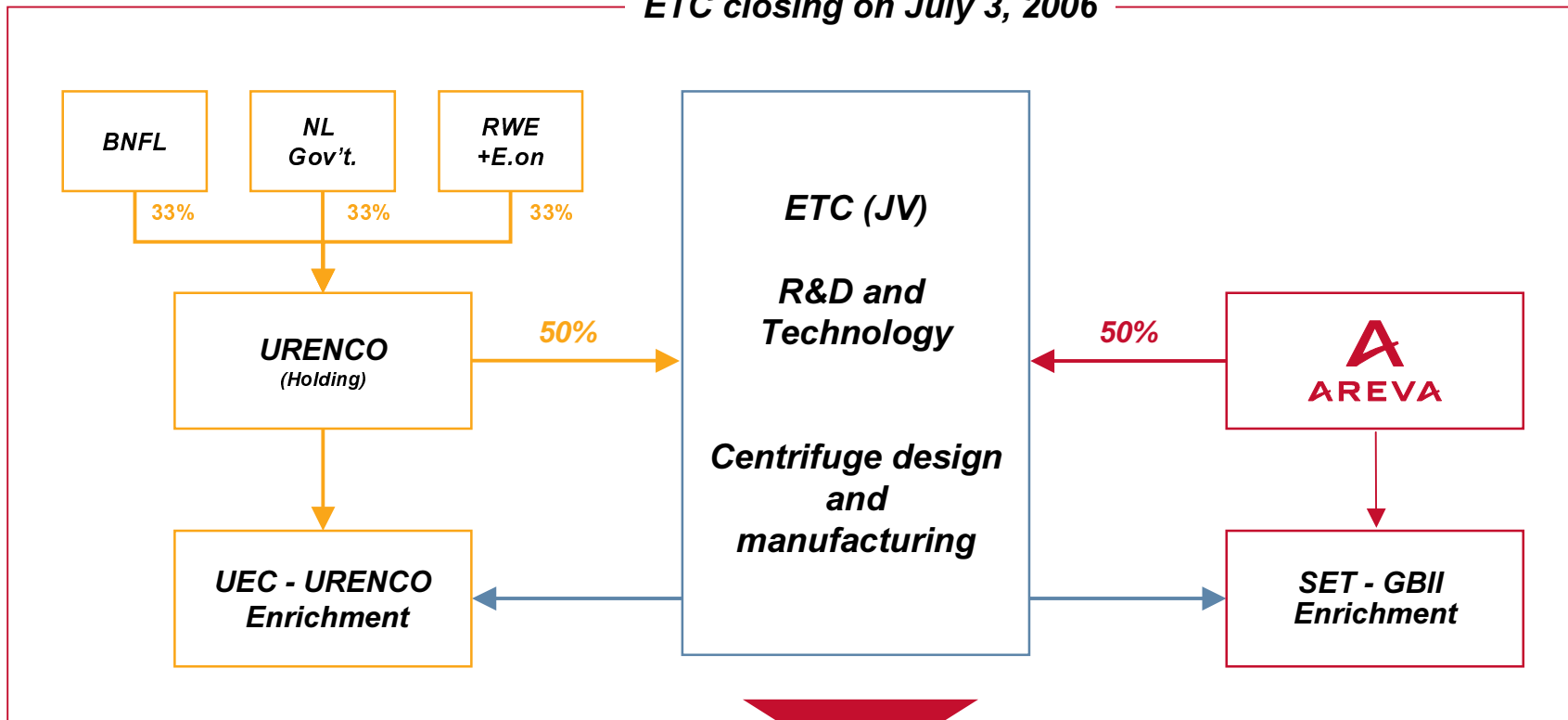
- Cigar Lake, operated by Cameco, is behind schedule
- KATCO is ramping up gradually

#### ► Exploration

- Additional efforts near existing sites
- Acceleration of campaigns in Canada and Finland
- New campaigns in Australia and Mongolia

# Enrichment Construction of Georges Besse II has begun

ETC closing on July 3, 2006



**Cash-out:**

**~€400M in H2 2006  
(operating cash flow)**



## ***Reactors & Services (R&S)***

# R&S - Financial results negatively impacted by OL3 construction

<i>In millions of euros</i>	H1 2005	H1 2005A <sup>*</sup>	H1 2006	Δ 06/05A
<b>Sales revenue</b>	1,039	1,039	1,102	+6%
<b>Operating Income</b>	32	32	(266)	n/a
<i>% of sales</i>	3.1%	3.1%	-24.1%	
<b>FOCF before tax</b>	181	163	(190)	n/a

\* Since year-end 2005, sales and acquisitions of consolidated shares are included in free operating cash flow before tax. H1 2005 figures were adjusted pro forma to allow comparisons.

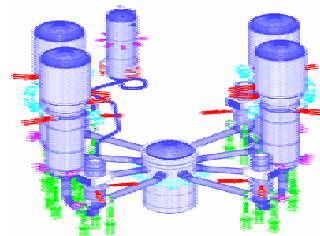
- ▶ **Sales revenue increases: Ling Ao - Phase II and Flamanville 3 programs are ramping up**
- ▶ **Operating income is impacted by an estimation of the loss on completion of construction of OL3**
- ▶ **FOCF (Free operating cash flow)**
  - ◆ **EBITDA: reflects 2006 cash impact of OL3 project**
  - ◆ **2006: project implementation and use of customer's advances**
  - ◆ **2005: customer advances resulted in positive net cash contribution**

1 Adjusted for FCI, sold on November 3, 2005

# R&S - Some customers are taking steps to secure heavy components for their future reactors



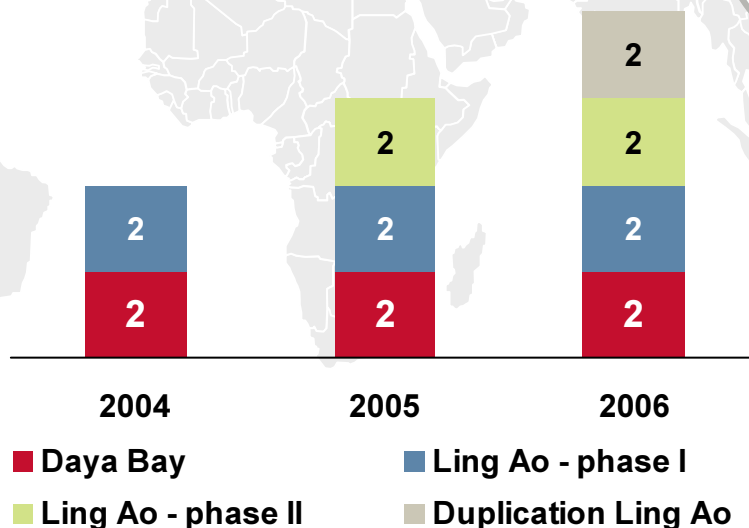
Agreement to reserve production capacity for the US-EPR



Contract to procure materials for heavy components of two Ling Ao type reactors

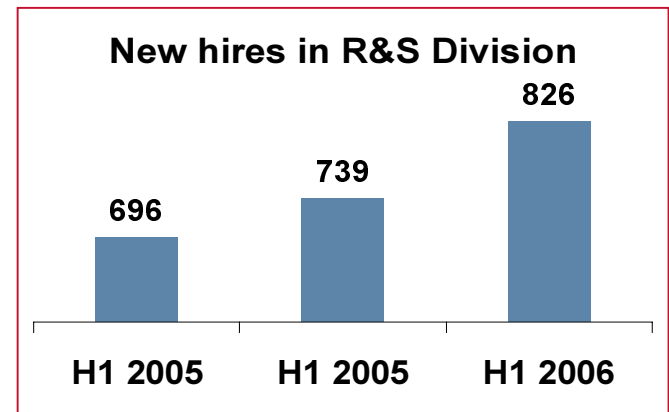


Number of reactors in progress or connected to the grid in China and using AREVA Gen II technology



# R&S - Strengthening of production and human resources

- ▶ **Securing the procurement of forgings: acquisition of Sfarsteel**
  - ◆ World's second largest manufacturer of large forgings
  - ◆ Closing took place September 8, 2006
- ▶ **Chalon plant extension is in service**
- ▶ **Alliance with BWXT to assemble heavy components in the United States**
- ▶ **Recruitment program is accelerating**



# The reactor market: *recent announcements*

- ▶ **UK:** Energy Review is complete - Strategic role of nuclear power confirmed. Government proposals expected in November 2006
- ▶ **BALTIC COUNTRIES:** Multilateral agreement in February to build a reactor in Lithuania
- ▶ **TURKEY:** Declaration of intent for 3 reactors by 2011
- ▶ **SOUTH AFRICA:** Decision to build 5,000 to 10,000 MW of nuclear power capacity
- ▶ **INDIA:** Signature of treaty with the United States / progress in bilateral discussions with France



***Back End***

<i>In millions of euros</i>	H1 2005	H1 2006	Δ 2006/2005
<b>Sales revenue</b>	<b>991</b>	<b>851</b>	<b>-14.1%</b>
<b>Operating income</b> <i>% of sales</i>	<b>134</b> <i>13.6%</i>	<b>117</b> <i>13.8%</i>	<b>-12.7%</b> <i>+0.2pt</i>
<b>FOCF before tax*</b>	<b>350</b>	<b>18</b>	<b>-94.9%</b>

\* Free operating cash flow before income tax (see definition in attachment)

- ▶ **Sales revenue down in H1**
  - ◆ One month interruption of production
- ▶ **Direct impact on operating income and EBITDA**
  - ◆ Margin rate remains stable
  - ◆ Full-year objectives unchanged
- ▶ **Free operating cash flow (FOCF) at breakeven**
  - ◆ Decrease in EBITDA
  - ◆ Customer advances used in H1 2006 vs. significant advances received in H1 2005

# Back End - The closed nuclear fuel cycle wins points

*The Boston Consulting Group confirms the sound economics of the closed cycle*



**U.S.**

*Phase II of hot testing begins at the Rokkasho Mura fuel treatment plant: 60 metric tons of used fuel to be treated in H2 2006*



**JAPAN**

▶ **2 new contracts / L.O.I to supply MOX fuel for delivery until 2020**

- ▶ **Global Nuclear Energy Partnership: AREVA (leader), Washington Group International (WGI) and BWX Technologies Inc. (BWXT) respond to the US-DOE's request for Expressions of Interest regarding:**
- ◆ **Development and deployment of an integrated Treatment/Recycling plant**
  - ◆ **Construction of an Advanced Burner Reactor (ABR)**



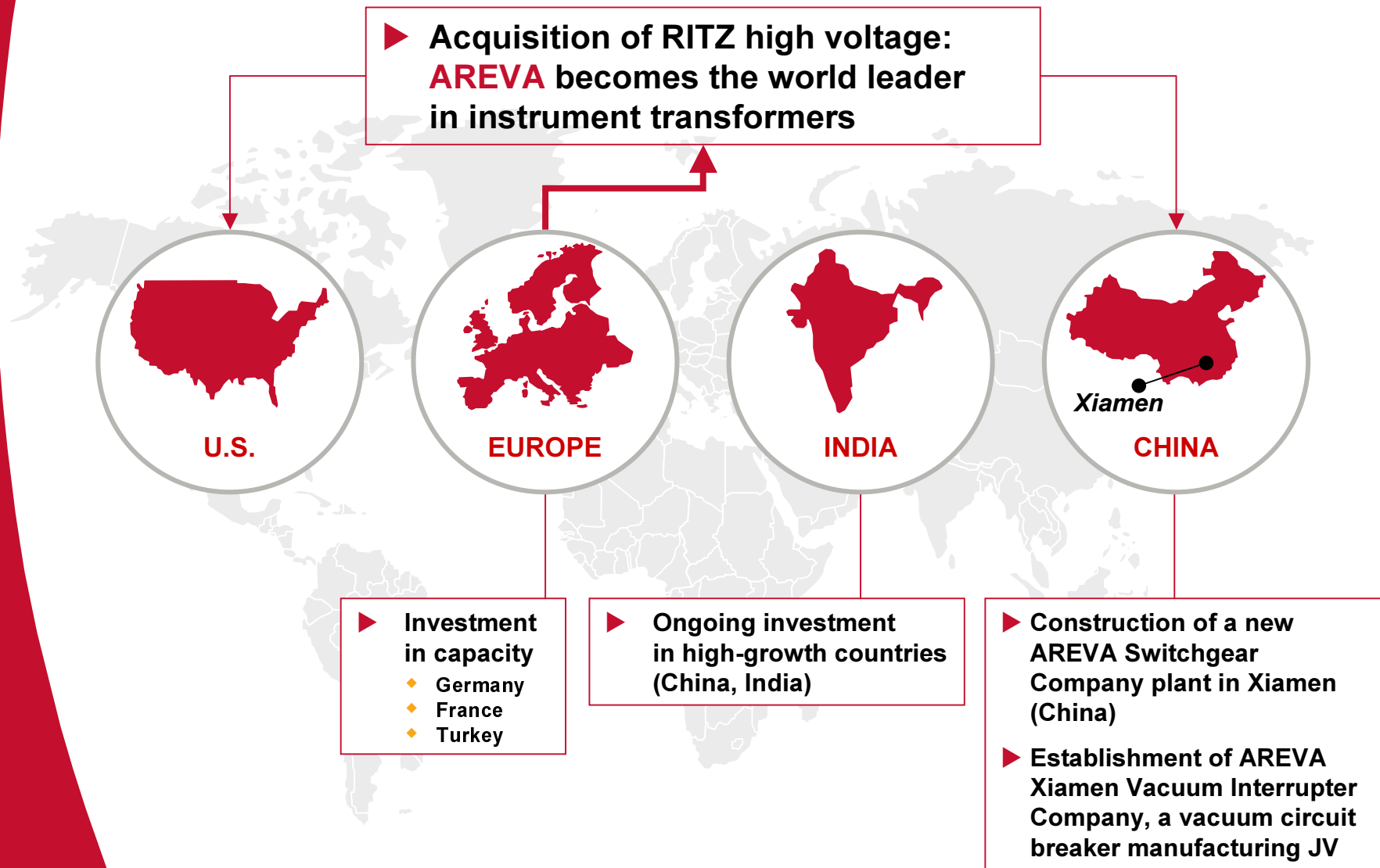
# ***Transmission & Distribution (T&D)***

<i>In millions of euros</i>	H1 2005	H1 2005A*	H1 2006	Δ 06/05A
<b>CA</b>	1,473	1,473	1,701	+15.5%
<b>Current op. income</b> <i>% of sales revenue</i>	28 1.9%	28 1.9%	101 5.9%	+258% +4.0 pts
<b>Operating Income</b> <i>% of sales revenue</i>	-19 -1.3%	-19 - 1.3%	72 4.2%	n/a +5.5pts
<b>FOCF before tax</b>	-73	17	-54	n/a

\* Since year-end 2005, sales and acquisitions of consolidated shares are included in free operating cash flow before tax. H1 2005 figures were adjusted pro forma to allow comparisons.

- ▶ **Sales revenue up 13.8% like-for-like, consistent with new orders in 2005. Growth recorded in all business lines and regions**
- ▶ **Operating income up sharply in all business units**
  - ◆ **Impact of optimization plan in line with expectations**
  - ◆ **Increase in commodities prices had no effect on margins**
  - ◆ **Margins in Systems projects under control**
- ▶ **Operating cash flow is up (using the same calculation method)**

# T&D - Internal and external growth strategy



# ***Financial results and outlook***

# Consolidated income statement

<i>In millions of euros</i>	H1 2005	H1 2005A*	<b>H1 2006</b>	$\Delta$ 2006/2005A
Sales revenue	5,396	4,764	5,036	+5.7%
Current operating income	431	390	167	-57.2%
Operating income	368	326	115	-64.7%
<b>Financial income</b>	<b>15</b>	<b>20</b>	<b>32</b>	<b>+60.0%</b>
Income taxes	(115)	(103)	(36)	-65.0%
Share in net income of associates	86	86	104	+20.9%
Net income from continued ops.	-	330	214	-35.1%
Net income from discontinued ops.	-	22	2	n/a
Minority interests	(52)	(52)	29	n/a
<b>Consolidated net income</b>	<b>301</b>	<b>301</b>	<b>245</b>	<b>-18.6%</b>

- ▶ Financial income is up mainly due to increased dividends received
- ▶ Share in net income of associates is up (STMicroelectronics)
- ▶ Income allocated to minority interest holders is down: impact of OL3 construction on AREVA NP's financial results (34% Siemens)

\* Adjusted for FCI, sold on 11/3/2005

In millions of euros	EBITDA		Δ Op. WCR		Net Op. CAPEX		Free OCF before tax	
	H1 05R	H1 06	H1 05R	H1 06	H1 05R*	H1 06	H1 05R*	H1 06
Nuclear	535	443	312	-92	-193*	-294	652*	57
T&D	24	107	-98	-124	91*	-39	17*	-53
Corp. & other	-22	-17	-48	-27	-2	0	-71	-44
<b>Group</b>	<b>537</b>	<b>534</b>	<b>167</b>	<b>-243</b>	<b>-105*</b>	<b>-334</b>	<b>599*</b>	<b>-40</b>

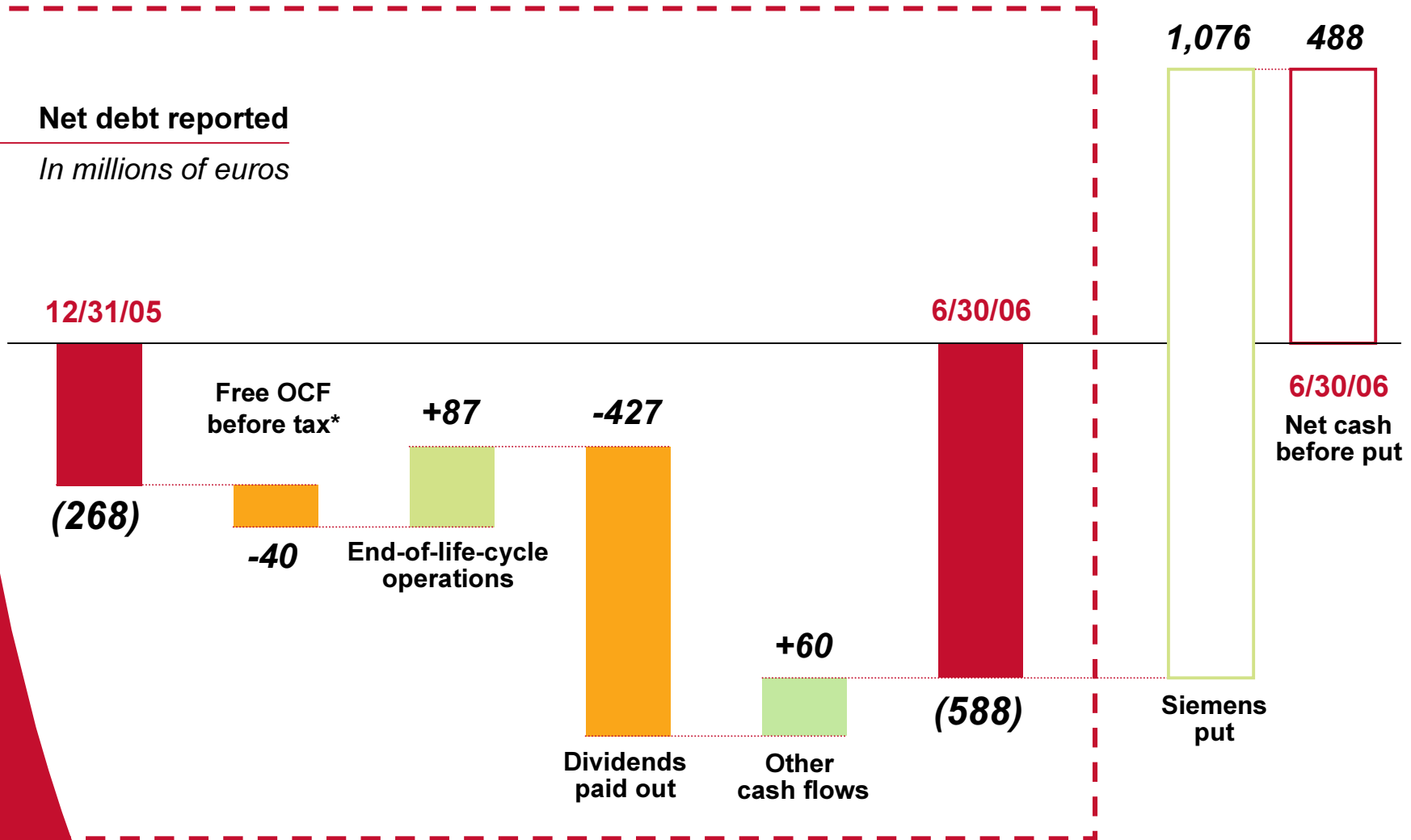
- ▶ EBITDA remains stable thanks to T&D recovery
- ▶ Change in working capital requirement (WCR): use of customer advances in R&S and Back End Divisions vs. significant advances received in H1 2005
- ▶ Tripling of operating Capex, net of disposals
  - ◆ Continued growth in the Front End (+ €81M)
  - ◆ Significant disposals recorded in 2005 in T&D
- ▶ Very substantial increase in Capex scheduled for H2 2006: acquisitions (ETC, Sfarsteel, Ritz HV)

\* Adjusted: since year-end 2005, FOCF includes acquisitions and disposals of consolidated shares.

# Net cash before Siemens put is positive

## Net debt reported

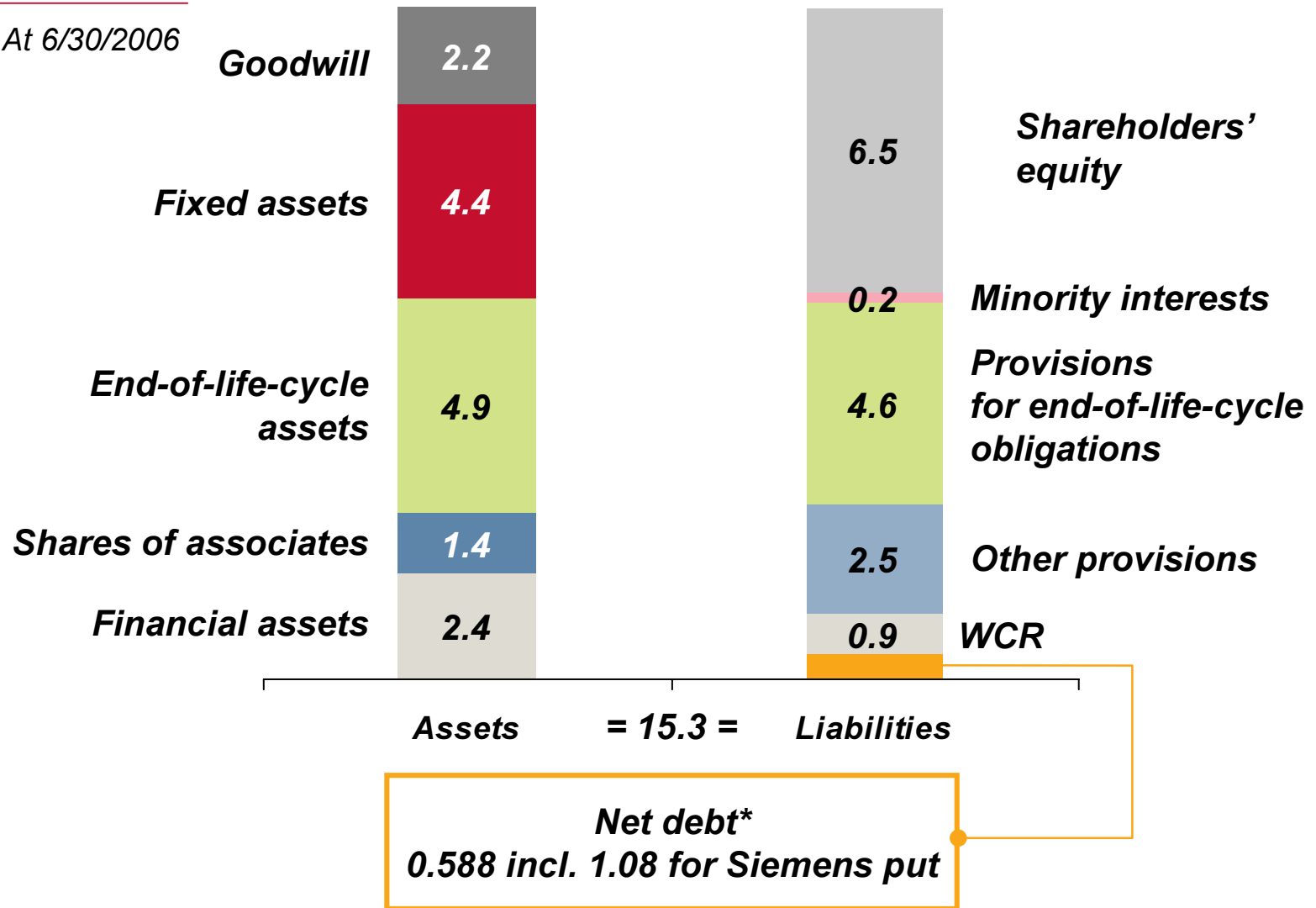
*In millions of euros*



# A strong balance sheet

In billions of euros

At 6/30/2006



(\*): Net debt = financial debt including interest-bearing advances + minority interest holders' puts - HFT securities - fin. current account assets



- ▶ **Sales revenue growth**
- ▶ **Operating income close to the level reached in 2005**
  - ◆ **Despite significant impact of OL3 project**
  - ◆ **Thanks to contribution from other activities, expected to increase**
- ▶ **Sharply negative free operating cash flow before tax due to:**
  - ◆ **Sharp increase in Capex scheduled for H2 2006**
  - ◆ **Use of customer advances**

A large, bold, red version of the AREVA logo is centered on the page. It features a stylized 'A' with a diagonal slash, positioned above the word 'AREVA' in a bold, sans-serif font. The background is white.

## ***Attachments***

# Attachment 1a - Net financial income

<i>In millions of euros</i>	H1 2005	H1 2005A*	H1 2006
<b>End-of-life-cycle obligations</b>	<b>11</b>	<b>11</b>	<b>(1)</b>
<i>Financial income from earmarked portfolio</i>	62	62	58
<i>Unwinding of provision discounting</i>	(51)	(51)	(59)
<b>Income (expense) from net cash position</b>	<b>5</b>	<b>9</b>	<b>(4)</b>
<b>Gain (loss) on disposals of securities</b>	<b>32</b>	<b>32</b>	<b>5</b>
<b>Unwinding of retirement prov. discounting</b>	<b>(30)</b>	<b>(29)</b>	<b>(29)</b>
<b>Dividends from non-dedicated portfolio</b>	<b>21</b>	<b>21</b>	<b>57</b>
<b>Forex gains (losses)</b>	<b>(7)</b>	<b>(7)</b>	<b>6</b>
<b>Other income or (expenses)</b>	<b>(17)</b>	<b>(17)</b>	<b>(2)</b>
<b>Net financial income</b>	<b>15</b>	<b>20</b>	<b>32</b>

\* Adjusted for FCI, sold on 11/03/2005

# Attachment 1b - Increase in share in net income of associates

<i>In millions of euros</i>	2005	H1 2005	H1 2006
STMicroelectronics	38	9	48
Eramet group	104	73	52
Other	11	4	5
<b>Total</b>	<b>153</b>	<b>86</b>	<b>104</b>

## ▶ STMicroelectronics

- ◆ Growth in net income
- ◆ AREVA recorded the final effect of STMicroelectronic's 2005 transition to IFRS in H1 2006

## ▶ Eramet's net income decreased

# Attachment 1c - Share of income allocated to minority interest holders decreases

<i>In millions of euros</i>	2005	H1 2005	H1 2006
AREVA NP (formerly Framatome ANP)	47	36	(60)
AREVA NC (formerly COGEMA)	34	12	21
AREVA T&D and others	13	4	10
<b>Total</b>	<b>94</b>	<b>52</b>	<b>(29)</b>

► **Impact of Olkiluoto 3 on AREVA NP financial results**

# Attachment 2: Sales revenue - H1 2006 vs. H1 2005 (like-for-like consolidation scope)

	First half 2006			First half 2005*				
	Sales revenue	Impact Cons. scope	Basis used to calculate change in sales revenue LFL	Sales revenue	Impact of foreign exchange rates	Impact of consolidation scope	Harmonization of accounting methods and IFRS	Basis used to calculate change in sales revenue LFL
Energy	5,035	-	<b>5,035</b>	4,754	57	14	(39)	<b>4,786</b>
Front End	1,381	-	<b>1,381</b>	1,250	14	-	(42)	<b>1,223</b>
R&S Division	1,102	-	<b>1,102</b>	1,039	12	21	2	<b>1,073</b>
Back End Division	851	-	<b>851</b>	991	2	-	1	<b>995</b>
T&D Division	1,701	-	<b>1,701</b>	1,473	29	(7)	-	<b>1,495</b>
Corporate	1	-	<b>1</b>	10	-	(3)	-	<b>7</b>
Consolidated total	5,036	-	<b>5,036</b>	4,764	57	11	(39)	<b>4,793</b>

\* Adjusted for FCI, sold on 11/3/2005

> First half results presentation - September 27<sup>th</sup>, 2006

<i>In millions of euros</i>	H1 2006	H1 2005 adjusted*	2005
<b>Sales revenue</b>	<b>5,036</b>	<b>4,764</b>	<b>10,125</b>
Other operating revenue	7	2	7
Cost of sales	(4,088)	(3,614)	(7,852)
<b>Gross margin</b>	<b>955</b>	<b>1,152</b>	<b>2,280</b>
R&D expenses	(161)	(153)	(328)
Sales and marketing expenses	(244)	(237)	(478)
General and administrative expenses	(375)	(355)	(724)
Other operating income and expenses	(8)	(16)	(4)
<b>Current operating income</b>	<b>167</b>	<b>390</b>	<b>746</b>
Goodwill impairment			
Restructuring and early retirement expenses	(43)	(65)	(138)
Other non-current income and expenses	(10)	1	(56)
<b>Operating income</b>	<b>115</b>	<b>326</b>	<b>551</b>
Income from cash and cash equivalents	31	20	59
Gross borrowing costs	(35)	(11)	(42)
Net borrowing costs	(4)	9	17
Other financial income and expenses	36	11	(30)
<b>Net financial income</b>	<b>32</b>	<b>20</b>	<b>(13)</b>
<b>Income tax</b>	<b>(36)</b>	<b>(103)</b>	<b>(146)</b>
<b>Net income of consolidated businesses</b>	<b>110</b>	<b>244</b>	<b>393</b>
Share in net income of associates accounted for under the equity method	104	86	153
<b>Net income from continued operations</b>	<b>214</b>	<b>330</b>	<b>546</b>
Net income from discontinued operations	2	22	598
<b>Total net income for the period</b>	<b>216</b>	<b>352</b>	<b>1 144</b>
Less: minority interests	29	(52)	(95)
<b>Consolidated net income</b>	<b>245</b>	<b>301</b>	<b>1,049</b>

\* Adjusted for FCI, sold on 11/3/2005



# Attachment 4: Balance sheet - Assets

<i>In millions of euros</i>	<b>6/30/2006</b>	<b>12/31/2005</b>
<b>Non-current assets</b>	<b>16,226</b>	<b>15,786</b>
Goodwill on consolidated companies	2,196	2,095
Other intangible assets	814	761
Property, plant and equipment	3,557	3,542
<i>Incl. End-of-life-cycle asset (AREVA share)</i>	157	163
End-of-life-cycle asset (third-party share)	2,083	2,045
Assets earmarked for end-of-life-cycle operations	2,786	2,798
Shares of associates (accounted for under the equity method)	1,417	1,288
Other non-current financial assets	2,449	2,365
Pension fund assets	-	-
Deferred tax assets	923	892
<b>Current assets</b>	<b>8,673</b>	<b>9,060</b>
Inventories and work in process	2,322	2,272
Trade accounts receivable and related accounts	3,670	3,793
Other operating receivables	1,058	914
Current tax assets	86	172
Other non-operating receivables	145	142
Cash and cash equivalents	1,003	1,484
Other current financial assets	371	264
<b>Assets of operations held for sale</b>	<b>19</b>	<b>19</b>
<b>Total assets</b>	<b>24,898</b>	<b>24,846</b>

## Attachment 4: Balance sheet - Liabilities and Shareholders' equity

<i>In millions of euros</i>	<b>6/30/2006</b>	<b>12/31/2005</b>
<b>Shareholders' equity and minority interests</b>	<b>6,617</b>	<b>6,590</b>
Share capital	1,347	1,347
Consolidated premiums and reserves	3,607	2,891
Deferred unrealized gains and losses	1,166	992
Currency translation reserves	31	83
Consolidated net income	245	1,049
Minority interests	221	228
<b>Non-current liabilities</b>	<b>8,308</b>	<b>8,179</b>
Employee benefits	1,142	1,096
Provisions for end-of-life-cycle obligations	4,540	4,490
Other non-current provisions	86	91
Borrowings due in more than one year	1,648	1,637
Deferred tax liabilities	892	865
<b>Current liabilities</b>	<b>9,973</b>	<b>10,077</b>
Current provisions	1,496	1,331
Borrowings due in one year or less	314	379
Advances and prepayments received	4,484	4,671
Trade accounts payable and related accounts	1,927	1,939
Other operating liabilities	1,650	1,644
Current tax liabilities	39	99
Other non-operating liabilities	51	1
<b>Liabilities of operations held for sale</b>	<b>12</b>	<b>13</b>
<b>Total Liabilities and Shareholders' equity</b>	<b>24,898</b>	<b>24,846</b>

# Attachment 5: Cash flow statement (1/2)

<i>In millions of euros</i>	<b>6/30/2006</b>	<b>6/30/2005 adjusted*</b>	<b>2005</b>
<b>Consolidated net income</b>	<b>245</b>	<b>301</b>	<b>1,049</b>
Minority interests	(29)	52	95
<b>Net income before minority interests</b>	<b>216</b>	<b>352</b>	<b>1,144</b>
Less: income from discontinued operations	(2)	(22)	(598)
<b>Net income from continued operations</b>	<b>214</b>	<b>330</b>	<b>546</b>
Loss (income) from associates (accounted for under the equity method)	(104)	(86)	(153)
Net amortization, depreciation and impairment of fixed assets and securities held for trading maturing in more than 3 months	221	231	507
Goodwill impairment	-	-	-
Net increase in provisions	159	(41)	109
Net effect of unwinding of discounting of assets and provisions	89	79	169
Income tax expense (current and deferred)	36	102	146
Net interest included in borrowing cost	(5)	(2)	(13)
Loss/(gain) on disposals of fixed assets and securities held for trading maturing in more than 3 months; change in fair value	(44)	(50)	(123)
Other non-cash items	(3)	52	(14)
<b>Cash flow from operations before interest and tax</b>	<b>564</b>	<b>616</b>	<b>1,173</b>
Net interest received or (paid)	3	(1)	2
Income tax paid	(29)	(73)	(119)
<b>Cash flow from operations after interest and tax</b>	<b>538</b>	<b>541</b>	<b>1,056</b>
Change in working capital requirement	(214)	(39)	(286)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>324</b>	<b>503</b>	<b>770</b>

\* Adjusted for FCI, sold on 11/3/2005

> First half results presentation - September 27<sup>th</sup>, 2006

# Attachment 5: Cash flow statement (2/2)

<i>In millions of euros</i>	<b>6/30/2006</b>	<b>6/30/2005 adjusted*</b>	<b>2005</b>
Investment in tangible and intangible assets	(332)	(204)	(535)
Loans and acquisitions of non-current financial assets	(1,167)	(59)	(727)
Disposals of tangible and intangible assets	4	28	66
Loans collected and disposals of non-current financial assets	1,211	323	429
Dividends from associates (accounted for under the equity method)	27	28	29
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(256)</b>	<b>116</b>	<b>(739)</b>
Share issues subscribed by minority shareholders in consolidated subsidiaries			
Dividends paid to shareholders of the parent company	(350)	(340)	(340)
Dividends paid to minority shareholders of consolidated companies	(77)	(79)	(81)
Increase (decrease) in borrowings	(16)	(8)	19
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(444)</b>	<b>(427)</b>	<b>(392)</b>
Decrease (increase) in securities held for trading maturing in more than three months	(85)	(4)	(9)
Foreign exchange adjustments	4	(8)	(7)
<b>NET CASH FROM DISCONTINUED OPERATIONS</b>		<b>(20)</b>	<b>853</b>
<b>INCREASE (DECREASE) IN NET CASH</b>	<b>(457)</b>	<b>159</b>	<b>475</b>
<b>Net cash at the beginning of the period</b>	<b>1,419</b>	<b>945</b>	<b>945</b>
Cash at the end of the period	1,003	1,262	1,484
Less: short-term bank facilities and current financial accounts (credit balance)	(41)	(158)	(65)
<b>Net cash at the end of the period</b>	<b>962</b>	<b>1,104</b>	<b>1,419</b>

\* Adjusted for FCI, sold on 11/3/2005

> First half results presentation - September 27<sup>th</sup>, 2006

# Attachment 6: Data by division

H1 2006

<i>In millions of euros</i>	Front End	Reactors and Services	Back End	Transmission & Distribution	Holding, other activities and consol. entries	Total
Contribution to consolidated revenue	1,381	1,102	851	1,701	1	<b>5,036</b>
Operating income	221	(266)	117	72	(29)	<b>115</b>
% of sales revenue	16.0%	(24.1%)	13.8%	4.2%	n.a.	<b>2.3%</b>
EBITDA	286	(9)	166	107	(17)	<b>534</b>
% of sales revenue	20.7%	(0.8%)	19.4%	6.3%	n.a.	<b>10.6%</b>
Change in operating WCR	119	(101)	(110)	(124)	(27)	<b>(243)</b>
Net operating Capex	(175)	(81)	(38)	(39)	-	<b>(334)</b>
Operating cash flow before income tax		229	(190)	18	(53)	<b>(44) (40)</b>

H1 2005 adjusted for FCI and the change in operating cash flow definition<sup>(1)</sup>

<i>In millions of euros</i>	Front End	Reactors and Services	Back End	Transmission & Distribution	Holding, other activities and consol. entries	Total
Contribution to consolidated revenue	1,250	1,039	991	1,473	10	<b>4,764</b>
Operating income	207	32	134	(19)	(29)	<b>326</b>
% of sales revenue	1.6%	3.1%	13.6%	(1.3%)	n.a.	<b>6.8%</b>
EBITDA	244	32	259	24	(22)	<b>537</b>
% of sales revenue	19.5%	3.1%	26.1%	1.6%	n.a.	<b>11.3%</b>
Change in operating WCR	(10)	207	115	(98)	(48)	<b>167</b>
Net operating Capex	(94)	(74)	(24)	91	(2)	<b>(105)</b>
Operating cash flow before income tax		140	163	350	17	<b>(71) 599</b>

H1 2005 reported

<i>In millions of euros</i>	Front End	Reactors and Services	Back End	Transmission & Distribution	Connectors	Holding, other activities and consol. entries	Total
Contribution to consolidated rev.	1,250	1,039	991	1,473	638	5	<b>5,396</b>
Operating income	207	32	134	(19)	42	(29)	<b>367</b>
% of sales revenue	16.6%	3.1%	13.5%	(1.3%)	6.6%	n.a.	<b>6.8%</b>
EBITDA	244	32	259	24	51	(22)	<b>588</b>
% of sales revenue	19.5%	3.1%	26.1%	1.6%	8.0%	n.a.	<b>10.9%</b>
Change in operating WCR	(10)	207	115	(98)	(19)	(48)	<b>147</b>
Net operating Capex	(94)	(56)	(24)	1	(27)	(2)	<b>(202)</b>
Op. cash flow before income tax	140	181	350	(73)	7	(71)	<b>534</b>

<sup>(1)</sup> Since year-end 2005, sales and acquisitions of consolidated shares are included in free operating cash flow before tax. H1 2005 figures were adjusted pro forma to allow comparisons.

## Definition of financial indicators used by AREVA (1/2)

- ▶ **EBITDA, excluding end-of-life-cycle obligations:** EBITDA is equal to operating income plus net amortization, depreciation and operating provisions (except for provisions for impairment of working capital items). EBITDA excludes the cost of nuclear end-of-life-cycle operations performed during the year (facility dismantling, waste retrieval and packaging).
  
- ▶ **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 assets earmarked to cover end-of-life-cycle expenses
  - ◆ Plus cash from the sale of earmarked assets,
  - ◆ Minus acquisitions of earmarked assets,
  - ◆ Minus cash spent during the period on end-of-life-cycle obligations,
  - ◆ Full and final payments received for facility decommissioning,
  - ◆ Less full and final payments paid for facility decommissioning.
  
- ▶ **Free operating cash flow before tax:** It 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,
  - ◆ Plus the decrease or minus the increase in operating working capital requirement between the beginning and the end of the period (excluding reclassifications, currency translation adjustments and changes in consolidation scope),
  - ◆ Minus assets received as capital contributions and acquisitions of tangible assets intangible assets and consolidated shares, net of changes in accounts payable on purchases of fixed assets,
  - ◆ Plus assets contributed to capital and sales of tangible assets, intangible assets and consolidated shares net of changes in accounts receivable on the sale of fixed assets,
  - ◆ Plus customer prepayments on fixed assets, received during the period.

## **Definition of financial indicators used by AREVA (2/2)**

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- ▶ **Net cash:** This heading includes cash balances, cash equivalents and other current financial assets, after deduction of borrowings including:
  - ◆ Interest-bearing customer prepayments and the fair value of minority shareholders' put options in consolidated companies
  
- ▶ **Operating working capital requirement (operating WCR).** Operating WCR represents all of the current assets and liabilities related directly to operations. It includes the following items:
  - ◆ Inventories and work-in-process;
  - ◆ Trade accounts receivable and related accounts;
  - ◆ Prepayments made and other operating receivables, accrued income, prepaid expenses;
  - ◆ Minus: Trade accounts payable and related accounts, prepayments received (excluding interest-bearing prepayments), other operating liabilities, accrued expenses, unearned income..
  
- ▶ **N.B.:** It does not include non-operating receivables and liabilities, such as corporate tax debt, receivables on asset disposals, or debt on asset acquisitions.