AREVA

PRESS RELEASE

Results for the first half of 2009:

- Backlog of 48,876 million euro: +28% compared to June 30, 2008
- Sales revenue of 6,522 million euro: + 6% compared to the first half of 2008
- Operating income before additional provision for the Finnish OL3 project: 566 million euro, representing an operating margin of 8.7%
- Operating income: 16 million euro
- Net income attributable to equity holders of the parent: 161 million euro, or 4.55 euro per share
- Net debt of 6,414 million euro[1]
- AREVA capital increase and opening of capital to strategic and industrial partners and launch of an open call for bids for the T&D activity
- Granting of a long-term Standard & Poor's "A" rating and confirmation of the short-term "A1" rating – stable outlook

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Paris, 31 August 2009

The Supervisory Board of the AREVA group met today under the chairmanship of Jean-Cyril Spinetta to examine the financial statements for the first half of 2009, as submitted by the Executive Board.

Commenting on these results, Anne Lauvergeon, Chief Executive Officer, made the following statement:

"At June 30, 2009, our backlog reached a record high, while sales revenue increased by 6% over the first half. A half-year is traditionally not very representative of the operational performance in the nuclear industry. It is especially true over the first 6 months of 2009 owing to very unfavourable seasonality effects: by comparison, we had already realised 80% of the operating income for the year just in the first half of 2008. For the full year 2009 and based on the consolidation scope as at June 30, we anticipate strong growth in backlog and in sales revenue and an operating income close to that of 2008.

AREVA's integrated business model has again demonstrated its effectiveness. During the half-year, we signed a memorandum of understanding with NPCIL for an integrated offering, 2 to 6 reactors, fuel cycle and T&D. We are actively pursuing negotiations with Duke for an EPR in the United States and with EDF for 4 EPR in the United Kingdom.

In Olkiluoto the reactor dome will be installed very shortly. Final steps will be focused on piping, testing and commissioning activities. However, the fact that the client TVO has not yet implemented the specific measures for speeding up the work, which were agreed upon

[1] Including the SIEMENS put option at its 2007 value, i.e. 2,049 million euro.

in June 2008, is causing delays and additional costs. AREVA has sent proposals to TVO in order to get back to methods of execution that are in line with usual practices for major projects. We will only commence the final phases of the works when TVO has agreed upon the proposals that have been made or issued contract amendments that provide for the requested modifications. In this context we have recorded an additional provision with respect to this contract in the first half.
On June 30 this year we announced a strategic and financial development plan that is essential for the future of the group. The opening of capital to strategic partners will enable us to deepen and extend our industrial and commercial relationships. This will strengthen both our balance sheet and our ability to raise the necessary resources for our development. Besides we have been granted a long-term "A" rating by the Standard & Poor's rating agency and our short-term "A1" rating has been confirmed.
Finally, we have signed a new long-term partnership agreement with SIEMENS that ensures the continuity of our co-operation in the field of instrumentation and control systems for nuclear reactors."

I – Overall performance

In millions of euro	**H1 2009**	**H1 2008**	**Var. 09/08**
Backlog (at 30/06)	48,876	38,123	+28.2%
Revenue	6,522	6,168	+5.7%
Operating income before OL3 provision	566	860	-34.2%
Operating income/revenue (%) before OL3 provision	8.7%	13.9%	-5.2 pts
Operating income	16	539	(523)
Net income attributable to equity holders of the parent	161	760	(599)
Net earnings per share	€4.55	€21.45	€(16.90)
Free operating cash flow before tax	(1,115)	(521)	(594)
	30.06.09	**31.12.08**	**Var. 09/08**
Net debt*	6,414	5,499	+16.6%

* including the SIEMENS put option at its 2007 value, i.e. 2,049 million euro.

The level of activity of the different divisions within the Nuclear operation and their contribution to the group results may 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, which led to the realisation of over 80% of 2008 operating income for the Nuclear operation[1] just in the first half, for approximately 48% of sales revenue. This illustrates the non-representative nature of the half-year performance with regard to the profitability profile for nuclear activities.

[1] Annual result for 2008, excluding additional OL3 provision

Backlog up by 28.2% compared to June 30 2008

The backlog at June 30, 2009 amounted to 48,876 million euro, up by 28.2% compared to 38,123 million euro posted at June 30, 2008. In the **Nuclear operation**, the principal contributors to this growth were the Front End division (+42%) and the Back End division (+31%). The Reactors and Services division advanced by 12% and the **Transmission and Distribution** division remained almost stable.

Growth in sales revenue of 5.7%

Sales revenue in the first half of 2009 reached 6,522 million euro, up by 5.7% in published data and by 2.8% on a like-for-like basis.[2]. Sales revenue for the **Nuclear operation** was stable at 3,906 million euro while that of the **Transmission and Distribution** operation advanced by 14.5%.

Note: the backlog and revenue are specifically commented upon in the press release published on July 30, 2009.

Operating income affected by unfavourable seasonal effects and an additional provision for the Finnish OL3 site

Before the additional provision of 550 million euro recorded for the first half of 2009 against the Finnish OL3 contract, operating income amounted to 566 million euro, representing an operating margin of 8.7%, compared to 860 million euro on a comparable basis for the first half of 2008, representing an operating margin of 13.9%.

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

2 Consolidation scope, methods and exchange rates compared on a like-for-like basis (conversion of the financial statements of the subsidiaries into the group accounts. This effect results primarily from the change in the US dollar in relation to the euro. AREVA also points out that its foreign exchange hedging policy for sales transactions aims to protect its profitability against fluctuations in currency exchange rates in relation to the euro)

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 provide for 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 (2.3) billion 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 billion 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.

After taking into account this additional provision, group operating income amounted to 16 million euro for the half-year, compared to 539 million euro for the first half of 2008.

Breakdown by division:

- Operating income for the **Front End division** amounted to 348 million euro (22.4% of sales revenue) compared to 400 million euro in 2008 (26.8% of sales revenue). This change is explained primarily by the financial impact of the agreement with USEC ending the "trade case", by the increase in costs brought about by the constitution of 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 acquiring a stake in the GBII project is identical to that for the first half of 2008, and the optimisation plans implemented in the Mining operation brought production costs under control.

- The **Reactors & Services division** posted an operating income before the additional provision for OL3 of -58 million euro compared to +63 million euro for the first half of 2008. This change results primarily from the impact of seasonality on the Services operations, particularly in the United States, as well as from the continued efforts in Research, Development and Marketing/Sales to support the growth in large-scale reactor projects. Finally, the Renewables activity suffered from the weakness of an industrial partner in a difficult economic context.

- The **Back End division** posted operating income of 150 million euro, down by 25 million compared to 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. The operating margin turned out at 17.8% compared to 18.8% one year earlier.

- Operating income for the **Transmission & Distribution division** amounted to 186 million euro compared to 253 million euro for the first half of 2008. Operating margin turned out at 7.1% of sales revenue (11.1 % for the first half of 2008). This change is mainly explained by the impact of the strong pressure noticeable on the T&D market as a consequence of the crisis and by the start-up costs of new capacity (8 facilities in India and 3 in China).

Net income attributable to equity holders of the parent of 161 million euro

Net income attributable to equity holders of the parent amounted to 161 million euro for the first half of 2009, compared to 760 million euro for the first half of 2008. This fall can be explained primarily by the share of net income in associates, which amounted to -163 million euro for the first half of 2009 compared to +121 million euro one year ago, due to the drop in the earnings of STMicroelectronics and Eramet.

Financial income is stable compared to the first half of 2008, at 212 million euro. It benefited from the capital gains realised this year on the disposal of available-for-sale financial assets (in the first half of 2008, it benefited from the capital gain realised on the disposal of REpower shares). Net borrowing costs remained stable despite a substantial increase in financial debt.

Tax charge decreased by 16 million euro between 2008 and 2009 to 58 million euro, representing an effective tax rate of 25.3% for the first half of 2009.

Free operating cash flow before tax amounts to -1,115 million euro

Free operating cash flow before tax for the first half of 2009 amounted to -1,115 million euro compared to -521 million euro for the first half of 2008. This change can be explained by several factors:

- A decrease in EBITDA, which fell from 863 million euro for the first half of 2008 to 459 million euro for the first half of 2008. During the first half of 2008, EBITDA, like operating income, was particularly high (more than 80% of the 2008 EBITDA for the nuclear operation for the first half for approximately 48% of sales revenue);
- Change in operating Working Capital Requirement of -763 million euro due in particular to the constitution of building of SWU inventories for the transition period from GBI to GBII in the Front End division, as well as the extension of deadlines for payment and the unfavourable phasing of payment schedules in the Transmission & Distribution division;
- An increase in gross investments mainly in the Mining and Enrichment operations, which moved from -730 million euro for the first half of 2008 to -950 million euro in 2009;

Net financial debt of 6,414 million euro

On 27 January 2009, SIEMENS announced its intention to exercise the put option on its 34% holding in the share capital of AREVA NP.
Because of the continuing negotiation with SIEMENS on this subject, AREVA has decided to maintain the value of the put option in financial debt at the same amount as that evaluated at 31 December 2007 and at 31 December 2008, i.e. 2,049 million euro.
On the basis of this valuation, the total net financial debt for the group amounted to 6,414 million euro compared to 5,499 million euro at the end of 2008. This increase results primarily from the change in free operating cash flow detailed above as well as from the distribution of a dividend of 313 million euro, which were partially offset by income from the disposal of available-for-sale financial assets.
These amounts should be set against the shareholders' equity figure of 6,693 million euro at June 30, 2009, compared to 7,292 million euro at the end of 2008.

II - Outlook

As indicated when the sales revenue for the first half of 2009 was published and taking into account the launch of several operations that are likely to affect its scope of activity and its results, AREVA is unable to confirm previously-announced guidance for the year-ended 2009.

Based on the consolidation scope as at June 30, 2009, AREVA anticipates for the financial year 2009:

- strong growth in the backlog;
- strong growth in sales revenue;
- operating income close to that of the financial year 2008.

The presentation of AREVA's half-yearly results is available live on the Internet.

To access the webcast, click the links below:

French version: http://webcast.areva.com/20090831/resultats_1er_semestre_2009/
English version: http://webcast.areva.com/20090831/2009_first_half_results/

Upcoming events and publications

23 October 2009 – 5:45 PM CET: Press release – Third quarter 2009 revenue and information

28 January 2010 – 5:45 PM CET: Press release – Fourth quarter 2009 revenue and information

25 February 2010 – 5:45 PM CET: Press release and press conference - Annual results for 2009

Note:

- Forward-looking statements:

This document contains forward-looking statements and information. These statements include financial forecasts and estimates as well as the assumptions on which they are based, statements related to projects, objectives and expectations concerning future operations, products and services or future performance. Although AREVA's management believes that these forward-looking statements are reasonable, AREVA's investors and investment certificate holders are hereby advised that these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee and generally beyond AREVA's control, which may mean that the expected results and developments differ significantly from those expressed, induced or forecast in the forward-looking statements and information. These risks include those developed or identified in the public documents filed by AREVA with the AMF, including those listed in the "Risk Factors" section of the Reference Document registered with the AMF on April 15, 2009 (which may be read online on AREVA's website, www.areva.com). AREVA makes no commitment to update the forward-looking statements and information, except as required by applicable laws and regulations.

MORE ABOUT

All over the world, AREVA provides its customers with solutions for carbon-free power generation and electricity transmission. With its knowledge and expertise in these fields, the group has a leading role to play in meeting the world's energy needs.

Ranked first in the global nuclear power industry, AREVA's unique integrated offering covers every stage of the fuel cycle, reactor design and construction, and related services. In addition, the group is developing a portfolio of operations in renewable energies. AREVA is also a world leader in electricity transmission and distribution and offers its customers a complete range of solutions for greater grid stability and energy efficiency.

Sustainable development is a core component of the group's industrial strategy. Its 75,000 employees work every day to make AREVA a responsible industrial player that is helping to supply ever cleaner, safer and more economical energy to the greatest number of people.

Appendix 1 - Income Statement

In millions of euro	H1 2009*	H1 2008*	Var. 09/08
Revenue	**6,522**	**6,168**	**5.7%**
Other business income	41	18	+23 pts
Cost of products and services sold	(5,674)	(4,905)	-15.7%
Gross margin	**889**	**1,281**	**-30.6%**
Research and development expenses	(249)	(205)	-21.5%
Marketing and sales expenses	(320)	(287)	-11.5%
General and administrative expenses	(487)	(468)	-4.1%
Other operating income and expenses	183	219	-16.4%
Operating income	**16**	**539**	**(523)**
Income from cash and cash equivalents	5	13	(8)
Gross borrowing expenses	(63)	(89)	+26
Net borrowing expenses	**(59)**	**(76)**	**+22.4%**
Other financial income and expenses	271	289	-6.2%
Financial income	**212**	**213**	**-0.5%**
Income tax	(58)	(74)	+16
Net income for all consolidated companies	**171**	**678**	**(507)**
Share in income of associates	(163)	121	(284)
Net income from continuing operations	**7**	**799**	**(792)**
Minority interests	(154)	38	(192)
Net income attributable to equity holders of the parent	**161**	**760**	**(599)**
Average number of shares	35,442,701	35,442,701	-
Net earnings per share attributable to equity holders of the parent (in euro)	**4.55**	**21.45**	**(16.90)**

*The discount/premium is categorised in Other financial expenses as of 31 December 2008. It was categorised as gross cost of financial debt in the first half of 2008

Appendix 2 - Consolidated Cash Flow Statement

In millions of euro	H1 2009	H1 2008	2008
Cash flow from operations before interest and taxes	292	694	904
Net interest and taxes paid	(101)	(187)	(377)
Net cash flow 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**
Net cash flow linked to investing activities	**(77)**	**(162)**	**(1,259)**
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)
Total increase (decrease) in cash flow	**(442)**	**(70)**	**357**
Cash flow at the beginning of the period	877	520	520
Cash flow at the end of the period	**436**	**450**	**877**

Appendix 3 - Simplified Balance Sheet[1]

In millions of euro	30.06.2009	31.12.2008
ASSETS		
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
LIABILITIES		
Shareholders' equity	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 debt*	6,414	5,499
Total for the simplified balance sheet	**23,098**	**22,594**

* Including the SIEMENS put option at its 2007 value, i.e. 2,049 million euro.

[1] Assets and liabilities comprising operating working capital requirements, net debt and deferred taxes are offset in the simplified balance sheet. These are not offset in the detailed balance sheet presented in the consolidated financial statements.

Appendix 4 – Definitions

Backlog: the backlog is valued on the basis of orders closed, excluding unconfirmed options, evaluated under the economic conditions at the end of the period in question. Foreign currency orders subject to exchange rate hedging are evaluated at the hedge exchange rate; foreign currency orders not subject to hedging are evaluated at the exchange rate as of the last date of the period in question. The valuation of uranium orders is based on the closing rate of the spot and long-term benchmark indices. The backlog reported for long-term contracts recorded under the percentage of completion method and partially performed as of the reporting date is equal to the difference between (a) the projected sales revenue from the contract at completion and (b) the sales revenue already booked for this particular contract. Accordingly, the backlog takes into account assumptions relating to indexation and revision of contractual prices used by the group to determine the projected sales revenue at completion.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation): EBITDA is equal to operating income plus allocations to provisions, net of write-backs for amortisation, depreciation and operating provisions (except for provisions for depreciation of current assets). EBITDA is adjusted to exclude the cost of obligations relating to the decommissioning of nuclear facilities (recovery and processing of waste and dismantling) effected during the financial year, as well as the full and final payments paid or to be paid to third parties for decommissioning of facilities.

Flow of end-of-life-cycle activities: this indicator reflects all the cash flows linked to obligations related to end-of-life-cycle activities and to assets earmarked for these obligations. It is equal to the sum of the following items:

- income from the portfolio of reserve assets,
- cash from the sale of reserve assets,
- minus acquisitions of reserve assets,
- minus expenditure relating to end-of-life-cycle obligations during the financial period,
- full and final payments received for dismantling of facilities,
- minus full and final payments made for dismantling of facilities.

Free operating cash-flow: this indicator represents the cash flow generated by operating activities. It is understood to be "before tax". It is equal to the sum of the following items:

- EBITDA, excluding end-of-life-cycle operations,

- plus capital losses or minus capital gains on sales of property, plant and equipment (PP&E) and intangible assets included in operating income,
- plus the reduction or minus the increase in operating working capital requirement between the beginning and the end of the period (excluding reclassifications, exchange gains or losses and changes in consolidation scope),
- minus acquisitions of PP&E and intangible assets, net of variations in accounts payable related to fixed assets,
- plus sales of PP&E and intangible assets included in operating income, net of variations in accounts receivable on the sale of fixed assets,
- plus prepayments on fixed assets received from customers during the period,
- plus acquisitions (or disposals) of consolidated companies (excluding associated companies).

Net debt: this heading includes current and non-current financial debt, which includes interest-bearing prepayments received from customers and put options from minority shareholders, less cash balances, financial current accounts, securities held for trading, other current financial assets and other current financial assets including derivatives on shares exercisable within one year. Shares classified as “available-for-sale securities” are excluded from the calculation of net debt.