PRESS
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AREVA

Paris, February 25, 2009

2008 results: yet another year of growth for AREVA

- ***Backlog: 48.2 billion euros, up 21.1%***
- ***Revenue: 13.2 billion euros, up 10.4%***
- ***Operating income:***
  - ***Operating income excluding provision on OL3 contract in Finland: 1,166 million euros, i.e. operating margin of 8.9%***
  - ***Additional provision on OL3 contract of 749 million euros***
  - ***Operating income: 417 million euros, i.e. operating margin of 3.2%***
- ***Net income attributable to equity holders of the parent: 589 million euros, i.e. €16.62 per share***
- ***Net debt of 3.45 billion euros before recognition of the SIEMENS put[1]***
- ***Dividend of €7.05 to be proposed during the Annual General Meeting of Shareholders of April 30, 2009***

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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 2008, as submitted by the Executive Board.

Chief Executive Officer Anne Lauvergeon offered the following comments:

"The current crisis is a test of the robustness of the AREVA business model. With 80% of its revenue deriving from installed nuclear generating capacity, with its integrated business model enabling it to win recurring market share and to take a leading position in the New Builds market, and with its technological edge in key segments of nuclear power, transmission and distribution, AREVA's profitable growth continues. To strengthen its leadership position and meet customer requirements, AREVA is continuing to invest and to hire.

We have taken note of Siemens' announced decision to withdraw from our subsidiary AREVA NP. Siemens felt that its position as a minority shareholder in reactors alone limited its capacity for growth. This decision opens the door to a simplification of the group's organizational structure, which will be a source of considerable savings."

[1] Based on 2007 valuation of the Siemens put of 2.049 billion euros

February 25, 2009 – Consolidated results for 2008

I – Consolidated performance

In millions of euros	**2008**	**2007**	**Change 08/07**
Backlog	48 246	39 834	+21.1%
Reported revenue	13 160	11 923	+10.4%
Operating income excluding OL3 provision	1 166	1 043	+11.8%
Operating income	417	751	-44.5%
Operating income / Revenue (%)	3.2%	6.3%	-3.1 pts
Net income attributable to equity holders of the parent	589	743	-20.7%
Earnings per share	€16.62	€20.95	-20.7%
Free operating cash flow before tax	(921)	(1 985)	+€1 064M
Net debt (including Siemens' put[1])	5 499	4 003	+37.4%

Backlog up 21.1%

The backlog rose to 48.246 billion as of December 31, 2008, up 21.1% from that of year end 2007. The leading contributors were the **Front End** division (+27.6%), the **Back End** division (+25.5%) and the **Transmission & Distribution** division (+16.5%).

Revenue growth of 10.4%

Revenue for 2008 rose to 13.16 billion euros, for 10.4% reported growth and 9.8% organic growth[2]. In the nuclear businesses, revenue was up 6.3% like-for-like[2], driven by the **Reactors and Services** division (+10.9% LFL[2]) and by the **Front End** division (+7.2% LFL[2]). The **Transmission & Distribution** division recorded growth of 15.8% LFL[2].

Note: the backlog and revenue are specifically commented upon in the press release published on January 29, 2009.

Operating income of 1.166 billion euros excluding the OL3 provision and of 417 million euros after recognition of that provision

Excluding the additional provision of 749 million euros recognized in 2008 on the OL3 contract in Finland, operating income rose to 1.166 billion euros, giving operating margin of 8.9%, essentially unchanged from the previous year.
After recognition of that provision, consolidated operating income comes to 417 million euros for 2008, for a margin rate of 3.2%, compared with 751 million in 2007.

Highlights by division are provided hereunder.

- **Operating income for the Front End division comes to 453 million euros** (13.5% of revenue), compared with 496 million in 2007 (15.8% of revenue). This change is explained by the unexpected occurrence of atypical events, such as AREVA's suspension of short-term sales on the uranium spot market and exceptional sales in 2007. Excluding these items, operating income rose on the improved profitability of long-term uranium sales and conversion operations and on the 191 million euro dilution gain generated on GB II.

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[1] Based on 2007 valuation of the Siemens put of 2.049 billion euros
[2] At constant consolidation scope, accounting methods and exchange rates

- **The Reactors and Services division recognized an operating loss of 687 million euros**, compared with a loss of 179 million euros in 2007. This change is mainly due to an additional provision of 749 million euros on the OL3 project in Finland.

  The project made significant headway with manufacturing of the primary cooling system complete and civil engineering more than 60% complete and set to be largely finished in 2009. The pace of the project is nonetheless penalized by TVO, which has not implemented the bulk of the acceleration measures mutually agreed upon and announced in June 2008. Under these circumstances, the schedule is no longer dependent on the AREVA-Siemens consortium alone.
  Consequently, AREVA is obliged to recognize supplemental costs for additional resources mobilized to offset the customer's intervention practices (project direction, engineering and procurement) and those related to civil engineering, which together represent more than 30% of the provision amount, and to set aside an additional provision for general risk.

  After recognition of the provision set aside in 2008, the estimated loss on completion comes to 1.7 billion euros at December 31, 2008. This amount does not include all of the claims addressed to TVO and which are now part of arbitration proceedings launched by the AREVA-Siemens consortium to exercise its rights; this amount also does not include the claim presented by TVO, for the AREVA-Siemens consortium and its advisors consider the allegations made in that claim to be groundless and invalid in terms of the contract and Finnish law.

- **The Back End division recognized operating income of 261 million euros**, compared with 203 million euros in 2007. The operating margin rate came to 15.4%, compared with 11.7% a year earlier. This good performance is explained by the restart of foreign MOX contracts in particular, and by the price catch-up for 2007 resulting from the contractual formalization of recycling operations for the 2007-2012 period with EDF.

- **Operating income for the Transmission & Distribution division totals 560 million euros**, up 41.1% from 397 million euros in 2007. The operating margin rate comes to 11.1% of revenue, up 1.9 points in relation to 2007. This improvement in the division's profitability reflects successful execution of the backlog together with increased volumes and the positive effects of the optimization plans.

► Consolidated net income of 589 million euros

Net income attributable to equity holders of the parent comes to 589 million euros at December 31, 2008, compared with 743 million euros at December 31, 2007.

- Net financial income went from 64 million euros in 2007 to -29 million euros in 2008 as a result of increased financial expenses and impairment of the portfolio of assets earmarked to finance end-of-life-cycle operations due to the drop in financial markets. It should be noted that, since 2002, the reserve ratio for earmarked assets to end-of-life-cycle obligations varies from 90% to 110%; it stood at 92% at the end of 2008.

- Income tax expense dropped by 35 million euros from 2007 to 2008, settling at 46 million euros, giving an effective tax rate of 11.8%, compared with 9.9% last year.

- The share in net income of associates totals 156 million euros in 2008, compared with 148 million euros year-on-year. The increase is primarily due to the growth in income from Eramet.

▶ Operating cash flow after Capex at -921 million euros

The group's free operating cash flow was -921 million euros in 2008, compared with -1.985 billion euros in 2007. Several factors explain this change:

- a decrease in company acquisitions, net of disposals, which came to +127 million euros in 2008 (primarily due to the contribution to cash when Suez took a stake in GB II), compared with -1.818 billion euros in 2007, the year UraMin was acquired;
- an increase in gross Capex, excluding company acquisitions, which went from -1.110 billion euros in 2007 to -1.623 billion euros in 2008;
- practically stable operating working capital requirement, at -451 million euros, despite the reconstitution of uranium and SWU inventories in the **Front End** division and the increase in working capital requirement in the **Transmission & Distribution** division, in line with business growth;
- a drop in EBITDA, which went from 1.335 billion euros in 2007 to 1.181 billion euros in 2008, primarily due to expenses recognized on the OL3 contract.

▶ Net debt of 3.45 billion euros, before recognition of the Siemens put

On January 27, 2009, during its shareholders' meeting, Siemens announced its intention of exercising the put option for its 34% stake in AREVA NP.

Due to the negotiations to come with Siemens, AREVA has decided to keep the value of the put option in borrowings at the amount of its valuation at December 31, 2007, i.e. 2.049 billion euros.
Based on that valuation, the group's consolidated net debt comes to 5.499 billion euros, compared with 4.003 billion euros at the end of 2007.
Before recognition of this put option, net debt comes to 3.45 billion euros, compared with 1.954 billion in 2007. The increase is primarily due to the change in free operating cash flow described above.

These amounts should be compared with equity of 7.292 billion at December 31, 2008, compared with 7.464 billion at year-end 2007. The drop of approximately 2% is attributable mainly to the effect of the market valuation of the group's financial assets.

II – 2009 Outlook

For 2009, AREVA expects backlog growth, revenue growth, and rising operating income.

The group initiated a far-reaching, 2.7 billion euro investment program supported by the French government. It will be funded, among other things, by the disposal of non-strategic assets and a minority share float of certain assets.

The group has initiated a 600-million euro cost reduction program – purchasing and overhead expenses – bolstered by the simplification of the group's organizational structure associated with Siemens' withdrawal from AREVA NP.

A 300-million euro working capital requirement reduction program is also being implemented.

The presentation of AREVA's annual results will be available live on the Internet.

- To access the webcast, click on the following links:

  French version: http://webcast.areva.com/20090225/resultats_annuels_2008/
  English version: http://webcast.areva.com/20090225/2008_annual_results/

Upcoming events and publications

April 23, 2009 (17:45 – GMT +1): Press release – First quarter 2009 revenue and comments

July 30, 2009 (17:45 – GMT +1): Press release – First half 2009 revenue and comments

August 31, 2009 (17:45 – GMT +1): Press release – First half 2009 results

About us

With manufacturing facilities in 43 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 75,000 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

Appendix 1 – Income Statement

In millions of euros	2008	2007	Change 08/07
Revenue	**13 160**	**11 923**	**10.4%**
Other income from operations	32	21	52.4%
Cost of sales	(10 906)	(9 183)	18.8%
Gross margin	**2 286**	**2 762**	**-17.2%**
Research and development expenses	(453)	(421)	7.6%
Sales and marketing expenses	(607)	(529)	14.7%
General and administrative expenses	(980)	(881)	11.2%
Other operating income and expenses	171	(179)	-
Operating income	**417**	**751**	**-44.5%**
Income from cash and cash equivalents	38	37	2.7%
Gross borrowing costs	(148)	(110)	34.5%
Net borrowing costs	**(111)**	**(73)**	**52.1%**
Other financial income and expenses	82	138	-40.6%
Net financial income (expense)	**(29)**	**64**	**-**
Income tax	(46)	(81)	-43.2%
Net income of consolidated businesses	**343**	**734**	**- 53.3%**
Share in net income of associates	156	148	5.4%
Net income from continuing operations	**498**	**882**	**-43.5%**
Minority interests	(91)	139	-
Net income attributable to equity holders of the parent	**589**	**743**	**-20.7%**
Average number of shares outstanding	35 442 701	35 442 701	**-**
Consolidated net income per share (in euros)	**16.62**	**20.95**	**-20.7%**

Appendix 2 – Consolidated Cash Flow Statement

In millions of euros	2008	2007	Change 08/07
Cash flow from operations before interest and taxes	904	1 294	-30.1%
Net interest and income tax paid	(377)	(156)	x 2.4
Cash flow from operations after interest and tax	**527**	**1 138**	**-53.7%**
Change in working capital requirement	(446)	(416)	7.2%
Net cash from operating activities	**81**	**722**	**-88.8%**
Net cash used in investing activities	**(1 259)**	**(2 796)**	**-55.0%**
Net cash used in financing activities	**1 516**	**1 522**	**-0.4%**
Decrease (increase) in marketable securities maturing in more than 3 mo	42	178	-76.4%
Impact of foreign exchange movements	(22)	(7)	x 3.1
Increase / (decrease) in net cash	**357**	**(381)**	**-**
Net cash at the beginning of the period	520	901	-42.3%
Net cash at the end of the year	**877**	**520**	**68.7%**

Appendix 3 – Simplified balance sheet[3]

In millions of euros	2008	2007
ASSETS		
Goodwill	4 803	4 377
Property, plant and equipment and intangible assets	8 002	6 933
Assets earmarked for end-of-life-cycle operations	5 224	5 364
Investments in associates	1 757	1 558
Other non-current financial assets	2 153	2 588
LIABILITIES AND EQUITY		
Equity	7 292	7 464
Provisions for end-of-life-cycle operations	5 674	5 075
Other provisions	3 472	3 118
Net deferred taxes	(140)	672
Net working capital requirement	143	488
Put held by Siemens	2 049	2 049
Net debt (excluding Siemens put)	3 450	1 954
Total – Simplified balance sheet	**21 940**	**20 820**

[3] Working capital assets and liabilities, along with deferred taxes, are offset in the simplified balance sheet. These items are not offset in the detailed balance sheet presented in the consolidated financial statements.

Appendix 4 – Definitions

Backlog: The backlog is valued based on economic conditions at the end of the period. It includes firm orders and excludes unconfirmed options. Orders in hedged foreign currencies are valued at the rate hedged. Non-hedged orders are valued at the rate in effect on the last day of the period. The valuation of uranium orders is based on the closing price of spot and long-term reference indices. The backlog reported for long-term contracts recorded under the percentage of completion method and partially performed as of the reporting date is equal to the difference between (a) the projected sales revenue from the contract at completion and (b) the sales revenue already booked for this particular contract. Accordingly, the backlog takes into account escalation and price revision assumptions used by the group to determine the projected revenue at completion.

Cash flow from end-of-life-cycle operations: This indicator encompasses all of the cash flows linked to end-of-life-cycle operations and to assets earmarked to cover those operations. 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 expenses relating to decommissioning obligations made during the year,
- full and final payments received for facility decommissioning,
- less full and final payments paid for facility decommissioning.

Earnings before interest, taxes, depreciation and amortization (EBITDA): EBITDA is equal to operating income plus net amortization, depreciation and operating provisions (except for provisions for impairment of working capital items). EBITDA is adjusted to exclude the cost of end-of-life-cycle operations for nuclear facilities (dismantling, retrieval and packaging of waste) for the period, as well as the full and final payments made or to be made to third parties for facility dismantling. 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. This indicator is before income tax. It is equal to the sum of the following items:

- EBITDA, excluding end-of-life-cycle operations
- 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 asset accounts related to fixed assets;
- plus sales of tangible and intangible assets including in operating income, net of changes in receivables on the sale of fixed assets;
- plus customer prepayments on non-current assets received during the period
- plus acquisitions (or disposals) of consolidated companies (excluding equity associates)

Net debt: This heading includes current and non-current borrowings, which include interest-bearing advances received from customers and put options by minority shareholders, less cash balances, non-trade current accounts, securities held for trade and other current financial assets, including equity derivatives exercisable in less than one year. Shares classified as “available-for-sale securities” are excluded from the net debt calculation.