

Paris, July 24, 2008

### **First half 2008 sales revenue**

- **Backlog of orders as of June 30, 2008: 38.1 billion euro, up 13.6% compared with June 30, 2007**
- **First half 2008 sales revenue: 6.2 billion euro, up 14.8% (+16.0% like-for-like<sup>1</sup>)**

**As of June 30, 2008, AREVA's backlog stood at 38.1 billion euro**, for 13.6% growth since June 30, 2007, with 9.9% growth in Nuclear and 40.7% growth in Transmission & Distribution.

- ▶ In **Nuclear**, the backlog came to 32.3 billion euro as of the end of June 2008. In the front end of the cycle, AREVA signed multi-year contracts in the first half of the year with Japanese and American utilities and with EDF, for a combined total of more than 1 billion euro. Of note in the back end of the cycle is the contract AREVA signed with the U.S. Department of Energy to build a MOX fuel fabrication facility.
- ▶ In **Transmission & Distribution**, the backlog came to 5.8 billion euro as of the end of period. A total of 3.2 billion euro in orders was booked in the first half, an increase of 20.0% year-on-year. The division won several important contracts, most notably a contract with Dubai Electricity (more than 130 million euro), a contract with National Grid and RTE for the renovation of the IFA 2000 grid interconnection between France and Great Britain (more than 60 million euro), and, in the industrial field, a contract with Rio Tinto Alcan (close to 65 million euro).

**The group cleared revenue of 6.2 billion euro in the first half of 2008**, up 14.8% (+16.0% like-for-like<sup>1</sup>) compared with the first half of 2007.

Sales outside France were up 14.3% to 4.2 billion euro or 68.6% of total sales; the latter were stable compared with the first half of 2007.

- ▶ All businesses were up, with growth of 15.9% in **Nuclear** operations (+18.6% LFL<sup>1</sup>) – particularly in Reactors and Services (+31.3% LFL<sup>1</sup>) – and 13.0% growth in **Transmission & Distribution** operations (+12.0% LFL<sup>1</sup>).

Foreign exchange had a negative impact of 155 million euro, primarily due to the change in the U.S. dollar in relation to the euro. Changes in the consolidated group had a positive impact of 97 million euro, mainly reflecting acquisitions in the Transmission & Distribution division and in Renewable Energies.

- ▶ Sales revenue for the 2<sup>nd</sup> quarter of 2008 rose to 3.4 billion euro, for growth of 17.1% (+17.3% like-for-like<sup>1</sup>) compared with the 2<sup>nd</sup> quarter of 2007. Foreign exchange had a negative impact of 85 million euro and changes in consolidation had a positive impact of 79 million euro. The **Nuclear** divisions were up 16.6% (+18.4% LFL<sup>1</sup>) and the **Transmission & Distribution** division was up 17.8% (+15.6% LFL<sup>1</sup>).

**For 2008**, the AREVA group confirms all of its expectations, including strong growth in backlog and in sales revenue.

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<sup>1</sup> At constant consolidation scope, accounting methods and exchange rates

## Sales revenue by division

### Front End division: steady growth driven by export sales

First half 2008 revenue for the **Front End** division rose by 10.9% (+13.8% LFL<sup>1</sup>) to 1.487 billion euro. Foreign exchange had a negative impact of 52 million euro.

Items of note were as follows:

- ▶ Export business was brisk in *Mining* and *Enrichment*, particularly in Asia.
- ▶ *Fuel* sales were particularly strong in Europe compared with the first half of 2007, which had been negatively impacted by the timing of deliveries.

### Reactors and Services Division: growing contribution from major contracts and good business in Services

Revenue for the **Reactors and Services** division was up 27% (+31.3% LFL<sup>1</sup>) to 1.466 billion euro. Foreign exchange had a negative impact of 36 million euro.

Items of note were as follows:

- ▶ Progress was made on major *Plants* projects, doubling their contribution to the division's revenue;
- ▶ In *Nuclear Services*, business was strong in the United States, where several steam generator replacements were carried out and scheduled reactor outages began earlier than in 2007;
- ▶ In *Renewable Energies*, wind energy and biomass operations ramped up following the acquisition and successful consolidation of Multibril at the end of 2007 and of Koblitz in early 2008.

### Back End division: pronounced seasonality of first half production

First half 2008 revenue for the **Back End** division rose by 8.7% (9.1% LFL<sup>1</sup>) to 930 million euro. Foreign exchange had a negative impact of 3 million euro.

This increase is due in particular to:

- ▶ A very high level of business at La Hague, in contrast to the low levels of the first half of 2007, and the kick-off of engineering projects in the United States (MOX facility at Savannah River and Hanford Tank project);
- ▶ A steady business in *Logistics*, particularly in cask manufacturing.

### Transmission & Distribution division: trend still very positive

First half 2008 revenue for the **Transmission & Distribution** division was up by 13% (+12.0% LFL<sup>1</sup>) to 2.284 billion euro. Foreign exchange had a negative impact of 63 million euro, but this was more than offset by the consolidation of Passoni & Villa, VEI Distribution and Nokian Capacitors, which contributed a combined total of 82 million euro in revenue.

- ▶ Sales for the *Products* business unit remained high, at +20.2% LFL<sup>1</sup>, buoyed by the dynamic Power Transformers and Instrument Transformers business lines in particular (+41% and +52% respectively). Sales (on percentage of completion) for the *Systems* business unit were down 2.1% LFL<sup>1</sup>, based on the invoicing schedule, while those of the *Automation* business unit were up 14.2% LFL<sup>1</sup>;
- ▶ Geographically, revenue growth was driven mainly by Asia (+34%), particularly India, followed by the Near East and the Middle East (+20%), and Europe (+21%), particularly Germany and the United Kingdom.

July 24, 2008 – First half 2008 consolidated sales revenue

### Consolidated sales revenue by quarter

In millions of euro	2008	2007	Change 2008 / 2007 in %	Change 2008 / 2007 in % like-for- like
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#### 1st quarter

Front End	679	653	3.9%	7.4%
Reactors and Services	665	513	29.7%	36.8%
Back End	403	354	13.8%	14.1%
<b>Sub-total Nuclear</b>	<b>1 747</b>	<b>1 519</b>	<b>14.9%</b>	<b>18.8%</b>
Transmission & Distribution	1 022	950	7.5%	7.8%
Corporate and other	0	0	-	-
<b>Total</b>	<b>2 769</b>	<b>2 470</b>	<b>12.1%</b>	<b>14.5%</b>

#### 2nd quarter

Front End	809	689	17.4%	19.8%
Reactors and Services	801	641	24.8%	27.0%
Back End	527	502	5.0%	5.5%
<b>Sub-total Nuclear</b>	<b>2 137</b>	<b>1 833</b>	<b>16.6%</b>	<b>18.4%</b>
Transmission & Distribution	1 263	1 071	17.8%	15.6%
Corporate and other	1	0	-	-
<b>Total</b>	<b>3 400</b>	<b>2 903</b>	<b>17.1%</b>	<b>17.3%</b>

#### 1st half

Front End	1 488	1 342	10.9%	13.8%
Reactors and Services	1 466	1 154	27.0%	31.3%
Back End	930	856	8.7%	9.1%
<b>Sub-total Nuclear</b>	<b>3 883</b>	<b>3 352</b>	<b>15.9%</b>	<b>18.6%</b>
Transmission & Distribution	2 284	2 021	13.0%	12.0%
Corporate and other	1	0	-	-
<b>Total</b>	<b>6 168</b>	<b>5 373</b>	<b>14.8%</b>	<b>16.0%</b>
<b>including France</b>	<b>1 938</b>	<b>1 672</b>	<b>15.9%</b>	-
<b>including International</b>	<b>4 230</b>	<b>3 701</b>	<b>14.3%</b>	-

As a reminder, the group points out that:

- Revenue can vary significantly from one quarter to the next in the nuclear businesses, and quarterly operations should therefore not be taken as a reliable basis for annual projections.
- The foreign exchange impact mentioned in this release comes from the translation of subsidiary accounts into the group's unit of account, and primarily reflects the US dollar in relation to the euro. AREVA also points out that its foreign exchange hedging policy for commercial operations aims to shield profitability from fluctuations in exchange rates in relation to the euro.

#### Upcoming events and publications

- ▶ August 29, 2008 – 5:45 pm: Press release and telephone conference – First half 2008 income
- ▶ October 23, 2008 – 5:45 pm: Press release – Third quarter 2008 sales and related information

#### About us

With manufacturing facilities in 43 countries and a sales network in more than 100, AREVA offers customers reliable technological solutions for CO<sub>2</sub>-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 71,000 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 21<sup>st</sup> century's greatest challenges: making energy available to all, protecting the planet, and acting responsibly towards future generations.

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