AREVA

PRESS RELEASE

2010 annual results:

- **Backlog: €44.2bn, up 2.0%**
- **Revenues: €9.104bn, up 6.7%**
- **Operating income excluding particular items: €532m, up €201m**
- **Operating income: - €423m**
- **Net income group share: €883m, i.e. €2.49 per share**
- **Reduction in €2.521bn in debt: net debt of €3.672bn at year-end**

Paris, March 3, 2011

The Supervisory Board of the AREVA group met today under the chairmanship of Jean-Cyril Spinetta to examine the financial statements submitted by the Executive Board for the year ended December 31, 2010.

Before commenting on these results, AREVA CEO Anne Lauvergeon wished to express once again to the Supervisory Board the company's very great joy following the liberation last Friday of Françoise Larribe, wife of AREVA employee Daniel Larribe, and of two Vinci employees who had been abducted September 16, 2010: *"All our thoughts turn now to those who, with Daniel, are still in captivity.We are hoping for the same happy outcome for them in the shortest time possible."*

Concerning the results, Anne Lauvergeon stated:

"Our 44-billion euro backlog at the end of 2010 gives us excellent visibility, enabling us to confirm our outlook for 2012: 12 billion euros in revenue, double-digit operating margin and significantly positive free operating cash flow.

Revenue rose by 575 million euros in 2010, or 6.7%, in comparison to 2009 and operating income excluding particular items improved by 201 million euros, nearly 2 points of revenue.

In the past two years, we have raised 7.1 billion euros and secured our liquidity to ensure our development. In 2011, we are going to simplify the group's capital structure by listing ordinary shares of AREVA. At that time, we may launch the employee shareholding plan, something we have ardently sought for several years as a way for our employees to share in AREVA's growth."

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I – Consolidated performance

Key figures

Millions of euros	2010	2009	*Change 10/09*
Backlog	44,204	43,302	*+ 2.0%*
Revenue	9,104	8,529	*+ 6.7%*
Operating income excluding particular items	532	331	*+ 60.7%*
Percentage of revenue	*5.8%*	*3.9%*	*+ 1.9 pt*
Disposals and new partners - Mining/Front End assets	19	381	*ns*
Additional provisions - Reactors & Services projects	(427)	(615)	*ns*
Reversible accounting adjustment on mining assets	(426)	-	*ns*
Financial impact of the agreement on Eurodif	(121)	-	*ns*
Reported operating income	(423)	97	*- €520m*
Net income attributable to equity owners of the parent	883	552	*+ 60.0%*
Earnings per share	2.49	1.56	*+ 59.6%*
Free operating cash-flow before tax	(1,090)	(919)	*- €171m*
	12/31/10	**12/31/09**	
Net debt (+) or cash (-)	3,672	6,193	*- €2.521bn*
Net debt / net debt + equity	28%	45%	

A new organization for Nuclear and Renewables operations was established effective January 28, 2010. Accordingly, AREVA group segment reporting for 2010 presents data for the Mining-Front End, Reactors & Services, Back End and Renewable Energies Business Groups (excluding discontinued operations).

For all reporting periods, income items from discontinued operations are presented in the income statement under a separate heading, "Net income from discontinued operations".

Backlog and revenue growth

The consolidated backlog stood at 44.204 billion euros at December 31, 2010, up 2.0% compared with that at December 31, 2009. The group's consolidated revenue came to 9.104 billion euros in 2010, up 6.7% on a reported basis and 5.1% like-for-like[1] compared with 2009 (*see press release of January 27, 2011*).

[1] Like for like, i.e. at constant exchange rates and consolidation scope

Operating income of €532m excluding particular items, compared with €331m in 2009
Operating income of -€423m (€97m in 2009)

Excluding particular items, operating income rose by 1.9 point, going from 3.9% in 2009 to 5.8% in 2010, giving operating income of 532 million euros (331 million euros in 2009)

Review of operating income excluding particular items by Business Group:

- Operating income excluding particular items for the **Mining-Front End** Business Group came to 391 million euros (10.5% of revenue), compared with 278 million euros in 2009 (8.0% of revenue). This noticeable increase is due in particular to the increase in AREVA's average uranium sales price and volumes sold and to the drop in the average cost of mine production (-7% for the year). Performance improved in the Fuel business after restructuring in the United States. Overhead cost optimization plans in the European industrial base in Fuel and Enrichment had a positive impact on overall profitability for the Business Group.
- The **Reactors & Services Business Group** reported operating income of 176 million euros (5.2% of revenue) excluding particular items, compared with 42 million euros in 2009. This strong increase is due to a higher business volume in Installed Base Business and by lower overhead costs and spending control in Research and Development.
- The **Back End Business Group** recognized operating income of 280 million euros, for an operating margin of 16.4%, up 2 points from that of 2009 (14.4%). This is attributable to the increase in volumes treated at La Hague and good profitability of the cold crucible operations.
- Operating income in the **Renewable Energies Business Group** was -123 million euros in 2010, compared with -60 million euros in 2009. The change is due to the resources deployed to resolve the technical difficulties encountered by the Alpha Ventus offshore wind farm – which now operates with 96% availability – and the development costs of the solar business following the takeover of the Californian company Ausra in March 2010.

Particular items:

The main particular items recognized in the second half of 2010 are as follows:

- The financial impact of the agreement reached following mediation by the French State on the conditions for closing the Georges Besse plant, in the amount of -121 million euros in 2010. The production level of the plant in 2011 and 2012 will not be sufficient to cover the fixed costs for the end of the plant lifecycle;
- The non-cash reversible impairment of -126 million euros to reflect the rescheduling of the capex plan for some mining projects.

As a reminder, the main particular items recognized in the first half of 2010 were as follows:

- The non-cash reversible impairment of certain mining assets in the amount of -300 million euros; and
- Additional provisions for the revision of the loss at completion of projects in the Reactors & Services BG in the amount of -417 million euros (including -367 million euros for the OL3 construction project in Finland).

After recognition of the particular items, consolidated operating income is -423 million euros, compared with 97 million euros in 2009.

Net income attributable to equity owners of the parent: €883m

Net income attributable to equity owners of the parent came to 883 million euros in 2010, an increase of 331 million euros compared with 2009.

- Net income from discontinued operations was 1.226 billion euros. This primarily relates to the gain on the sale of the Transmission & Distribution business.
- The share in net income of associates rose to 153 million euros in 2010, compared with -152 million euros in 2009, reflecting the significant improvement in STMicroelectronics' and Eramet's results.
- Net financial income came to -314 million euros in 2010, compared with 187 million euros in 2009, which benefitted from the gain on the disposals of Total and GDF Suez shares. It was impacted in 2010 by the loss of 101 million euros recognized on the disposal of STMicroelectronics shares.
- Tax income rose to 334 million euros in 2010, compared with 138 million euros in 2009.

Operating cash flow before capex up €548m

Operating cash flow before capex was 923 million euros, an increase of 548 million euros compared with 2009, when it was 375 million euros, due to the visible improvement in EBITDA and working capital requirement:

- EBITDA went from 584 million euros in 2009 to 703 million euros in 2010. Excluding particular items, it was up 481 million euros compared with 2009 on improved operational performance. Gains on disposals and dilution gains related to new minority equity partners in the companies of the Mining-Front End BG contributed 19 million euros in 2010, compared with 382 million euros in 2009.
- The change in operating working capital requirement contributed 239 million euros in 2010, compared with 105 million euros in 2009. The cash generated from customer advances in the Mining-Front and Back End BGs and by inventory optimization in the Mining-Front End BG largely offset the use of customer advances in the Reactors & Services BG. The operating working capital on the balance sheet is + 92 million euros.

Deployment of the capital spending program

The change in gross capex (excluding acquisitions) from 1.780 billion euros in 2009 to 1.966 billion euros in 2010 is due to the ramp-up of construction programs, particularly in Enrichment.

In 2010, almost 60% of the group's capital spending was on sites in France.

The acquisitions made in Renewable Energies in 2010 in the amount of 210 million euros (100% of Ausra and the remaining 49% of Multibrid) bring total gross capex to 2.176 billion euros, compared with 1.808 billion euros in 2009.

Net capex came to 2.013 million euros in 2010, compared with 1.294 billion euros in 2009, reflecting asset disposals of 163 million euros in 2010 (mainly from the sale of 2% of the Georges Besse II plant), compared with 514 million euros in 2009.

Free operating cash flow before tax of -€1.090bn

Free operating cash flow before tax went from -919 million euros in 2009 to -1.090 billion euros in 2010. Part of the increase in net capex is financed by the improved EBITDA and working capital requirement.

Review of free operating cash flow before tax by Business Group:

- The **Mining-Front End Business Group** reported -252 million euros in free operating cash flow before tax, compared with -315 million euros in 2009. This improvement is due in particular to increased operational performance and a positive contribution from the change in working capital requirement of 330 million euros (inventory optimization plans and receipt of customer advances), largely offsetting the increase in gross capex and the decrease in cash generated by the disposal of minority interests in certain assets of the BG.
- The **Reactors & Services Business Group** reported free operating cash flow before tax of -639 million euros, essentially unchanged from 2009 (-662 million euros). The improvement in EBITDA and the slight decrease in capex were offset by deterioration of the working capital requirement due to the receipt of customer advances in 2009 which were not repeated in 2010.
- The **Back End Business Group** reported free operating cash flow before taxes of 414 million euros, an increase compared with 2009 (288 million euros), thanks to EBITDA growth and the contribution from the change in working capital requirement.
- Free operating cash flow before tax of the **Renewable Energies Business Group** went from -91 million euros in 2009 to -309 million euros in 2010 due to acquisitions made in 2010 (Ausra and minority interests in Multibrid).

Markedly stronger balance sheet

The group's net financial debt comes to 3.672 billion euros at December 31, 2010 (based on the 2007 valuation of the debt to Siemens i.e. 2.049 billion euros, plus accrued interest) compared with 6.193 billion euros at December 31, 2009. The 2.521-billion euro reduction is due to the cash generated by the disposal of the Transmission & Distribution business (3.124 billion euros), by the transactions on Safran securities in the amount of 636 million euros, and by the 900-million euro capital increase, which helped largely offset the free operating cash flow described above, as well as the payment of dividends for 2009 to AREVA SA shareholders in the amount of 250 million euros.

These amounts should be compared with equity of 9.578 billion euros at December 31, 2010, compared with 7.574 billion at year-end 2009.

The group's gearing thus went from 45% in 2009 to 28% in 2010, illustrating the notable strengthening of the group's balance sheet. As part of this process, AREVA's Supervisory Board will not propose to the Annual General Meeting of Shareholders the payment of a dividend for 2010.

In addition, the group's liquidity was reinforced in 2010 by a fourth bond issue of 750 million euros. Excluding the debt to Siemens, the group has no major reimbursement due before 2016.

II - Outlook

For 2011, AREVA anticipates:

- Significant backlog growth,
- Rising revenue,
- An operating margin of more than 5%.

For 2012, AREVA anticipates:

- Revenue of 12 billion euros,
- Double-digit operating margin,
- Significantly positive free operating cash flow.

The presentation of AREVA's annual results will be available live on the Internet.
To access the webcast, please click on the following links:

French version:*http://webcast.areva.com/20110303/resultats_annuels_2010/*
English version: *http://webcast.areva.com/20110303/2010_annual_results/*

Upcoming events and publications

May 2, 2011 – 5:45 pm (Paris time): First quarter 2011 revenue (press release)

July 27, 2011 – 5:45 pm (Paris time): First half 2011 results (press release and telephone conference)

October 27, 2011 – 5:45 pm (Paris time): Third quarter 2011 revenue (press release)

Note:

- Status of audit of the 2010 financial statements:

The audit has been completed and the audit report relating to certification of the financial statements is being finalized. The financial statements have been certified without reservation. The report states four recurring observations, unchanged from the previous years, and draws the readers' attention to the changes in accounting method, the valuation of end-of-lifecycle assets and liabilities, the conditions for performance of the OL3 contract, and the procedure for determining the acquisition price of AREVA NP shares from Siemens.

- 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, and 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, shareholders 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 means that future results and developments may differ significantly from those expressed, induced or forecast in the forward-looking statements and information. These risks include those explained 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 03/29/10 (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.

Appendix 1 – Income Statement

(millions of euros)	2010	2009	Change 10/09
Revenue	**9,104**	**8,529**	**+ 6.7%**
Other income from operations	45	61	- €16m
Cost of sales	(7,824)	(7,508)	- €316m
Gross margin	**1,326**	**1,082**	**+ 22.6%**
Research and development expenses	(354)	(346)	- €8m
Marketing and sales expenses	(253)	(286)	+ €33m
General and administrative expenses	(530)	(620)	+ €90m
Other operating income and expenses	(612)	266	- €878m
Operating income	**(423)**	**97**	**- €520m**
Income from cash and cash equivalents	37	14	+ €23m
Gross borrowing costs	(195)	(128)	- €67m
Net borrowing costs	**(158)**	**(113)**	**- €45m**
Other financial income and expenses	(156)	301	- €457m
Net financial income	**(314)**	**187**	**- €501m**
Income tax	334	138	+ €196m
Share in net income of associates	153	(152)	+ €305m
Net income from continuing operations	**(250)**	**270**	**- €520m**
Net income from discontinued operations	1,236	267	+ €969m
Net income for the period	**986**	**537**	**+ €449m**
Minority interests	103	(15)	+ €118m
Net income attributable to equity owners of the parent	**883**	**552**	**+ €331m**
Comprehensive income	1,408	341	+ €1,067m
Average number of shares outstanding, excluding treasury shares	353,890,531	353,897,800	ns
Basic earnings per share (in euros)	**2.49**	**1.56**	**+ 59.6%**

Appendix 2 – Consolidated Cash Flow Statement

Millions of euros	2010	2009	Change 10/09
Cash flow from operations before interest and taxes	538	132	+ €406m
Net interest and taxes paid	(184)	(15)	- €169m
Cash flow from operations after interest and tax	**354**	**117**	**+ €237m**
Change in working capital requirement	234	43	+ €191m
Net cash flow from operating activities	**588**	**160**	**+ €428m**
Net cash flow from investing activities	**(621)**	**(379)**	**- €242m**
Net cash flow from financing activities	**(531)**	**1,116**	**- €1,647m**
Increase (decrease) in securities recognized at fair value through profit and loss	(8)	(77)	+ €69m
Impact of foreign exchange movements	12	3	+ €9m
Net cash from discontinued operations	**2,243**	**(219)**	**+ €2,462m**
Increase / (decrease) in net cash	**1,683**	**603**	**+ €1,080m**
Net cash at the beginning of the period	1,481	877	+ €603m
Cash at the end of the year	**3,164**	**1,481**	**+ €1,683m**

Appendix 3 – Simplified Balance Sheet[1]

Millions of euros	31.12.2010	31.12.2009
ASSETS		
Goodwill	4,625	4,366
Property, plant and equipment (PP&E) and intangible assets	9,901	8,576
Assets earmarked for end-of-lifecycle operations	5,834	5,626
Equity associates	988	1,635
Other non-current financial assets	477	860
Deferred taxes (assets – liabilities)	474	150
Operating working capital requirement	(92)	(62)
Net assets from discontinued operations*	832	5,649
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity	9,578	7,574
Provisions for end-of-lifecycle operations	5,815	5,660
Other provisions	3,064	2,911
Other assets and liabilities	909	777
Net debt**	3,672	6,193
Liabilities of operations held for sale	-	3,685
Total – Simplified balance sheet	**23,039**	**26,800**

* Excluding equity from discontinued operations
** Including debt to Siemens

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

Appendix 4 – Off-balance-sheet commitments

(millions of euros)	December 31, 2010	< 1 year	1 to 5 years	> 5 years	December 31, 2009
COMMITMENTS GIVEN	**2,663**	450	1,207	1,006	**2,260**
Operating commitments given	**2,229**	426	830	973	**1,604**
Commitments given on financing	**17**	4	7	6	**30**
Other commitments given	**417**	20	370	27	**626**
COMMITMENTS RECEIVED	**690**	233	383	74	**852**
Operating commitments received	**648**	215	377	56	**593**
Commitments received on collateral	**1**	0	1	0	**1**
Other commitments received	**41**	18	5	18	**258**
RECIPROCAL COMMITMENTS	**4,430**	352	3,705	373	**5,775**

Appendix 5 – Definitions

Backlog:The backlog is valued based on economic conditions at the end of the period. It includes firm orders and excludes unconfirmed options. Orders in hedged foreign currencies are valued at the rate hedged. Non-hedged orders are valued at the rate in effect on the last day of the period. Natural uranium orders are valued at the closing price of applicable spot and long term 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 recognized for this particular contract. Accordingly, the backlog takes into account escalation and price revision assumptions used by the group to determine the projected revenue at completion.

Cash flow from end-of-lifecycle operations: This indicator encompasses all of the cash flows linked to end-of-lifecycle obligations and to assets earmarked to cover those obligations. 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 year on end-of-lifecycle operations
- full and final payments received for facility dismantling
- less full and final payments paid for facility dismantling

Free operating cash flow represents the cash flow generated by operating activities before income tax. It is equal to the sum of the following items:

- EBITDA, excluding end-of-lifecycle operations
- plus losses or minus gains included in operating income on sales of 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 Property, Plant and Equipment (PPE) and intangible assets, net of changes in accounts payable related to fixed assets
- plus sales of PPE and intangible assets included in operating income, net of changes in receivables on the sale of fixed assets
- plus customer prepayments received during the period on non-current assets
- plus acquisitions (or disposals) of consolidated companies (excluding equity associates)

Earnings before interest, taxes, depreciation and amortization (EBITDA): EBITDA is equal to operating income plus net amortization, depreciation and operating provisions (except for provisions for impairment of working capital items). EBITDA is adjusted to exclude the cost of end-of-lifecycle operations for nuclear facilities (dismantling, retrieval and packaging of waste) for the period, as well as the full and final payments made or to be made to third parties for facility dismantling. It should be noted that the cash flows linked to end-of-lifecycle operations are presented separately.

Gearing:Net debt / net debt + equity.

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

Operating margin:Operating income divided by sales revenue.