Half Year Financial Report

June 30, 2009

Contents

1 Person responsible 3

1.1. Person responsible for the half-year report 3

1.2. Certification of the half-year report by the person responsible 3

2 Half-year business report 4

2.1. Significant events 4

2.2. Summary data 6

2.3. Segment reporting 8

2.4. Backlog 8

2.5. Income statement 9

2.7. Review by division 13

2.8. Cash flow 17

2.9. Balance sheet items 18

2.10. Events subsequent to closing 20

2.11. Outlook 20

3 Statutory auditors' report on the financial information for the 2009 half-year – period January 1 to June 30, 2009 21

4 Condensed consolidated financial statements at June 30, 2009 22

4.1. Consolidated income statement 22

4.2. Consolidated comprehensive income 23

4.3. Consolidated balance sheet 24

4.4. Consolidated cash flow statement 26

4.5. Consolidated statement of changes in equity 27

4.6. Segment reporting 28

4.7. Notes to the consolidated financial statements for the period ending June 30, 2009 30

This is a free translation into English of the AREVA group's Financial Report for the first half of 2009, which is issued in the French Language, and is provided solely for the convenience of English speaking readers.

General notes

This financial report contains statements on the objectives, prospects and growth areas for the AREVA group. This information is not historical data and must not be taken as a guarantee that the facts and data set out will be realised, or that the objectives will be attained. The statements of prospects in this financial report also address known and unknown risks, uncertainties and other factors that may, if they happen, have the effect that future income, performance and achievements of the AREVA group might be significantly different from the objectives set and put forward. These factors may in particular include changes in the international economic and commercial environment and the risk factors set out in the 2.1 section. AREVA has no obligation to update the information on prospects contained in this document, subject to the ongoing disclosure obligations applicable to companies whose stock is admitted to trading on regulated markets.

1 Person responsible

1.1. Person responsible for the half-year report

Mrs. Anne Lauvergeon, Chief Executive Officer of AREVA

1.2. Certification of the half-year report by the person responsible

"I certify, to the best of my knowledge, that the summary accounts for the first half of 2009 are prepared in accordance with applicable accounting standards and give a true and fair view of the net worth, the financial position and the income of the company and all the companies included in consolidation, and that the half-year financial report attached presents a fair view of the major events that occurred during the first six months of the fiscal year, of their effect on the financial statements and of the main transactions between related parties and gives a description of the main risks and main uncertainties for the remaining six months of the financial year."

Paris, August 31, 2009

Mrs. Anne Lauvergeon
Chief Executive Officer of AREVA

2 Half-year business report

2.1. Significant events

2.1.1. Highlights of the period

Concerning business strategy and shareholding structure

- The AREVA Supervisory Board appointed Jean-Cyril Spinetta as Chairman, replacing Frédéric Lemoine, who resigned.
- AREVA announced that it had decided to open up its capital to strategic and industrial partners to the value of 15% mainly by increasing its capital. This increase will be open to investment certificate holders. The group is also launching an employee shareholders program.
- The AREVA Supervisory Board asked the Executive Board to put the **Transmission & Distribution** (T&D) division of the group up for sale. An open call for bids was launched and the group will pay special attention to the price offered and also the industrial and labor projects. Depending on the interest generated, the decision to dispose of the T&D division or not and the choice of a potential buyer will be taken before the end of the year.
- AREVA is considering disposing of its holdings in ERAMET and STMicroelectronics. These holdings will in any case remain in public ownership, because of their strategic nature.
- Siemens advised AREVA of its decision to exercise the option to sell Siemens' 34% holding in AREVA NP. In accordance with the shareholders' agreement of January 30, 2001, this notification will take effect at the latest on January 30, 2012. Furthermore, this agreement lays down the procedure for valuing the shares to be sold.
- Siemens announced the signature of an agreement on the formation of a joint venture in the nuclear field with Rosatom.
- AREVA signed a mining agreement with the government of Niger granting it an operating permit for the Imouraren mine. The agreement provides for a split in share capital of 66.65% for AREVA and 33.35% for the Government of Niger in the company formed to operate the mine.
- AREVA signed a cooperation agreement with the Democratic Republic of Congo for future uranium prospecting and mining.
- AREVA signed an industrial agreement with the Republic of Namibia providing for the creation of a joint mining exploration company for future uranium operations.
- AREVA signed an agreement with the Japanese companies Kansai and Sogitz on taking a 2.5% stake in the holding company of the "Société d'Enrichissement du Tricastin" (SET), the company operating the Georges Besse II enrichment facility.
- AREVA and KHNP signed an agreement on this South Korean power company taking a 2.5% stake in the holding company of the "Société d'Enrichissement du Tricastin" (SET), the company operating the Georges Besse II enrichment facility.
- AREVA and USEC signed an agreement to bring an end to the dispute between them that had lasted for over 7 years over the supply of French enrichment services to the USA and to the allegations of dumping made by USEC.
- Mitsubishi Heavy Industries (MHI), AREVA, Mitsubishi Materials Corporation (MMC) and Mitsubishi Corporation (MC) signed a shareholders' agreement on the formation of a joint-venture specialised in manufacturing and marketing nuclear fuel.
- AREVA and the Nuclear Power Corporation of India Limited (NPCIL) signed a memorandum of understanding on initiating technical cooperation between NPCIL and AREVA to work on the installation of two to six EPR reactors at Jaitapur. It also covers supply of fuel throughout the life of these reactors.
- The President of the French Republic announced the construction of the second EPR reactor in France. This new reactor, for which construction is due to start in 2012, will be the world's fifth such project after Olkiluoto 3 in Finland, Flamanville 3 in France and Taishan 1 and 2 in China.
- The utilities ENEL and EDF announced their intention of jointly developing a fleet of at least four EPR reactors in Italy.
- AREVA, Duke Energy and UniStar Nuclear Energy entered into negotiations to build an EPR reactor in Ohio.
- AREVA and the Russian company VNIAES signed a cooperation agreement in the safety instrumentation and control field.
- AREVA signed a memorandum of understanding with Wetfeet Offshore Windenergy for the supply of 80 M5000 wind turbines for the Global Tech I offshore wind farm for a value of over 700 million euro.

In the industrial arena

- The President of the Republic of Niger and Anne Lauvergeon laid the first stone of the Imouraren mining complex.
- AREVA unveiled the first centrifuge cascade of the Georges Besse II uranium enrichment plant where production is set to commence this year.
- In support of its vigorous international expansion, AREVA announced plans to increase production capacity at its Chalon/Saint-Marcel facility in France. The new capital expenditure to be committed in the next few years will increase annual production capacity from the current level of around 1.7 EPR equivalent to 2.7 on average.
- AREVA unveiled eight Transmission and Distribution facilities on three industrial sites in India. These new facilities mark the successful close of nearly 150 million euro investment, driven by growing demand for electrical equipment and services in the Indian market.

In the commercial arena

- The contracts signed during the half-year and recorded in the backlog at the end of June 2009 are listed in section 2.7 (Review by division), under first half 2009 performance.

2.1.2. Transactions with related parties

Details of the main transactions with related parties are given in Note 14 to the Notes to the Consolidated Financial Statements for the half-year.

2.1.3. Risk factors

The significant risks and uncertainties that the group faces are set out in Section 4 "Risk factors" of the 2008 Reference Document, filed with the Autorité des Marchés Financiers and available on its website (www.amf-france.org.) and also on the Company's website (www.areva.com). This description of the main risks remains valid at the date of publication of this Report for the evaluation of major risks and uncertainties that may affect the group at the end of the current financial year, and no significant risks or uncertainties are anticipated other than those set out in the Reference Document.

2.2. Summary data

2.2.1. Financial indicators

(in millions of euro)	**H1 2009**	H1 2008	2009/2008 change
Backlog	48,876	38,123	+28.2%
Revenue	6,522	6,168	+5.7%
Gross margin	889	1,281	-30.6%
In % of revenue	*13.6%*	*20.8%*	*-7.2 pts*
Earnings before interest, taxes, depreciation and amortization (EBITDA)	459	863	-46.8%
In % of revenue	*7.0%*	*14.0 %*	*-7.0 pts*
Operating income	16	539	-523
In % of revenue	*0.2%*	*8.7%*	*-8.5 pts*
Net financial income	212	213	-0.5%
Net income attributable to equity holders of the parent	161	760	-599
In % of revenue	*2.5%*	*12.3%*	*-9.8 pts*
Net operating Capex	(618)	(455)	-162
Operating cash flow before tax	(1,115)	(521)	-594
Dividends paid	(313)	(319)	+6

(in millions of euro)	**June 30, 2009**	December 31, 2008	2009/2008 change
Net debt at the end of the period	6,414	5,499	+16.6%
of which SIEMENS put options	2,049	2,049	-

2.2.2. Definitions of financial indicators

Backlog: the backlog is valued based on economic conditions at the end of the period. It includes firm orders and excludes unconfirmed options. Foreign currency orders that are hedged are valued at the hedge exchange rate. Foreign currency orders that are not hedged are valued at the exchange rate as of the last date of the period under consideration. Uranium orders are valued at the closing rate on the reference spot and long-term indexes. 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 revenue from the contract at completion and (b) the 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.

Earnings before income tax, 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 so as to exclude the cost of nuclear facility decommissioning obligations (dismantling, waste retrieval and packaging) met during the year, as well as the full and final payments paid or to be paid to third parties for facility decommissioning. It should be noted that the cash flows linked to end-of-life-cycle operations are presented separately.

Cash flows 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 cash spent during the period on end-of-life-cycle operations;
- full and final payments received for facility dismantling;
- minus full and final payments made for facility dismantling.

Free operating cash flow: this represents cash flow generated by operating activities, 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 included in operating income on sales of property, plant and equipment (PP&E) 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 acquisitions of PP&E and intangible assets, net of changes in accounts payable related to fixed assets;
- plus sales of PP&E and intangible assets included in operating income, net of changes in receivables on the sale of fixed assets;
- plus prepayments received from customers during the period on non-current assets;
- plus acquisitions (or disposals) of consolidated companies (excluding equity associates).

Operating working capital requirements (OWCR): OWCR 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;
- non interest-bearing advances;
- other accounts receivable, accrued income and prepaid expenses;
- less: trade accounts payable and related accounts, trade advances and prepayments received (excluding interest-bearing advances), other operating liabilities, accrued expenses, and deferred income.

NOTE: OWCR does not include non-operating receivables and payables such as income tax liabilities, amounts receivable on the sale of non-current assets, and liabilities in respect of the purchase of non-current assets.

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 by 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 now excluded from the calculation of the net debt or cash position.

2.2.3. Non-financial AREVA Way performance indicators

(in millions of euro)	**Q2 2009**	Q1 2009	2008
SAFETY (last 12 months)			
Accident frequency rate	2.36	2.74	3.19
Accident severity rate	0.09	0.09	0.1
DOSIMETRY			
Average exposure to radiation (group employees) (mSv)	1.11	not available	1.22
Average exposure to radiation (subcontractors) (mSv)	0.42	not available	0.50
ENVIRONMENT			
Fossil energy used (excluding Eurodif) (MWh)	305,242	437,019	1,426,204
Electric power used (excluding Eurodif) (MWh)	407,999	415,219	1,482,250
Direct greenhouse gas emissions (excluding transport) (MT CO2 equivalent)	172,286	184,910	771,648
Indirect greenhouse gas emissions (excluding transport) (MT CO2 equivalent)	95,646	101,067	356,627

2.3. Segment reporting

First half 2009 (contributions to the group)

(in millions of euro)	Front End	Reactors and Services	Back End	Transmission & Distribution	Corporate & other eliminations	Total
Revenue	1,556	1,506	843	2,614	2	6,522
EBITDA	438	(333)	198	211	(55)	459
% of revenue	*28.1%*	*-22.1%*	*23.5%*	*8.1%*	-	*7.0%*
Operating income	348	(608)	150	186	(61)	16
% of revenue	*22.4%*	*-40.3%*	*17.8%*	*7.1%*	-	*0.2%*
Change in operating WCR	(212)	(97)	(88)	(370)	(17)	(783)
Net operating Capex	(235)	(163)	(50)	(149)	(20)	(618)
Free operating cash flow before tax	(179)	(595)	60	(310)	(92)	(1,115)

First half 2008 (contributions to the group)

(in millions of euro)	Front End	Reactors and Services	Back End	Transmission & Distribution	Corporate & other eliminations	Total
Revenue	1,488	1,466	930	2,284	1	6,168
EBITDA	533	(98)	205	255	(31)	863
% of revenue	*35.8%*	*-6.7%*	*22.0 %*	*11.2%*	-	*14.0%*
Operating income	400	(258)	175	253	(32)	539
% of revenue	*26.8%*	*-17.6%*	*18.8%*	*11.1%*	-	*8.7%*
Change in operating WCR	(264)	(130)	(87)	(198)	(59)	(739)
Net operating Capex	(125)	(178)	(44)	(99)	(9)	(455)
Free operating cash flow before tax	(46)	(407)	73	(45)	(96)	(521)

2.4. Backlog

The group's backlog at June 30, 2009 stood at 48,876 million euro, up 28.2% from 38,123 million euro at June 30 2008.

The backlog for **nuclear businesses** was 42,908 million euro at June 30, 2009 against 32,331 million euro at June 30, 2008. In the first half, AREVA has signed major multi-year contracts in the **Front End** division with American, European and Asian utilities. **Reactors & Services** have received in particular orders for the replacement of 12 steam generators in South Korea, France and the US, have signed a multi-year framework contract for providing services for EDF and have received an order for 18 primary pumps in China. In the **Back End,** AREVA has signed a contract with EPDC (Electric Power Development) for the supply of MOX fuel assemblies for the future nuclear power plant in Ohma, Japan.

The backlog for **Transmission & Distribution** was 5,967 million euro at June 30, 2009 against 5,792 million euro at June 30, 2008. A total of 2,886 million euro was booked in the first half, down 8.7% (down 9.7% like-for-like) by comparison to the first half of 2008, with sustained activity in Asia and South America. During this half-year period, the division has won several major contracts, in particular with State Grid of China for the supply of High Voltage Direct Current transmission systems, with EWA Bahrain for the supply of 29 sub-stations and power and distribution transformers, with Kepco for the supply of 400 MW conversion sub-stations, with PT PLN for the modernisation of the Indonesian network, and with PGCIL (Power Grid Corporation of India) for the supply of 4 very high voltage stations.

2.5. Income statement

(in millions of euro)	**H1 2009**	H1 2008	2008
Revenue	**6,522**	**6,168**	**13,160**
Gross margin	**889**	**1,281**	**2,286**
Research and development expenses	(249)	(205)	(453)
Marketing and sales expenses	(320)	(287)	(607)
General and administrative expenses	(487)	(468)	(980)
Other operating expenses	(100)	(21)	(202)
Other operating income	283	240	373
Operating income	**16**	**539**	**417**
Net financial income	**212**	**213**	**(29)**
Income tax	(58)	(74)	(46)
Share in net income of associates	(163)	121	156
Net income from continuing operations	**7**	**799**	**498**
Net income from discontinued operations	-	-	-
Net income for the period	**7**	**799**	**498**
Minority interests	(154)	38	(91)
Net income attributable to equity holders of the parent	**161**	**760**	**589**
Comprehensive income	**(338)**	**434**	**(208)**

In Nuclear, the level of activity of the various business divisions and their contribution to group income can vary significantly from one half-year to another. Several positive events occurred in the first half of 2008, such as exceptional sales in Asia in the **Front End** division, favourable seasonal effects in Services and a very high concentration of production in Recycling **(Back End),** which led to making over 80% of 2008 nuclear operations operating income[1] in the first half and around 48% of revenues. This illustrates the non-representative nature of the half-year performance by comparison to the usual profitability profile for nuclear operations.

2.5.1. Revenue

Consolidated revenues amounted to 6,522 million euro in the first half of 2009, up 5.7% on the same period in 2008. On a like-for-like basis, revenues grew by 2.8%.

(in millions of euro)	**H1 2009**	H1 2008	2009/2008 change
Contribution to consolidated revenue	**6,522**	**6,168**	**+5.7%**
Front End division	1,556	1,488	+4.6%
Reactors and Services division	1,506	1,466	+2.8%
Back End division	843	930	-9.3%
Nuclear	**3,906**	**3,883**	**+0.6%**
Transmission & Distribution division	2,614	2,284	+14.5%

Nuclear operations posted first half 2009 revenues of 3,906 million euro, stable compared to the first half of 2008. This reflects the growth in the **Front End** (up 4.6%) and **Reactors & Services** (up 2.8%) divisions, and a drop-off in **Back End** (down 9.3%) related to unfavourable production scheduling during the first half of the year, but which should nevertheless not have any impact on expected annual growth. During the half-year, the exchange-rate effect amounted to +112 million euro. The effect of changes in consolidation scope of +25 million euro arises from the integration of RM Consultants into AREVA TA. On a like-for-like basis, **nuclear operations** fell back by 2.9%.

(1) 2008 annual operating income excluding the OL3 additional provision.

Transmission & Distribution revenues amounted to 2,614 million euro, up 14.5%, illustrating the good flow of the backlog in Products (up 11.8% like-for-like) and Systems (up 15.1% like-for-like). The negative effect of changes in exchange rates amounted to 20 million euro. Changes in the scope of consolidation had a +61 million euro impact and arise from the integration of recently acquired companies such as Powermann and RB Watkins. On a like-for-like basis, **Transmission & Distribution** reported growth of 12.5%.

2.5.2. Gross margin

The group's gross margin came to 889 million euro for the first half of 2009 (at 13.6% of revenues) against 1,281 million euro for the first half of 2008 (20.8% of revenues).

(in millions of euro)	**H1 2009**	H1 2008	2009/2008 change
Gross margin	**889**	**1,281**	**-30.6%**
% of revenue	*13.6%*	*20.8%*	*-7.2 pts*
- Nuclear operations	241	615	-60.8%
- Transmission & Distribution	649	665	-2.4%

These changes are explained by:

- The drop in gross margin in nuclear operations, amounting to 241 million euro (6.2% of revenues) against 615 million euro (15.8% of revenues) for the first half of 2008, because of the additional provisions raised against the OL3 project, because of some activities being delayed to the second half and because the first half of 2008 was not really comparable since it contained exceptional division sales in the **Front End**;
- The drop in gross margin in the **Transmission & Distribution** division which fell from 665 million euro (29.1% of revenues) in the first half of 2008 to 649 million euro (24.8% of revenues) in the first half of 2009, resulting notably from strong pressure noticeable on the T&D market in the first half as a consequence of the crisis.

2.5.3. Research and development

The group's research and development costs are recorded on the balance sheet if they meet the criteria for fixed assets under IAS 38, and are expensed if they do not.

In the income statement, research and development expenses appear below gross margin and represent non-capitalizable expenses incurred exclusively by the group; the expenses relating to programmes financed wholly or partly by customers, together with projects carried out in partnership where AREVA has rights over the commercial usage of the results, are recognised in cost of sales.

All research and development costs, whether capitalized or expensed during the period, constitute the total R&D expenditure.

	H1 2009		H1 2008	
(in millions of euro)	in millions of euro	in % of revenue	in millions of euro	in % of revenue
Income statement: Research and development expenses	(249)	3.8%	(205)	3.3%
Other (inc. capitalized R&D)	(288)	4.4%	(254)	4.2%
Total research and development spending	(537)	8.2%	(459)	7.4%

Taking into account all expenses incurred on research and development, the research and development spending amounted to 537 million euro for the first half of 2009, representing 8.2% of revenues for the period, up by comparison to the 459 million euro for the first half of 2008 (7.4% of revenues).

This growth reflects in particular:

- expenses for the **nuclear divisions**, which carry the burden development of the mining exploration programme and the increased R&D in reactors, equipment and nuclear services;
- expenses in the **Transmission & Distribution** division aimed mainly at improving the performance of electric power systems and equipment and developing digital controls and information systems for power grid monitoring.

2.5.4. General and administrative, marketing and sales expenses

Marketing and sales expenses and general and administrative expenses came to 807 million euro in the first half of 2009, or 12.4% of revenues, little changed from the level of 12.2% for the first half of 2008.

2.5.5. Other operating income, other operating expenses

- Other operating expenses amounted to 100 million euro against 21 million euro for the first half of 2008. These notably included restructuring expenses and the financial impact of the agreement with USEC bringing the "trade case" to an end.
- Other operating income amounted to 283 million euro against 240 million euro for the first half of 2008. It in particular included a dilution gain when minority shareholders acquired equity interests in the group’s subsidiaries.

2.5.6. Operating income

Before the additional provision of 550 million euro recognised in the first half of 2009 on the OL3 contract in Finland, operating income amounted to 566 million euro, or a 8.7% operating margin, against 860 million euro on a comparable basis in the first half of 2008, or a 13.9% operating margin. This change arises particularly from the effect of several positive events that occurred in the first half of 2008 such as exceptional sales in Asia in the **Front End** division which did not recur in the first half of 2009, postponement to the second half of 2009 of the outage cycles in the United States in Services and of production in Recycling **(Back End)** and from the impact on the **Transmission & Distribution** division of the strong pressure noticeable on the market in the first half as a consequence of the crisis and by the start up costs of new capacity (8 facilities in India and 3 in China).

After recognising an additional provision on OL3 of 550 million euro, group operating income came to 16 million euro in the first half of 2009, against 539 million euro for the same period in 2008, (which included a charge of 321 million euro to the OL3 provision).

AREVA staff are carrying out the 600 million euro cost-cutting plan announced at the time of presentation of the annual results. Actual figures to date are in line with targets.

2.5.7. Net financial income

(in millions of euro)	H1 2009*	H1 2008*
Net borrowing costs	**(59)**	**(55)**
Discount/premium	**1**	**(21)**
Share related to end-of-life-cycle operations	**29**	**1**
Income from the earmarked financial portfolio	47	62
Income from receivables and discount reversal on earmarked end-of-life-cycle assets	76	66
Discount reversal expenses on end-of-life-cycle operations	(95)	(127)
Share not related to end-of-life-cycle operations	242	288
Income from disposals of securities and change in value of securities held for trading	244	354
Financial income from pensions and other employee benefits	(45)	(35)
Dividends received	50	60
Other income and expenses	(7)	(91)
Net financial income	**212**	**213**

**The discount/premium is categorised in Other financial expenses as of December 31, 2008. It was categorised as a gross borrowing expense in the first half of 2008.*

Net financial income was stable compared to the first half of 2008, at 212 million euro. In the first half 2009 it benefited from gains realised on disposal of available-for-sale financial assets (in the first half of 2008 it had benefited from the gain on sale of the Repower shares). Net borrowing costs remained stable despite a substantial increase in financial debt.

2.5.8. Income tax

The first half income tax charge was 58 million euro, an effective tax rate of 25.3% against 9.85% for the first half of 2008. The effective rate of tax at June 30, 2008 benefited in particular from lower tax rates applicable to the gain on the sale of the Repower shares.

2.5.9. Share in net income of associates

(in millions of euro)	**H1 2009**	H1 2008	2008
STMicroelectronics	(124)	(3)	(46)
Eramet	(39)	116	187
Other	0	8	14
Total	**(163)**	**121**	**156**

The share in net income of associates fell significantly, with a loss of 163 million euro for the first half of 2009 against net income of 121 million euro for the first half of 2008. This change is explained by the drop of STMicroelectronics' and Eramet's results.

The group may record net income from STMicroelectronics and Eramet that differs from the income reported by those companies:

- STMicroelectronics' financial statements are prepared according to U.S. GAAP and are in U.S. dollars. The group converts them into euro and adjusts them for IFRS. STMicroelectronics does not publish half-year income statements under IFRS;
- With regard to Eramet, income is calculated based on preliminary results. Any differences between Eramet's preliminary and final financial statements are recorded in the financial statements for the following period.

It should be noted that AREVA sold its 29.95% interest in REpower in June 2008 (see comments on net financial income, note 2.5.7).

2.5.10. Minority interests

The share of net income allocated to minority interests fell from +38 million euro for the first half of 2008 to a loss of 154 million euro for the first half of 2009.

Minority interests are as follows:

(in millions of euro)	**H1 2009**	H1 2008	2008
34% SIEMENS in AREVA NP	(166)	(44)	(186)
40% minority holding in Eurodif	14	37	34
Other	(2)	45	61
Total	**(154)**	**38**	**(91)**

2.6.11. Net income and comprehensive income

In light of the foregoing, net income attributable to equity holders of the parent for the first half of 2009 was 161 million euro, against 760 million euro for the first half of 2008.

Net earnings per share amounted to 4.55 euro for the first half of 2009 against 21.45 euro for the first half of 2008.

Comprehensive income attributable to equity holders of the parent was a loss of 338 million euro in the first half of 2009 against income of 434 million euro for the first half of 2008. Aside from the drop in net income, this evolution is explained by the change in the value of available-for-sale financial assets, net of tax, which totals a reduction of 433 million euro for the first half of 2009, against a reduction of 278 million euro in the first half of 2008.

2.7. Review by division

2.7.1. Front End division

(contribution to the group, in millions of euro)	**H1 2009**	H1 2008	2009/2008 change
Backlog	27,055	19,108	+41.6%
Revenue	1,556	1,488	+4.6%
Operating income	348	400	-13.1%
In % of revenue	*22.4%*	*26.8 %*	*-4.4 pts*
Operating cash flow before tax	(179)	(46)	-133

First half 2009 performance

The **Front End** division backlog came to 27,055 million euro at the end of June 2009. Amongst the contracts won by the **Front End** in the first half of 2009, we should particularly note the signature of multi-year contracts with US, European and Asian utilities in Mining and Enrichment.

The **Front End** division revenues amounted to 1,556 million euro in the first half of 2009, up 4.6% (up 0.6% like-for-like). The positive effect of changes in exchange rates was 60 million euro. More specifically:

- Revenues benefited from the increase in average selling prices of uranium in Mining, thanks to the renewal of its long-term contracts portfolio;
- Revenues from the Fuel and Enrichment businesses were globally stable by comparison with the first half of 2008; however, the geographical mix was less favourable than in the first half of 2008, which saw exceptional export sales.

Operating income from the **Front End** division came to 348 million euro (22.4% of revenues) against 400 million euro in 2008 (26.8% of revenues). This change is explained particularly by the financial impact of the agreement with USEC ending the "trade case", by the increase in costs caused by building inventories for the transition between GBI and GBII in Enrichment and the increase in structural costs generated by major projects (Eagle Rock, mining projects, etc.). Furthermore, the positive contribution from minority shareholders taking a stake in the GBII project is identical to that for the first half of 2008, and the optimisation plans implemented in Mining brought production costs under control.

Free operating cash flow before taxation generated by the **Front End** division was an outflow of 179 million euro for the first half of 2009 against an outflow of 46 million euro for the first half of 2008. This change is explained by increasing capital expenditure in Mining and Enrichment and building SWU inventories for the transition period between GBI and GBII.

2.7.2. Reactors and Services division

(contribution to the group, in millions of euro)	**H1 2009**	H1 2008	2009/2008 change
Backlog	8,527	7,633	+11.7%
Revenue	1,506	1,466	+2.8%
Operating income	(608)	(258)	-350
In % of revenue	*- 40.3%*	*- 17.6%*	*- 22.7 pts*
Operating cash flow before tax	(595)	(407)	-188

The OL3 project

As announced on 25 February this year, the civil engineering work on the OL3 project is nearing completion, particularly with the installation of the dome of the reactor in the very near future. The project will then enter its final phases: piping, testing and commissioning.

However the work is progressing significantly slower than planned due to the inadequate resources deployed by TVO to fulfil their contractual commitments and in particular respecting the deadlines for processing the documents that have been delivered (2 months, versus 11 months in practice).

The specific measures for speeding up the work, agreed upon and jointly announced in June 2008, have for the most part not been implemented by TVO. Furthermore, additional modifications imposed unilaterally by TVO and carried out by AREVA are not backed up by the requisite contract amendments.

This conduct, which is not in line with standard industry practices for the construction of turnkey power plants, is leading to delays and additional costs.

As the various proposals for an amicable resolution from the AREVA-SIEMENS consortium have not been successful, AREVA has decided to ensure that TVO faces up to its responsibilities. AREVA intends to redefine, within the framework of the contract, its relationship with the customer allowing more efficient management of the project for all parties. Therefore, AREVA has sent the client documents detailing the methods of execution for the final phases of the project that are in accordance with standard industry practices for the construction of turnkey power plants.

AREVA will only commence the final phases of the construction when TVO has agreed upon the proposals that have been made or issued contract amendments that include the requested modifications, both in terms of costs and time lines.

To take into account the additional costs already incurred over the first half of 2009 and risk related to TVO's ability to adapt to the working methods necessary to continue the works, AREVA has recorded an additional provision of 550 million euro, bringing the estimated result at completion to (2,300) million euro.

It is specified that:

- The conduct of the client continues, for the ongoing work, to raise uncertainties around the final cost of the project and around the date of commissioning;
- Claims amounting to 1,000 million euro have already been sent to TVO by the AREVA-SIEMENS consortium. Additional claims are being prepared. In accordance with the applicable accounting principles, AREVA has not accounted for these positive elements;
- Lastly this amount does not include TVO's claim because the AREVA-SIEMENS consortium deems that the allegations presented in this claim are without foundation and without value with respect to the contract and to Finnish law.

First half 2009 performance

The backlog for the **Reactors & Services** division came to 8,527 million euro at June 30, 2009. In terms of marketing and sales activity, the first half of 2009 was notable for:

- Orders for the replacement of 12 steam generators in France, the USA and South Korea;
- The gain of two contracts for over 150 million euro for the supply of 18 primary pumps for the Chinese utility CNPEC;
- The award by the Syndicat Mixte des Transports pour le Rhône et l'Agglomération Lyonnaise of a contract for 58 million euro for the renewal of the automatic operating systems of the Lyon subway;
- The signature of a multi-year framework contract with EDF for supply of services.

Revenues for the **Reactors and Services** division amounted to 1,506 million euro, up 2.8% (down 1.9% like-for-like). The positive effect of changes in exchange rates was 44 million euro.

Items of note were as follows:

- Reactors saw sustained recurring business;
- Services suffered from unfavourable seasonality linked notably to a later start than in 2008 of the outage cycles in the United States.

Operating loss for the division before the OL3 provision was 58 million euro in the first half of 2009 against operating income of 63 million euro for the first half of 2008. This change arises from:

- The impact of seasonality in the Services business, particularly in the USA;
- The continuing Research, Development and Marketing/Sales efforts to sustain the required growth in major reactor projects;
- The weakness of an industrial partner which held back the Renewable Energies business in a difficult economic environment.

After including the additional provision of 550 million euro for the OL3 project, the operating loss for the division comes to a loss of 608 million euro, against a loss of 258 million euro for the first half of 2008.

Free operating cash flow for the **Reactors and Services** division is negative for the first half of 2009, at an outflow of 595 million euro, compared with an outflow of 407 million euro for the first half of 2008. This change is explained by:

- An increase in the OL3 project expenses;
- Lack of major payment milestones for reactors during the first half.

2.7.3. Back End division

(contribution to the group, in millions of euro)	**H1 2009**	H1 2008	2009/2008 change
Backlog	7,327	5,591	+31.0%
Revenue	843	930	-9.3%
Operating income	150	175	-14.2%
In % of revenue	*17.8%*	*18.8%*	*-1.0 pts*
Operating cash flow before tax	60	73	-13

First half 2009 performance

The backlog for the **Back End** division came to 7,327 million euro at June 30, 2009. Amongst the most significant contracts won during the first half, we note:

- A contract for the supply of MOX fuel to the Japanese utility Electric Power;
- A long-term contract for supply to KKL of packaging for storing spent nuclear fuel of the Leibstadt power station in Switzerland.

Revenue for the **Back End** division came to 843 million euro, down 9.3% (down 10.1% like-for-like). The positive effect of changes in exchange rates was 9 million euro. This change can be explained mainly by a fall of production in Recycling during the first half of 2009, compared to the first half of 2008 during which a larger proportion of the annual volumes were achieved.

The **Back End** division recorded operating income of 150 million euro against 175 million euro for the first half of 2008, in line with the scheduling of production in 2009, the annual level of which should be stable by comparison to 2008. Operating margin turned out at 17.8%, against 18.8% a year earlier.

Free operating cash flow for the **Back End** division amounted to an inflow of 60 million euro for the first half of 2009 against 73 million euro for the first half of 2008. The reason for this change is:

- A drop in EBITDA caused by the lower level of activity by comparison to the first half of 2008;
- The growth in capital expenditure (development of the Creuset froid technology).

2.7.4. Transmission & Distribution division

(contribution to the group, in millions of euro)	**H1 2009**	H1 2008	2009/2008 change
Backlog	5,967	5,791	+3.0%
Revenue	2,614	2,284	+14.5%
Operating income	186	253	-26.4%
In % of revenue	*7.1%*	*11.1%*	*-4.0 pts*
Operating cash flow before tax	(310)	(45)	-265

First half 2009 performance

The backlog for the **Transmission & Distribution** division came to 5,967 million euro at June 30, 2009. The group notably won:

- A contract for a total value of over 100 million euro with the State Grid of China, which was won in partnership with the China Electric Power Research Institute, for the supply of HVDC transmission systems for interconnection projects linking the Ningdong area in Sangdong (north-east of the country) to the Three Gorges Dam in Shanghai;
- A contract for over 80 million euro with the South Korean utility KEPCO for the supply of 400MW conversion substations for the HVDC link between the South Korean island of Jeju and the mainland;
- Orders to the value of approximately 50 million euro for the supply of four ultra high voltage units for the main power transmission company in India, Power Grid of India Ltd;
- A contract (through the consortium formed by AREVA's **Transmission & Distribution** division and PT Multifabrindo Gemilang, an Indonesian electrical equipment contractor) for a total value of 120 million euro with the Indonesian national utility PT PLN;
- Two contracts with the Bahrain Electricity & Water Authority (EWA) for the supply of 220kV transformers and 29 66kV-substations.

Revenue for the **Transmission & Distribution** division came to 2,614 million euro in the first half of 2009, up 14.5% (up 12.5% like-for-like). For the half-year, the positive 61 million euro effect of changes in consolidation scope more than offset the negative 20 million euro impact from changes in exchange rates. The growth in revenues was fuelled mainly by the Near and Middle-East and by North America. This reflects the good performance of the Products BU (up 11.8% like-for-like) and the Systems BU (up 15.1% like-for-like) due to the successful implementation of projects. Furthermore, the division has not had any orders cancelled since the end of March 2009.

Operating income for the **Transmission & Distribution** division reached 186 million euro in the first half of 2009 with a margin of 7.1%, against 253 million euro a year earlier, with a margin of 11.1%. This change is mainly explained by the impact of the strong pressure noticeable on the T&D market in the first half as a consequence of the crisis and by the start up costs of new capacity (8 facilities in India and 3 in China).

Operating cash flow was negative at 310 million euro at the end of June 2009, compared with a negative of 45 million euro at the end of June 2008. This change is explained by:

- Longer time to receive payments;
- Unfavourable phasing of payment schedules in the first half of 2009, by comparison to the same period in the previous year;
- Investments in capacity and acquisitions in Services in the United States and in the United Kingdom.

2.7.5. Corporate and other operations

(contribution to the group, in millions of euro)	**H1 2009**	H1 2008	2009/2008 change
Revenue	2	1	-
Operating income	(61)	(32)	-29
Operating cash flow before tax	(92)	(96)	+4

The operating loss for **Corporate** increased from 32 million euro to 61 million euro between the first half of 2008 and the first half of 2009. It in particular includes the increase in marketing and sales expenses as a result of expanding the business into new countries.

2.8. Cash flow

2.8.1. Change in net debt

(in millions of euro)	**H1 2009**	H1 2008
EBITDA	459	863
In % of revenue	*7.0%*	*14.0%*
Gains/losses from disposal of operating assets and other non-cash items	(173)	(190)
Change in operating WCR	(783)	(739)
Net operating Capex	(618)	(455)
Free operating cash flow before tax	**(1,115)**	**(521)**
Cash flows for end-of-life-cycle operations	(33)	(20)
Dividends paid	(313)	(319)
Other (net financial assets, net taxes, non-operating WCR)	546	428
Change in net debt	**(915)**	**(432)**

	June 30, 2009	December 31, 2008
Net debt at the end of the period (including put options of minority interests)	(6,414)	(5,499)

2.8.2. Free operating cash flows by business

	EBITDA		Change in operating WCR		Operating Capex net of disposals		Free operating cash flow before tax	
(in millions of euro)	**H1 2009**	H1 2008	**H1 2009**	H1 2008	**H1 2009**	H1 2008	**H1 2009**	H1 2008
Front End	438	533	(212)	(264)	(235)	(125)	(179)	(46)
Reactors & Services	(333)	(98)	(97)	(130)	(163)	(178)	(595)	(407)
Back End	198	205	(88)	(87)	(50)	(44)	60	73
Transmission & Distribution	211	255	(370)	(198)	(149)	(99)	(310)	(45)
Corporate	(55)	(31)	(17)	(59)	(20)	(9)	(92)	(96)
Group total	**459**	**863**	**(783)**	**(739)**	**(618)**	**(455)**	**(1,115)**	**(521)**

Group EBITDA came to 459 million euro in the first half of 2009 against 863 million euro in the first half of 2008. This change is notably due to unfavourable seasonality.

The change in operating working capital requirement in cash use of 783 million euro in the first half of 2009, against a cash use of 739 million euro in the first half of 2008. This arises mainly from building up SWU inventories for the transition between GBI and GBII in the **Front End** together with the longer time required to receive payments and the unfavourable phasing of payment schedules in the **Transmission & Distribution** division.

Net operating Capex increased by 162 million euro over the period, coming to 618 million euro, against 455 million euro for the first half of 2008. This increase was the result of a rise in gross operating capex of 221 million euro, relating particularly to expanding production facilities in the Mining, Enrichment and Equipment business units.

Including these items, the group's free operating cash flow in the first half amounted to an outflow of 1,115 million euro, against an outflow of 521 million euro in the first half of 2008.

Comments regarding changes in free operating cash flows by division are given in section 2.7.

2.8.3. Cash flows for end-of-life-cycle operations

To meet its dismantling commitments, the group constituted a dedicated portfolio to fund expenses relating to these operations. It is the group's policy to offset negative cash flows associated with end-of-life-cycle operations with positive cash flows from dividends or sales of securities held in the portfolio.

In the first half of 2009, cash flows related to end-of-life-cycle operations came to an outflow of 33 million euro, against an outflow of 20 million euro at June 30, 2008. The main transactions were as follows:

- Disbursements relating to end-of-life-cycle operations totalling -93 million euro, up on the first half of 2008 (-51 million euro);
- Dividends received in the amount of 40 million euro, compared with 25 million euro at June 30, 2008.

2.8.4. Other cash flows

Other cash inflows came to 546 million euro and include in particular the sale of available-for-sale financial assets.

2.9. Balance sheet items

Working capital assets and liabilities, as well as deferred taxes, are offset in the simplified balance sheet. Assets and liabilities are not offset in the detailed balance sheet presented in section 4.3.

(in millions of euro)	**June 30, 2009**	December 31, 2008
Net goodwill	5,016	4,803
Property, plant and equipment (PP&E) and intangible assets	8,611	8,002
Assets earmarked for end-of-life-cycle operations	5,263	5,224
Equity associates	1,571	1,757
Other non-current financial assets	1,174	2,152
Operating working capital requirement	1,463	656
Total assets of the simplified balance sheet	**23,098**	**22,594**
Equity and minority interests	6,693	7,292
Provisions for end-of-life-cycle operations	5,696	5,674
Other provisions	3,655	3,472
Other assets and liabilities	640	657
Net borrowings	6,414	5,499
Total liabilities and equity of the simplified balance sheet	**23,098**	**22,594**

2.9.1. Fixed assets, excluding assets earmarked to finance end-of-life-cycle operations

Goodwill on consolidated companies was up 213 million euro, mainly because of the first time consolidation of Powermann and RB Watkins in 2009 and the adjustment arising from the put option held by the minority shareholder in AREVA NP which depends on the results achieved during the period.

The drop by 186 million euro in the "Equity associates" line is mainly due to the poor results of Eramet and STM in the first half of 2009.

The 978 million euro drop in "Other non-current financial assets" is attributable mainly to the drop in the value of publicly traded shares held by the group and by the sale of available-for-sale financial assets.

2.9.2. Assets and provisions for end-of-life-cycle operations

The change in the balance sheet from December 31, 2008 to June 30, 2009 with regard to assets and provisions for end-of-life cycle operations is summarized in the table below.

(in millions of euro)	**June 30, 2009**	December 31, 2008
ASSETS		
End-of-life-cycle asset	455	459
- AREVA share (to be amortized in future years)	178	189
- Third party share	277	270
Earmarked financial assets	4,986	4,954
Liabilities		
Provisions for end-of-life-cycle operations	5,696	5,674
- Provisions to be funded by AREVA	5,419	5,404
- Provisions to be funded by third parties	277	270

Provisions against end-of-life-cycle operations at June 30, 2009 came to 5,696 million euro, against 5,674 million euro at December 31, 2008.

Earmarked assets relating to these obligations came to 5,263 million euro, including "third party receivables" of 277 million euro and the financial portfolio that AREVA has earmarked to these obligations totalling 4,986 million euro (including receivables).

The nature of the commitments and the calculation of the provision are presented in Note 7 to the consolidated financial statements.

2.9.3. Operating working capital requirement

The group operating working capital requirement amounted to 1,463 million euro at June 30, 2009, against 656 million euro at December 31, 2008. In Nuclear, operating working capital requirement amounted to 408 million euro particularly as a result of building SWU inventories for the transition between GBI and GBII, while in the **Transmission & Distribution** division it reached 1,059 million euro (corresponding to 70 days sales, against 46 at the end of June 2008) because of the longer time required to receive payments and unfavourable phasing of payment schedules during the first half of 2009.

Initiatives for reducing working capital requirement by 300 million euro are ongoing, with particular emphasis on reducing inventories in the **Front End** and **Transmission & Distribution** divisions, and also on optimising project cash flow.

2.9.4. Net debt at the end of the period

The group's net debt rose to 6,414 million euro at the end of June 2009 from 5,499 million euro at the end of 2008.

This increase arises mainly from the changes in free cash flow set out above and from paying dividends totalling 313 million euro, partly offset by the proceeds of sale of available-for-sale assets.

2.9.5. Equity

The payment of dividends and the reduction in equity, which fell from 7,292 million euro at December 31, 2008 to 6,693 million euro at June 30, 2009, are essentially due to changes in unrealised gains/losses on financial instruments.

Changes in equity are presented in detail in the consolidated financial statements.

2.9.6. Other provisions (including net deferred taxes)

The main change in other provisions is due to the increase in current provisions by 170 million euro between December 31, 2008 and June 30, 2009, which then reached 2,251 million euro. In particular, this change includes the change in the provision for losses at completion pertaining to the OL3 contract (TVO – Finland).

The description of other provisions may be found in Note 12 to the consolidated financial statements.

2.9.7. Off balance-sheet commitments

(in millions of euro)	**June 30, 2009**	December 31, 2008
Commitments given	4,427	3,933
Commitments received	1,033	855
Reciprocal commitments	4,426	3,036

A detailed table of off-balance sheet commitments is presented in Note 15 to the consolidated financial statements.

The change in "Commitments given" line reflects the increase in the group's backlog, which results in more guarantees being given to its customers.

The increase in "Commitments received" results principally from market guarantees received notably in AREVA T&D.

The increase in the "Reciprocal commitments" mainly reflects the non-utilisation of the revolving credit line.

2.10. Events subsequent to closing

The main events subsequent to June 30, 2009 closing are described below:

On the strategic level

- AREVA and Astonfield Renewable Resources agreed to form a strategic partnership to develop biomass power plants across India, producing a total output of 100 MW at an estimated investment of around 100 million euro. Work on the first plant is scheduled to begin in the last quarter of 2009 in the state of West Bengal.
- AREVA has signed an agreement to acquire PN Rotor GmbH, a German manufacturer of high performance rotor blades for offshore wind turbines.
- The rating agency Standard & Poor's affirmed AREVA's ST "A1" rating and assigned it a LT "A" rating with stable outlook.

Marketing and sales

- AREVA has signed a 6-year contract with Central Nuclear de Trillo for the supply of approximately 240 fuel assemblies and related services for the CNT 1 reactor, near Guadalajara, in Spain. The first assemblies will be delivered in 2010.
- AREVA has tendered to the Indian utility NPCIL for the design and construction of two EPR nuclear power stations, each with a capacity of over 1600 MWe, on the Jaitapur site, in Maharastra state.

2.11. Outlook

Bearing in mind the existence of several projects likely to affect its scope of activity and results, AREVA is unable to confirm guidance previously announced for year ended 2009.

At June 30, 2009 perimeter, AREVA expects for the year ended 2009:
- Strong growth in backlog;
- Strong growth in revenues;
- An operating income close to the full year 2008 operating income.

3 Statutory Auditors' report on half-year 2009 information – For the period January 1 to June 30, 2009

This is a free translation into English of the Statutory Auditors' review report on the half year condensed consolidated financial statements for the period January 1 to June 30, 2009 issued in the French language and is provided solely for the convenience of English speaking readers.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. Such report should be read in conjunction and construed in accordance with French law and French auditing professional standards.

To the shareholders,

In accordance with our appointment as statutory auditors by your Annual General Meeting and in compliance with article L.451-1-2 of the French Monetary and Financial Code, we hereby report to you on:

- The limited review of the condensed consolidated financial statements of AREVA for the period January 1 to June 30, 2009, as attached to this report;
- The verification of the information provided in the half-year management report.

These condensed consolidated half-year financial statements were established under the authority of the Executive Board in a context of strong financial market volatility and uncertain economic outlooks that already prevailed at the end of the previous financial year as of December 31, 2008. Our role is to express a conclusion on these financial statements based on our limited review.

I - Report on the consolidated financial statements

We have conducted our limited review in accordance with professional standards applicable in France. A limited review consists primarily in inquiries of the members of the executive management team responsible for the accounting and financial matters and the implementation of analytical procedures. These investigations are not as extensive as an audit conducted in accordance with professional standards applicable in France. Accordingly, a limited review provides a moderate assurance that the financial statements as a whole are free of material misstatement to a lesser extent than would result from an audit.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half year consolidated financial statements are not prepared in all material aspects in accordance with IAS 34 accounting standard - IFRS as adopted in the European Union for interim financial information.

Without qualifying the above conclusion, we draw your attention to the following items expressed in the notes to the condensed consolidated financial statements:

- Note 1.2, in which are presented changes in accounting methods resulting from the application of the new standards Revised IAS 1 "Presentation of financial statements", Revised IAS 23 "Borrowing costs" and IFRS 8 "Operating segments", which were endorsed by the European Union and became effective January 1, 2009;
- Note 7, in which the procedures for measuring end-of-life-cycle assets and liabilities and their sensitivity to assumptions adopted with regard to estimates, timing of cash outflows and discount rates are described;
- Note 12, in which are described in particular, the performance conditions of the OL3 contract and the sensitivity of result at completion of this contract to customer conduct, the outcome of contractual disagreements, termination of engineering and civil engineering activities and potential problems arising from the assembly, testing and commissioning phases relating to the EPR's first physical erection
- Note 13, in which are described the procedure for determining the price of the AREVA NP put option exercised by Siemens on January 27, 2009, the uncertainty relating to this procedure and the accounting treatment adopted as of June 30, 2009 for the financial liability relating to this option.

II - Specific procedures

We have also verified the information provided in the half-year management report in respect of the condensed consolidated half-year financial statements, which were subject to our limited review.

We have no matters to report on the fairness of this information and its consistency with the condensed consolidated half-year financial statements.

La Défense and Neuilly-sur-Seine, August 31, 2009

The Statutory Auditors

Mazars		Deloitte & Associés	
Jean-Luc Barlet	Juliette Decoux	Patrice Choquet	Étienne Jacquemin

4 Condensed consolidated financial statements at June 30, 2009

4.1. Consolidated income statement

(in millions of euro)	Note	**First Half 2009**	First Half 2008	2008
Revenue		**6,522**	**6,168**	**13,160**
Other business income		41	18	32
Cost of products and services sold		(5,674)	(4,905)	(10,906)
Gross margin		**889**	**1,281**	**2,286**
Research and development expenses		(249)	(205)	(453)
Marketing and sales expenses		(320)	(287)	(607)
General and administrative expenses		(487)	(468)	(980)
Other operating expenses	3	(100)	(21)	(202)
Other operating income	3	283	240	373
Operating income		**16**	**539**	**417**
Income from cash and cash equivalents		5	13	38
Gross borrowing expenses		(63)	(89)	(148)
Net borrowing expenses		**(59)**	**(76)**	**(111)**
Other financial expenses		(185)	(264)	(707)
Other financial income		456	553	788
Other financial income and expenses		**271**	**289**	**81**
Net financial income	**4**	**212**	**213**	**(29)**
Income tax	5	(58)	(74)	(46)
Net income for all consolidated companies		**171**	**678**	**343**
Share in net income of associates	8	(163)	121	156
Net income from continuing operations		**7**	**799**	**498**
Net income from discontinued operations		-	-	-
Net income for the period		**7**	**799**	**498**
Of which minority interest		(154)	38	(91)
Of which net income attributable to equity holders of the parent		**161**	**760**	**589**
Average number of shares		35,442,701	35,442,701	35,442,701
Net earnings per share from continuing activities attributable to equity holders of the parent		4.55	21.45	16.62
Net earnings per share attributable to equity holders of the parent		4.55	21.45	16.62
Diluted net earnings attributable to equity holders of the parent [1]		4.55	21.45	16.62

(1) AREVA has not issued any instruments that diluted share capital.

4.2. Consolidated comprehensive income

(in millions of euro)	Note	**First Half 2009**	First Half 2008	2008
Net income		**7**	**799**	**498**
Other components of comprehensive income				
Goodwill arising on consolidation		0	(83)	(35)
Changes in the value of available-for-sale financial assets		(493)	(652)	(1,398)
Changes in the value of cash flow hedges		(6)	10	(40)
Tax effect on the above items		60	374	618
Attributable share of other items of comprehensive income of associated companies, net of tax		(96)	(11)	49
Total other components of comprehensive income, after tax		**(535)**	**(362)**	**(806)**
Comprehensive income		**(528)**	**437**	**(308)**
- Attributable to equity holders of the parent		(338)	434	(208)
- Minority interests		(190)	3	(100)

4.3. Consolidated balance sheet

Assets

(in millions of euro)	Note	**June 30, 2009**	December 31, 2008
Non-current assets		**22,557**	**22,841**
Goodwill on consolidated companies	6	5,016	4,803
Intangible assets		3,317	3,089
Property, plant and equipment		5,294	4,913
End-of-life-cycle assets (held by third parties)	7	277	270
Assets earmarked for end-of-life-cycle operations	7	4,986	4,954
Equity associates	8	1,571	1,757
Other non-current financial assets	9	1,174	2,152
Pension plan assets		2	1
Deferred tax assets		921	900
Current assets		**12,534**	**11,804**
Inventories and work-in-progress		3,820	3,403
Trade accounts receivable and related accounts		4,857	4,486
Other operating receivables		2,747	2,434
Current tax - assets		95	164
Other non-operating receivables		181	154
Cash and cash equivalents	10	622	1,050
Other current financial assets		212	113
Assets of businesses held for sale		-	-
Total assets		**35,091**	**34,644**

Liabilities and equity

(in millions of euro)	Note	**June 30, 2009**	December 31, 2008
Equity and minority interests		**6,693**	**7,292**
Share capital		1,347	1,347
Share premiums and consolidated reserves		4,734	4,455
Deferred unrealised gains and losses on financial instruments		(129)	287
Currency translation reserves		(190)	(131)
Current period net income attributable to equity holders of the parent		161	589
Minority interests		769	745
Non-current liabilities		**12,025**	**11,795**
Employee benefits		1,283	1,268
Provisions for end-of-life-cycle operations	7	5,696	5,674
Other non-current provisions	12	121	123
Non-current borrowings	13	4,218	3,969
Deferred tax liabilities		698	760
Current liabilities		**16,374**	**15,558**
Current provisions	12	2,251	2,081
Short-term borrowings	13	3,031	2,693
Advances and prepayments received		4,975	4,752
Trade accounts payable and related accounts		2,939	2,991
Other operating liabilities		3,042	2,884
Current tax - liabilities		57	104
Other non-operating liabilities		80	53
Liabilities of operations held for sale		-	-
Total liabilities and equity		**35,091**	**34,644**

4.4. Consolidated cash flow statement

(in millions of euro)	**First Half 2009**	First Half 2008	Full year 2008
Total net income	7	**799**	**498**
Minus: income from discontinued operations	-	-	-
Net income from continuing activities	7	**799**	**498**
Loss (income) from associated companies	163	(121)	(156)
Net charge for amortisation and impairment of PP&E and intangible assets and marketable securities maturing in more than three months	291	310	565
Goodwill impairment losses	-	-	-
Net increase in provisions	60	(25)	271
Net effect of a reverse discounting of assets and provisions	141	108	272
Income tax expense (current and deferred)	58	74	46
Net interest included in borrowing costs	60	54	108
Loss (gain) on disposals of fixed assets and marketable securities maturing in more than three months, change in fair value	(286)	(270)	(347)
Other non-cash items	(202)	(235)	(353)
Cash flow from operations before interest and taxes	292	**694**	**904**
Net interest received (paid)	(51)	(42)	(82)
Income tax paid	(50)	(145)	(295)
Net cash from operations after interest and tax	191	**506**	**527**
Change in working capital requirement	(780)	(733)	(446)
Net cash from operating activities	(589)	**(226)**	**81**
Investment in PP&E and intangible assets	(910)	(669)	(1,623)
Loans granted and acquisitions of non-current financial assets	(276)	(449)	(1,648)
Acquisitions of shares of consolidated companies, net of acquired cash	(160)	(61)	(133)
Disposals of PP&E and intangible assets	68	14	41
Loan repayments and disposals of non-current financial assets	883	432	1,530
Disposals of shares of consolidated companies, net of disposed cash	265	493	495
Dividends received from equity associates	54	78	80
Net cash flow linked to investing activities	(77)	**(162)**	**(1,259)**
Share issues subscribed by minority shareholders in consolidated subsidiaries	60	265	268
Purchase of treasury shares	(40)	-	-
Dividends paid to shareholders of the parent company	(250)	(240)	(240)
Dividends paid to minority shareholders of consolidated companies	(63)	(78)	(86)
Increase (decrease) in borrowings	532	365	1,574
Net cash flow linked to financing activities	239	**312**	**1,516**
Decrease (increase) in marketable securities with a maturity of over three months	(18)	7	42
Impact of foreign exchange movements	3	(1)	(22)
Net cash flow from discontinued operations	-	-	-
Increase (decrease) in net cash	(442)	**(70)**	**357**
Net cash at the beginning of the period	877	**520**	**520**
Cash at the end of the period	622	642	1,050
Minus: short-term bank facilities and non-trade current accounts	(187)	(192)	(172)
Net cash at the end of the period	436	**450**	**877**

"Net Cash" taken into account in preparing the cash flow statement consists of:

- "Cash and cash equivalents" (see note 10) which includes:
  - cash balances and non-trade current accounts, and
  - risk-free marketable securities maturing in less than three months and money market funds;
- After deduction of short-term bank facilities and non-trade current accounts included in short-term borrowings (see note 13).

4.5. Statement of changes in equity

(in millions of euro)	Number of shares and investment certificates	Share capital	Premiums and Consolidated reserves	Currency translation reserves	Unrealised gains and losses on financial instruments	Equity attributable to equity holders of the parent	Minority interest	Total equity and minority interest
December 31, 2007	**35,442,701**	**1,347**	**4,668**	**(138)**	**1,117**	**6,994**	**470**	**7,464**
Net income for first half 2008			760			760	38	799
Other components of comprehensive income			29	(133)	(222)	(326)	(36)	(362)
Comprehensive income			**789**	**(133)**	**(222)**	**434**	**3**	437
Dividends paid			(240)			(240)	(78)	(318)
Other transactions with shareholders			(2)			(2)	335	333
June 30, 2008	**35,442,701**	**1,347**	**5,215**	**(271)**	**895**	**7,186**	**729**	**7,916**
December 31, 2008	**35,442,701**	**1,347**	**5,044**	**(131)**	**287**	**6,547**	**745**	**7,292**
Net income for first half 2009			161			161	(154)	7
Other components of comprehensive income			(24)	(59)	(416)	(499)	(36)	(535)
Comprehensive income			**137**	**(59)**	**(416)**	**(338)**	**(190)**	**(528)**
Dividends paid (*)			(250)			(250)	(63)	(313)
Purchase of treasury shares			(40)			(40)		(40)
Other transactions with shareholders			4			4	278	282
June 30, 2009	**35,442,701**	**1,347**	**4,895**	**(190)**	**(129)**	**5,923**	**769**	**6,693**
* Dividend paid per share *(in euro)* :								
• in 2008 in respect of 2007			6.77					
• in 2009 in respect of 2008			7.05					

4.6. Segment reporting

By division

First half 2009 Results

(in millions of euro)	Front End	Reactors and Services	Back End	Transmission & Distribution	Corporate and eliminations	**Group total**
Gross revenues	**1,571**	**1,591**	**1,014**	**2,615**	**(270)**	**6,522**
Inter-division sales	(15)	(85)	(171)	(1)	272	0
Contribution to consolidated revenue	1,556	1,506	843	2,614	2	6,522
Operating income	**348**	**(608)**	**156**	**186**	**(66)**	**16**
% of gross revenue	*22.1%*	*(32.2)%*	*15.4%*	*7.1%*	*Not available*	*0.2%*

First half 2008 Results

(in millions of euro)	Front End	Reactors and Services	Back End	Transmission & Distribution	Corporate and eliminations	**Group total**
Gross revenues	**1,504**	**1,540**	**1,038**	**2,286**	**(200)**	**6,168**
Inter-division sales	(17)	(74)	(108)	(2)	201	0
Contribution to consolidated revenue	1,488	1,466	930	2,284	1	6,168
Operating income	**400**	**(258)**	**182**	**253**	**(39)**	**539**
% of gross revenues	*26.6%*	*(16.8)%*	*17.6%*	*11.1%*	*Not available*	*8.7%*

Full year 2008 Results

(in millions of euro)	Front End	Reactors and Services	Back End	Transmission & Distribution	Corporate and eliminations	**Group total**
Gross revenues	**3,411**	**3,220**	**1,987**	**5,071**	**(529)**	**13,160**
Inter-division sales	(48)	(183)	(295)	(7)	532	0
Contribution to consolidated revenue	3,363	3,037	1,692	5,065	3	13,160
Operating income	**453**	**(687)**	**270**	**561**	**(180)**	**417**
% of gross revenues	*13.3%*	*(21.3)%*	*13.6%*	*11.1%*		*3.2%*

The proportion of revenues earned by the group from a single customer exceeds 10% of its total revenue.

Contribution to consolidated revenues by division and by customer location

First half 2009

(in millions of euro)	Front End	Reactors and services	Back End	Transmission & Distribution	Corporate	**Group total**
France	520	509	555	178	2	1,764
Europe (excluding France)	430	391	121	850		1,792
America	306	378	61	339		1,084
Asia-Pacific	266	205	104	568		1,143
Africa and Middle East	33	23	2	680		738
Total	**1,556**	**1,506**	**843**	**2,614**	**2**	**6,522**

First half 2008

(in millions of euro)	Front End	Reactors and services	Back End	Transmission & Distribution	Corporate	**Group total**
France	584	547	628	180	1	1,938
Europe (excluding France)	348	404	134	823		1,709
America	246	369	54	234		904
Asia-Pacific	285	116	114	614		1,130
Africa and Middle East	24	30	0	434		488
Total	**1,488**	**1,466**	**930**	**2,284**	**1**	**6,168**

Full year 2008

(in millions of euro)	Front End	Reactors and services	Back End	Transmission & Distribution	Corporate	**Group total**
France	1,159	1,135	977	371	3	3,645
Europe (excluding France)	921	849	362	1,721		3,854
America	475	696	114	648		1,934
Asia-Pacific	731	299	237	1,297		2,564
Africa and Middle East	77	58	1	1,027		1,163
Total	**3,363**	**3,037**	**1,692**	**5,065**	**3**	**13,160**

4.7. Notes to the consolidated financial statements for the period ending June 30, 2009

All amounts are shown in millions of euro, unless stated otherwise.
Some totals may contain rounding differences.

NOTE 1 - ACCOUNTING PRINCIPLES

1. Preparation of the financial statements

The consolidated financial statements at June 30, 2009 are prepared in accordance with IAS 34 - Interim Financial Reporting. As these are summary accounts, they do not contain all the information needed for the preparation of full IFRS consolidated financial statements and must be read in conjunction with the consolidated financial statements at December 31, 2008.

Highlights for the period are set out in the half-year business report.

2. Accounting principles

The accounting principles applied for the preparation of the summary consolidated accounts at June 30, 2009 are identical to those set out in note 1 to the Notes to the Consolidated Financial Statements for the year ended December 31, 2008, with the exception of the following points arising on the first-time application of new IFRS standards and to revised IAS standards adopted by the European Union, applicable from January 1, 2009:

- Revised IAS 1 "Presentation of Financial Statements"

  In application of the revised standard, AREVA has published a new financial statement called "Statement of comprehensive income" which is presented immediately after the income statement. This statement gives the detailed analysis of the income and expenditure recognised directly through equity, particularly including translation differences, changes in value of available-for-sale financial assets and cash flow hedge instruments, together with the associated tax effects.

- Revised IAS 23 "Borrowing Costs"

  This revised standard makes it mandatory to incorporate borrowing costs into the cost price of property, plant and equipment and intangible assets; this covers financial expenses incurred during the construction or development phase of a non-current asset up to the date that it is put into service.

  This provision applies only to new projects started on or after January 1, 2009, and not to projects in progress at that date. This therefore has only a minimal effect on the accounts for the first half of 2009.

- IFRS 8 "Segment Reporting", which replaces IAS 14

  In application of this new standard, segment information has to be provided according to what Management considers to be important, and is no longer grouped according to similar risk and return criteria. Application of this standard has no significant impact on AREVA's segment reporting in the financial statements at June 30, 2009.

During the first half of 2009, the European Union adopted a number of revised standards and IFRIC interpretations:

- The revised IFRS 3 "Business Combinations" and revised IAS 27 "Consolidated and Separate Financial Statements" will become mandatory for years commencing on or after July 1, 2009; AREVA has not opted for early application at January 1, 2009. The main consequences of these revised standards, the application of which will not be retrospective, will be to change the rules for accounting for business combinations that take effect on or after January 1, 2010, together with the rules for recognising acquisitions and disposals of minority interests in controlled companies consolidated by the full consolidation method.
- Interpretation IFRIC 12 "Service Concession Arrangements" has no effect on AREVA, which is not a stakeholder in operations of that type.
- Interpretation IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" gives clarification on the type of risk hedged and the amount of the item to be hedged for which a hedging relationship can be designated, as well as the extent to which the hedging instrument can be held within the group. This interpretation has no impact on AREVA.

Furthermore, AREVA applies the methods laid down by IAS 34 for determining the charge for the interim period for pensions and other employee benefits, and also for the tax charge for the interim period.

- The charge for the interim period for pensions and other employee benefits is calculated on the basis of discount rates determined at the previous year-end, adjusted to take major market fluctuations since that date into account together with any reduction, extinction or other major non-recurring events. In application of this method, AREVA has calculated the charge for the first half of 2009 by using the discount rate set at December 31, 2008. Using a revised discount rate for June 30, 2009 would not have a significant impact on the total of the provision for employee benefits and on income for the period.

- The tax charge for the interim period is calculated by applying the estimated average rate of tax for the year to the pre-tax income for the period. A different rate of tax is however used for types of income subject to specific rates of tax, such as gains on disposal of securities subject to the French long-term capital gains tax regime.

Available-for-sale financial assets

In July 2009, the IFRIC published a position according which it made explicit the application methods of the standard IAS 39 concerning impairment of financial assets equity instruments and classified as “available for sale”. The IFRIC clarified in particular the following points:

- The recognition meaning of a significant or prolonged decline in the value of an asset below its acquisition cost is an objective indicator of impairment and not only a simple indicator, and in such case the recording of an impairment loss affecting the income statement is required;
- The fact that the decline in the value of an asset is in line with the overall level in the relevant market does not mean that an entity can conclude the asset is not impaired;
- When he assesses the significant or prolonged nature of the decline in the value of an asset, the holder of this asset is not allowed to consider the expected holding duration or anticipated market recovery;
- The determination of what constitutes a significant or prolonged decline is a matter of fact that requires the application of judgment.

This position completed that of June 2005, according which the IFRIC reminded the significant or prolonged nature of asset value should be estimated in relationship with the overall time during which the fair value asset is below the acquisition cost.

These positions might be revised for amendments to IAS 39 “Financial Instruments”, according which the IASB announced would be published before the end of 2009 and which may significantly modify the recognition of changes in the value of financial assets held as “available-for-sale”.

For the half-year financial statements publication on June 30, 2009, AREVA estimated the significant or prolonged nature of the value decline which had an impact on certain lines of financial assets classified as “available-for-sale” by taking especially into account the IFRIC position; this did not lead it to recognize additional significant impairment losses.

This issue principally affects AREVA in terms of its portfolio of assets earmarked to finance future end-of-life-cycle operations on its nuclear installations. This portfolio is managed on a long-term horizon to meet a timetable of payment instalments that will mainly fall due in a period after 2025 and through to 2060; it is built up in accordance with the provisions of the Law of 2006 on the sustainable management of radioactive material and waste, and of the resulting decree and implementing circulars.

NOTE 2 - Scope of consolidation

Announcements made following the Supervisory Board meeting of June 30, 2009

The Supervisory Board on June 30, 2009 requested that AREVA's Executive Board initiate the process of selling the **Transmission & Distribution** (T&D) division.

As stated in the press release published on that day, as part of the resulting open invitation to tender process, the group will take into account not only the price offered, but also the business and employee welfare plans; depending on the quality of the notices of interest received, the decision as to whether or not to sell the T&D division and the selection of a potential buyer will be taken before the end of the year. As a result, the provisions of IFRS 5 relating to discontinued activities do not apply at June 30, 2009.

In addition to segment information, the contributions of the T&D division at June 30, 2009 to equity, property, plant and equipment, intangible assets and net borrowings of the group are as follows:

(in millions of euro)	
Equity*	1,002
Property, plant and equipment and intangible assets	783
Net borrowings	1,043

** before cancellation of the AREVA T&D securities held by AREVA for 508 million euro*

This press release furthermore stated that AREVA also intended to sell its stakes in ERAMET and STMicroelectronics but that these holdings would certainly remain in public ownership because of their strategic nature.

The other main changes in group composition in the first half of 2009 are as follows:

> GEORGES BESSE 2

During the first half of 2009, AREVA signed agreements with the Japanese companies Kansai and Sojitz and the South Korean utility Korea Hydro & Nuclear Power Co. Ltd (KHNP), on the latter taking a 5% stake in the holding company of Société d'Enrichissement du Tricastin (SET), which will operate the Georges Besse II enrichment facility.

Located on the Tricastin nuclear site (Drôme and Vaucluse), the Georges Besse II plant will have a production capacity of 7.5 million SWUs (Separative Work Unit). This unit will use centrifugal technology, which is currently considered to be the most efficient.

> IMOURAREN

On January 5, 2009, AREVA and the government of Niger signed a mining agreement at Niamey, granting AREVA an operating permit for the Imouraren mine.

The agreement provides for a split in share capital of 66.65% for AREVA and 33.35% for the Government of Niger in the company formed to operate the mine.

The Imouraren mine will eventually produce an estimated 5,000 tonnes per year for over 35 years, for an initial investment of 1,200 million euro (800,000 million CFA francs) and will involve the creation of almost 1,400 direct jobs.

> MNF

AREVA, Mitsubishi Heavy Industry, Ltd. (MHI), Mitsubishi Material Corporation (MMC) and Mitsubishi Corporation (MC) signed a four party agreement in Tokyo on December 22, 2008 to form a joint venture (MNF) specialising in nuclear fuel. MNF will combine development, design, manufacture and marketing of nuclear fuels into one organisation.

The share capital is divided 35% MHI, 30% MMC, 30% AREVA and 5% MC. It should employ around 550 people and produce annual revenues of 50,000 million yen by 2020.

AREVA has a significant influence in this associated company and consolidates it by the equity method.

The total acquisition price for this operation was 124 million euro.

> POWERMANN

On January 28, 2009, AREVA T&D acquired Powermann Limited, a company based in Poole in Dorset in the UK, to strengthen its high-voltage Service business in the region, especially in the field of power generators and major utility companies. This will also strengthen AREVA T&D Service's presence in the country, enabling it to be close to some of the division's largest customers, and to provide them with quicker response times.

In total, 78 new staff will bring their expertise to AREVA T&D. Revenues achieved between November 2007 and December 2008 were 14 million euro.

NOTE 3 - Other operating income and expenses

Other operating expenses

(in millions of euro)	**First half 2009**	First half 2008	Full year 2008
Restructuring and early closure expenses	(12)	(8)	(43)
Of which Nuclear division	*(9)*	*(6)*	*(27)*
Of which Transmission & Distribution division	*(3)*	*(2)*	*(16)*
Goodwill impairment losses	-	-	-
Impairments on other assets	-	-	(1)
Other operating expenses	(87)	(13)	(158)
Other operating expenses	**(100)**	**(21)**	**(202)**

Other operating income

(in millions of euro)	**First half 2009**	First half 2008	Full year 2008
Dilution gains and gains on disposals of assets other than financial assets	233	190	195
Other operating income	50	50	178
Total other operating income	**283**	**240**	**373**

At June 30, 2009 and 2008 and at December 31, 2008, the heading "Dilution gains and gains on disposals of assets other than financial assets" particularly included income from minority shareholders taking stakes in group consolidated subsidiaries.

Note 4 - Net financial income

(in millions of euro)	**First half 2009**	First half 2008*	Full year 2008
Net borrowing expenses	**(59)**	**(76)**	**(111)**
Income from cash and cash equivalents	5	13	38
Gross borrowing expenses	(63)	(89)	(148)
Other financial income and expenditure	**271**	**289**	**82**
Share related to end-of-life-cycle operations	***29***	***1***	***(57)***
Net proceeds of sales of earmarked securities	7	37	96
Dividends received	40	25	26
Income from receivables and discount reversal on earmarked end-of-life-cycle assets	76	66	182
Impairment on securities	-	-	(35)
Effect of revision of payment dates	-	-	-
Discount reversal on end-of-life-cycle operations expenses	(95)	(127)	(327)
Share not related to end-of-life-cycle operations	***242***	***288***	***139***
Exchange difference	25	5	(13)
Income from disposals of securities and change in value of securities held for trading	244	354	370
Dividends received	50	60	96
Impairment of financial assets	(1)	(6)	(37)
Interest on Back End contract advances	(8)	(22)	(49)
Other financial expenses	(35)	(136)	(173)
Other financial income	13	68	16
Financial income from pensions and other employee benefits	(45)	(35)	(72)
Net financial income	**212**	**213**	**(29)**

(*) Discount/premium is categorised in Other financial expenses as of December 2008. It was categorised as a gross financial borrowing expense in the first half of 2008.

In the first half of 2009, income from disposals of securities not related to end-of-life-cycle operations was made up mainly of gains on disposals of TOTAL and GDF SUEZ holdings.

In the first half of 2008, income from disposals of securities not related to end-of-life-cycle operations included the gains on disposal of the Repower holding. Other financial expenses include the write-off of the income recognised in 2007 on the put option that the group held over the Repower shares, a charge of 121 million euro.

As of December 31, 2008, income from disposal of securities not related to end-of-life-cycle operations includes a gain on the disposal of Repower shares. Other financial expenses include 121 million euro from the reversal of a gain recognized in 2007 on the put optionheld by the group on Repower shares.

Note 5 - Income taxes

The AREVA group calculated the income tax charge at 30 June by applying the estimated average effective rate of tax for the year to income before tax. This produces an effective rate of tax at June 30, 2009 of 25.3%. The actual effective rate of tax for 2008 was 11.8%.

The change in deferred taxes, recognised directly in equity and arising from changes in fair value of financial instruments recognised in recyclable equity amounted to 70 million euro in the first half of 2009 (see details in note 11).

Note 6 - Goodwill

The change in goodwill at June 30, 2009 is as follows:

(in millions of euro)	**December 31, 2008**	Acquisitions	Disposals	Minority put options	Unrealised translation differences	**June 30, 2009**
Nuclear divisions	**4,178**	**22**	**(3)**	**172**	**(8)**	**4,361**
Transmission & Distribution division	**625**	**21**			**9**	**655**
Total	**4,803**	**43**	**(3)**	**172**	**1**	**5,016**

The change in goodwill in Nuclear arises mainly on the adjustment relating to put options held by the minority shareholder in AREVA NP which depends on the income realised during the period from January 1 to June 30, 2009.

In accordance with IFRS 3, the estimate of the fair value of the identifiable assets and liabilities acquired on business combination can be amended within twelve months following the date of acquisition. As a result, goodwill recognised on acquisitions in the second half of 2008 and in the first half of 2009 are provisional in nature and may subsequently be adjusted.

In the absence of any sign of loss of value, no impairment tests were carried out on goodwill at June 30, 2009.

Note 7 - End-of-life-cycle operations

The table below summarises the AREVA balance sheet accounts affected by the treatment of end-of-life-cycle operations and their financing:

ASSETS *(in millions of euro)*	**June 30, 2009**	**December 31, 2008**	**LIABILITIES**	**June 30, 2009**	**December 31, 2008**
End-of-life-cycle assets AREVA share (1)	178	189			
Assets earmarked for end-of-life-cycle operations	5,263	5,224	Provisions for end-of-life-cycle operations	5,696	5,674
- end-of-life-cycle assets - by third party share (2)	277	270	- funded by third parties (2)	277	270
- Earmarked financial assets (3)	4,986	4,954	- funded by AREVA	5,419	5,404

(1) amount of total provision to be funded by AREVA still subject to amortisation
(2) amount of provision to be funded by third parties
(3) portfolio of financial assets and receivables earmarked to fund AREVA's share of the provision

End-of-life-cycle assets

As an addition to the value of its property, plant and equipment, the group recognises the deferred portion of the group's share of end-of-life-cycle operations, such as dismantling and decontaminating nuclear installations, which it is responsible for funding. The group's share is amortised at the same rate as the underlying property, plant and equipment.

It also recognises an asset for the third party share of dismantling and waste recovery and packaging operations that are to be funded by certain customers. Conversely, a provision is recorded to cover its total estimated end-of-life-cycle operations as soon as a facility starts up, including any share funded by third parties.

	June 30, 2009			
(in millions of euro)	Gross	Amortisation	Net	December 31, 2008
Group share	716	(538)	178	189
Third-party share	277		277	270
Total	**993**	**(538)**	**455**	**459**

The third-party share in end-of-life-cycle assets connected with dismantling is principally made up of the funding expected from the CEA for the Pierrelatte site. This heading increases because of discount reversal and reduces as work is carried out by AREVA.

Assets earmarked for end-of-life-cycle operations

This heading includes the following:

(in millions of euro)	**June 30, 2009**	December 31, 2008
Receivables related to end-of-life-cycle operations	3,063	2,991
Earmarked portfolio	1,923	1,964
Total	**4,986**	**4,954**

Receivables related to end-of-life-cycle operations correspond chiefly to (i) receivables from the CEA resulting from the signature in December 2004 of an agreement confirming the CEA's responsibility for a share of the costs of dismantling the La Hague and Cadarache plants and of the costs to retrieve and package waste at the UP2-400 plant, and (ii) a receivable from EDF resulting from the signature in December 2008 of the memorandum of understanding between EDF and AREVA on the principles governing **Back End** contracts for the post-2007 period.

An agreement on the arrangements for settlement of the EDF receivable was signed in July 2009. The terms of this agreement provide that payment by EDF to AREVA will be made by offsetting the advances received from EDF under the 2001 – 2007 contract (in note 13 "Borrowings", see the heading Interest-bearing advances - under one year) and by scheduled payment instalments through to June 2011.

The memorandum of understanding signed between EDF and AREVA at the end of 2008 will be incorporated into a formal contract to be finalised before December 31, 2009. Payment by EDF of instalments after 2009 remains conditional on finalisation of this contract.

The breakdown of the earmarked portfolio of assets is as follows:

(in millions of euro)	**June 30, 2009**	December 31, 2008
At market value		
Publicly traded shares	435	479
Equity mutual funds	586	548
Bond and money market mutual funds	903	937
Total	**1,923**	**1,964**

Provisions for end-of-life-cycle operations

(in millions of euro)	**June 30, 2009**	December 31, 2008
Dismantling nuclear facilities	4,097	4,068
Waste retrieval and packaging	1,599	1,606
Provisions for end-of-life-cycle operations	**5,696**	**5,674**

As an operator of nuclear facilities, the group has the legal obligation to secure and dismantle its facilities when they are shut down permanently. The group must also retrieve and package, in accordance with prevailing standards, the various waste types generated by operating activities which could not be processed during treatment. Group facilities subject to these obligations include facilities in the front end of the fuel cycle, in particular the Eurodif enrichment plant at Pierrelatte and the fuel fabrication facilities, but they predominantly include the back end of the cycle: the treatment plants at La Hague and the MELOX and Cadarache MOX fuel fabrication plants.

Note 8 - Investments in associates

	June 30, 2009					December 31, 2008
(in millions of euro)	% of control	Share in net income of associates	Investment in associates, excluding goodwill	Goodwill	Value of investment in associates, including goodwill	Value of investment in associates, including goodwill
STMicroelectronics	14.27%	(124)	784		784	940
Eramet	25.73%	(39)	593	35	628	752
MNF	30.00%		106		106	
Other equity associates		0	52		52	65
Total		**(163)**	**1,535**	**35**	**1,571**	**1,757**

The changes between December 31, 2008 and June 30, 2009 arise chiefly from the acquisition of the MNF shares, the income made by the associates and the dividends that they paid during the period.

The goodwill for MNF is currently being evaluated.

The share of net income relating to STMicroelectronics includes an impairment charge of 43 million euro against the goodwill that existed at December 31, 2008.

Note 9 - Other non-current financial assets

(in millions of euro)	**June 30, 2009**	December 31, 2008
Available-for-sales securities	918	1,744
Loans to equity associates	87	87
Other non-current financial assets	89	232
Derivatives on financing activities	80	89
Total	**1,174**	**2,152**

Available-for-sales securities

Available-for-sales securities are made up as follows:

(in millions of euro)	**June 30, 2009**	December 31, 2008
Publicly traded shares (at market value)		
- TOTAL	-	286
- Alcatel	5	4
- GDF-SUEZ	404	932
- SUEZ Environnement	86	83
- Safran	289	296
- Summit	21	18
- Japan Steel	42	47
- Other publicly traded shares	15	10
Investment in privately held companies	56	68
Total	**918**	**1,744**

The changes recorded for TOTAL and GDF SUEZ result from disposals from these holdings during the first half of 2009.

Other non-current financial assets

As of December 31, 2008, this heading included mostly deposits with the US Customs Service in connection with the USEC dispute.

Following the agreement reached during the first half of 2009 between AREVA and USEC (see note 16 "Disputes and contingent liabilities"), these deposits have been reclassified to the heading "Other current financial assets".

Note 10 - Cash and cash equivalents

(in millions of euro)	**June 30, 2009**	December 31, 2008
Cash and cash equivalents	273	632
Cash balances and non-trade current accounts,	349	418
Net	**622**	**1,050**

Cash equivalents are made up mainly of short-term marketable debt securities.

Note 11 - Equity

Other components of comprehensive income

(in millions of euro)	**First half 2009**	First half 2008	Full year 2008
Goodwill arising on consolidation			
• Unrealised gains (losses) for the period	0	(83)	(35)
• Less gains (losses) recycled to profit or loss	-	-	-
Changes in the value of the available for sale financial fixed assets			
• Unrealised gains (losses) for the period	(166)	(605)	(1,308)
• Less gains (losses) recycled to profit or loss	(327)	(47)	(90)
Changes in the value of cash flow hedges			
• Unrealised gains (losses) for the period	30	11	(59)
• Less gains (losses) recycled to profit or loss	(36)	(1)	19
Tax effect on the above items	**60**	**374**	**618**
Attributable share of comprehensive income of associated companies, net of tax	**(96)**	**(11)**	**49**
Total other components of comprehensive income, after tax	**(535)**	**(362)**	**(806)**

Tax effect of other components of comprehensive income

	First half 2009			First half 2008			Full year 2008		
(in millions of euro)	**Before tax**	**Tax**	**After tax**	Before tax	Tax	After tax	Before tax	Tax	After tax
Goodwill arising on consolidation	0	(10)	(10)	(83)	(36)	(119)	(35)	32	(3)
Changes in the value of the available for sale financial fixed assets	(493)	67	(426)	(652)	414	(238)	(1,398)	576	(822)
Changes in the value of cash flow hedges	(6)	3	(3)	10	(4)	6	(40)	10	(30)
Attributable share of comprehensive income of associated companies, net of tax	(96)		(96)	(11)	-	(11)	49	-	49
Total other components of comprehensive income, after tax	**(595)**	**60**	**(535)**	**(736)**	**374**	**(362)**	**(1,424)**	**618**	**(806)**

Note 12 - Other provisions

(in millions of euro)	**June 30, 2009**	December 31, 2008
Restoration of mining sites and mill decommissioning	79	76
Provision for decontamination and remediation of other industrial sites	43	47
Other non-current provisions	**121**	**123**
Restructuring and layoff plans	50	62
Provisions for ongoing cleanup	99	97
Provisions for customer guarantees	250	252
Provisions for losses to completion	1,031	792
Work to completion	517	523
Other	303	356
Current provisions	**2,251**	**2,081**
Total other provisions	**2,372**	**2,205**

Contract for constructing the Olkiluoto 3 EPR

As announced on 25 February this year, the civil engineering work on the OL3 project is nearing completion. The project is entering its final phases: piping and commissioning.

However the work is progressing significantly slower than planned due to the inadequate resources deployed by TVO to fulfil their contractual commitments and in particular respecting the deadlines for processing the documents that have been delivered (11 months in practice as compared to 2 months in the contract).

The specific measures for speeding up the work, agreed upon and jointly announced in June 2008, have for the most part not been implemented by TVO. Furthermore, additional modifications imposed unilaterally by TVO and carried out by AREVA are not backed up by the requisite contract amendments.

This conduct, which is not in line with standard industry practices for the construction of turnkey power plants, is leading to delays and additional costs.

As the various proposals for an amicable resolution from the AREVA-SIEMENS consortium have not been successful, AREVA has decided to ensure that TVO faces up to its responsibilities in order to get back to normal conditions for contract execution. Therefore, AREVA has sent the client documents detailing the methods of execution for the final phases of the project that are in accordance with standard industry practices for the realisation of major projects.

As a consequence, the start to operations, which is still expected in 2012, will depend upon the acceptance by TVO and STUK of the proposals that have been made and their effective implementation.

To take into account this new situation and to cover additional costs already incurred over the first half of 2009 as well as risk related to TVO's ability to adapt to the working methods necessary to continue the works, AREVA has recorded an additional provision of 550 million euro, bringing the estimated result at completion to (2.300) million euro.

In order to assert its rights, claims amounting to 1,000 million euro and related to the sole 2004-2006 period, have already been sent to TVO by the AREVA-SIEMENS consortium. Additional claims are being prepared. In accordance with the applicable accounting principles, AREVA has not accounted for income against this claim;

The provision does not include either TVO's claim because the consortium and its counsel deem that the allegations presented in this claim are without foundation and without value with respect to the contract and to Finnish law.

Residual uncertainties associated with the valuation of the project's result at completion are notably based on the evolution of the client's conduct, the outcome of the contractual disagreements, the end of civil work and engineering as well as potential difficulties in piping, testing and commissioning, in the particular case of the first-time physical realisation of the EPR reactor.

Note 13 - Borrowings

(in millions of euro)	Long-term borrowings	Short-term borrowings	**June 30, 2009**	December 31, 2008
Minority shareholder put options	2,064	-	2,064	2,068
Interest-bearing advances	79	664	744	727
Borrowings from financial institutions	1,965	2,129	4,094	3,582
Short-term bank facilities and non-trade current accounts	-	187	187	172
Derivative financial instruments	-	41	41	54
Miscellaneous financial liabilities	108	10	119	59
Total Borrowings	**4,218**	**3,031**	**7,248**	**6,662**

Minority shareholder put options

This heading is made up mainly of the put options held by Siemens over its shareholding in AREVA NP.

Siemens decided to exercise the put option over its shares in AREVA NP on January 27, 2009. The process of setting the exercise price for this option commenced at the start of February 2009 in accordance with the shareholders' agreement. This procedure provides that, in the event of disagreement between the two parties on the exercise price for the option, each party shall appoint a merchant bank to produce a valuation. In the event of a difference between the two valuations, and if the two parties can still not reach agreement, a specialist will be appointed by the Institute of Chartered Accountants in England and Wales; the specialist shall

make a final determination of the exercise price for the option that AREVA must pay to Siemens at the latest by January 30, 2012. This amount shall bear interest from January 30, 2009, at a floating rate up to the date of finally setting the option price, then at a fixed rate up to the date of actual payment by AREVA.

Because of the uncertainty about the option exercise price that will result from this process, AREVA has decided to maintain the liability in its balance sheet at June 30, 2009 at an amount identical to that held at December 31, 2007 and 2008.

Note 14 - Transactions with related parties

Transactions between the parent company and its subsidiaries, which are related parties, were eliminated on consolidation and are not presented in this note.

The details of transactions between the group and other significant related parties are set out below:

CEA

(in millions of euro)	**June 30, 2009**	December 31, 2008
Sales	318	604
Purchases	41	111
Related party receivables	770	761
Related party payables	144	119

Relations with government-owned companies

The group has business relationships with government-owned companies, in particular EDF. Transactions with EDF include sales of uranium, enrichment services, supply of nuclear fuel, maintenance and sales of equipment for nuclear reactors, and spent fuel transportation, storage, treatment and recycling services. The negotiations in progress with EDF are described in Note 7 – End-of-life-cycle operations.

NOTE 15 - Commitments given and received

Off balance-sheet commitments

(in millions of euro)	**June 30, 2009**	December 31, 2008
COMMITMENTS GIVEN	**4,427**	**3,933**
Contract guarantees given	3,265	3,153
Other operating guarantees	361	215
Financing commitments given	49	71
Other commitments given	752	494
COMMITMENTS RECEIVED	**1,033**	**855**
Operating commitments received	739	545
Financing commitments received	0	2
Other commitments received	294	308
RECIPROCAL COMMITMENTS	**4,426**	**3,036**

The amounts above only include commitments that the group considers valid at the balance sheet date; they therefore do not include construction contracts for which the group is currently negotiating.

Commitments given

Operating commitments represent almost 80% of commitments given. The majority of these commitments consist of performance bonds or guarantees.

The group gave a parent company guarantee to TVO as part of the EPR construction contract in Finland for the full value of its commitment and received a guarantee from Siemens for its share. The net commitment given by the group is in the range of 1,500 million to 2,000 million euro. This value is not included in the summary table.

AREVA gave a specific guarantee in respect of ownership of FCI division shares sold to BAIN. This guarantee, which is capped at the sale price of 582 million euro, is not included in the summary table.

Commitments received

At June 30, 2009 commitments received in particular include the cap on the environmental issues liabilities guarantee received from Alstom following the acquisition of AREVA T&D.

Reciprocal commitments

In February 2007, the group put a revolving line of credit in place that may be drawn down in euro or in dollars over a period of seven years for a total of 2,000 million euro. At the end of June 2009, this line had not been utilised.

NOTE 16 - Other information

Disputes and contingent liabilities

> USEC LITIGATION

In 2001, the United States Department of Commerce (DOC) ordered that countervailing duties (CVD) be levied on enrichment services imported to the United States from France, Germany, the Netherlands and the United Kingdom. This action followed complaints filed in December 2000 by the United States Enrichment Corporation (USEC) against Eurodif and Urenco for dumping (Anti-Dumping - AD) and unfair subsidies (Countervailing Duties - CVD). The level of countervailing duties applied to Eurodif exports to the United States since the start of the proceedings led to a deposit of 213 million US dollars with the US Customs Service (cumulative at the end of 2008).

In defence, AREVA challenged the validity of both these customs measures before the US courts.

Following legal rulings favourable to AREVA in the first instance (US Court of International Trade – CIT) and at appeal (US Court of Appeals for the Federal Circuit – CAFC), the CVD (Subsidies) order was struck down "ab initio" on May 25, 2007, which initiated the procedure of repaying the CVD deposits (62 million dollars plus interest).

However, in relation to the anti-dumping proceedings, USEC and the DOC appealed to the US Supreme Court which eventually decided, on January 26, 2009, that the DOC was entitled to apply AD measures to sales of enrichment services.

After the Supreme Court ruling, AREVA and USEC reached an agreement to end the dispute.

Under the terms of the agreement, AREVA and USEC applied for and obtained the quashing of all public and legal proceedings in progress on the matter, following which AREVA will obtain reimbursement of a large portion of the customs duties provisionally paid by the group to the US Customs service.

However, the Anti-Dumping order will remain in force until it is next reviewed by the US administration in 2012.

> ONGOING INVESTIGATIONS

In the GIS case (gas-insulated switchgear), the appeal filed by ALSTOM and AREVA T&D SA against the European Commission ruling ordering these companies to the joint payment of a fine in the amount of 54 million euro is still under review by the Court of First Instance of the European Communities.

At present, the only remaining investigations are those, less critical, by competition authorities in the Czech Republic, Slovakia and Brazil.

In the Czech Republic, the decision to levy a fine against AREVA T&D was reversed by the courts on June 25, 2008, which led to the competition authorities refunding 5.7 million euro to AREVA. Following an appeal by the competition authorities against the ruling of June 25, 2008, the Supreme Court issued a ruling on April 10, 2009, reversing the ruling of June 25, 2008, and referring the case back to the Regional Court of Brno. The ruling also ordered AREVA T&D SA, AREVA T&D AG (Switzerland) and AREVA T&D Holding SA to pay back the fines (5.33 million euro) that had been refunded, subject to the constitutional appeal that certain other companies had decided to submit and subject to the possible suspension of payment of fines. A substantive examination of the case can now commence, subject to any appeals, in particular on constitutional matters, which certain parties are likely to file.

In Slovakia, AREVA T&D SA, AREVA T&D Holding SA and AREVA T&D AG have appealed a fine of approximately 1.5 million euro levied against them by the Slovak competition authority on December 27, 2007. This appeal is ongoing. A statement of grounds was issued on June 18, 2009 confirming the ruling of the initial proceedings in terms of answerability. A reduction in the total fine is also probable. The final ruling of the Slovakian competition authority is expected in mid-August 2009.

In the UK, on November 17, 2008, National Grid asked the High Court of Justice in London to order the payment of damages by the companies involved in the European Commission's GIS case. These companies include, among others, AREVA T&D UK Limited, AREVA T&D Holding SA and AREVA SA. The High Court of Justice in London gave its ruling on June 12, 2009, in which AREVA T&D UK Limited was excluded from the proceedings and substantive proceedings were suspended until all recourse at the community level in the GIS case is exhausted.

The European Commission launched an investigation into the power transformer sector and communicated its grievances to several companies in that sector on November 24, 2008, including AREVA T&D SA. A decision from the Commission is expected in September 2009

In April 2007, ALSTOM and AREVA entered into an agreement related to warranty obligations and in particular to the assumption by ALSTOM of the financial consequences of the inquiries into anticompetitive practices.

Administrative sanctions against a Mexican subsidiary of AREVA T&D

In July 2004, the Secretaria de la Función Publica (SFP) of Mexico ordered AREVA T&D SA de C.V., a Mexican subsidiary of AREVA T&D, to pay a fine in the maximum amount of 341,000 Mexican pesos (approximately 34,000 US dollars), and prohibited the company from participating in invitations for tenders in the public sector for a two-year period. AREVA T&D SA de C.V. disputed this decision in an "amparo" proceeding aimed at challenging its constitutionality.

On August 23, 2007, the judiciary ruled on the second "amparo" proceeding initiated by AREVA T&D SA de C.V. The court voided the administrative order against AREVA T&D SA de C.V. on the basis of the statute of limitation applicable to one of the two invitations for tenders under review and ordered the SFP to issue a new sanction on the second invitation for tender, which was not time-barred.

Pursuant to this decision, the SFP ordered a new sanction against AREVA T&D SA de C.V. in September 2007 prohibiting the company from participating in invitations for tenders in the public sector for a period of one year, eleven months and thirteen days and levying a fine of 310,050 Mexican pesos.

AREVA T&D SA de C.V. has taken all possible actions that might avoid the sanction issued against it by the SFP, particularly petitioning the Federal Court on Tax and Administrative Matters to set aside the decision. None of these actions has succeeded to date, and there was no change in the situation in 2008. Accordingly, AREVA T&D SA de C.V. remains barred from participating in invitations for tenders in the Mexican public sector until October 14, 2009. AREVA T&D SA de C.V. should again be able to participate in public invitations for tenders in Mexico immediately after that date.

Dispute between CFE/San Nicolas and AREVA T&D's Mexican subsidiary

Following a fire on March 19, 1998 in the San Nicolas substation in Mexico, owned by CFE, a government-owned Mexican power company, CFE and AREVA T&D SA de C.V. are involved in two court cases to determine the parties liable for this incident and its alleged financial consequences. AREVA T&D expects a ruling in its favour in one of the cases in 2009. In the second case, a ruling in favour of CFE was issued on June 18, 2008. AREVA was ordered to pay approximately 5.7 million US dollars to CFE, before interest. The decision was appealed by AREVA. On July 3 last, the Supreme Court issued a ruling that was entirely in AREVA's favour, but which could still be subject to an appeal by CFE. This case could also be concluded by an out-of-court settlement.

Note 17 - Events subsequent to the balance sheet date

There were no events subsequent to June 30, 2009 that are likely to have a material impact on the group's financial statements.

AREVA
Financial Communications departement
33, rue La Fayette - F - 75442 Paris Cedex 9
Tel.: 33 (0)1 34 96 00 00
Fax: 33 (0)1 34 96 00 01
www.areva.com

Energy is our future, don't waste it!

Design and layout: SEQUOIA FRANKLIN