Half Year Financial Report

June 30, 2011

This is a free translation into English of the AREVA group half year 2011 consolidated financial statements which is issued in French language, and is provided solely for the convenience of English speaking readers.

General comments

This financial report contains statements on the objectives, prospects and growth areas for the AREVA group. This information is not meant as a presentation of past performance data and should not be interpreted as a guarantee that events or data set forth herein are assured or that objectives will be met. 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. Those factors may include, in particular, changes in international, economic or market conditions, as well as risk factors presented in section 2.1. 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.

CONTENTS

1 Person responsible

1.1 Person responsible for the half year report

Mr. Luc Oursel, President and 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 condensed financial statements for the first half of 2011 are prepared in accordance with applicable accounting standards and give a true and fair view of the net worth, financial position and income of the company and all the companies included in consolidation, and that the half year financial report herewith 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, July 27, 2011

Luc Oursel
President and Chief Executive Officer of AREVA

2 Half year business report

2.1 Significant events

2.1.1 Highlights of the period

The information provided in this section concerns the AREVA group as a whole. Highlights concerning commercial operations are presented in the business review in section 2.8.

- On February 25, it was with great joy that the AREVA group welcomed the release of Françoise Larribe, spouse of our employee Daniel Larribe, along with Jean-Claude Rakotorilalao and Alex Awando, both employees of the VINCI subsidiary SATOM. They had been abducted on September 16, 2010 in northern Niger by Al Qaeda in the Islamic Maghreb. All our thoughts are now turned towards Daniel and the three employees of the Vinci group who are still in captivity, and all of us are hoping for the same happy outcome in the shortest possible time.
- The first half of 2011 was marked by the nuclear accident that occurred on March 11, 2011 at Fukushima and by the decision made in Germany to withdraw from nuclear power. Following the Fukushima accident, the nuclear facilities in the majority of countries that operate them are undergoing or will undergo stress tests, whose outcome will determine the necessary conditions for their continued operation. In addition, in the second quarter of 2011, many countries confirmed their intention of pursuing or launching nuclear power programs (India, China, South Africa, United Kingdom, Finland, Czech Republic, Poland, etc.). As of the date of the financial statements for the first half of 2011, cancelled orders totaled 0.2 billion euros. The Japanese and German orders in backlog at June 30, 2011 in nuclear operations represented 17.5% of the total backlog, whiwh stands at 43.1 billion euros. Among these orders, 0.7 billion euros present a risk of cancellation or renegotiation. Concerning the market environment and price trends in comparison with their pre-Fukushima levels, key long-term prices remained relatively stable, while spot prices continued to be characterized by substantial volatility.

Concerning business strategy and capital expenditures

Group

- AREVA carried out a capital increase reserved for investment certificate holders in the amount of 35 million euros. The subscription began on January 3, 2011 and closed on January 14. This transaction followed a capital increase reserved for the Kuwait Investment Authority (KIA) and the French State, which occurred on December 28, 2010. With these two transactions, the group raised a combined total of 935 million euros. Subsequently, AREVA and the CEA initiated a procedure with the Autorité des marchés financiers (AMF, the French stock market authority) to convert the investment certificates and non-voting preferred shares into common shares. The public offer to exchange investment certificates for ordinary shares resulted in the conversion of all AREVA capital securities into common shares. These shares were admitted for training on the regulated NYSE Euronext market in Paris.
- At the meeting of February 21, 2011 requested by the President of France, the Conseil de politique nucléaire (CPN, the French nuclear policy council) made a series of decisions regarding the organization and coordination of the French nuclear industry. The CPN asked the various parties

concerned (AREVA, CEA, EDF and GDF-Suez) to provide all necessary support for the implementation of these decisions in a concerted manner.

- In connection with Siemens' withdrawal from the share capital of AREVA NP, the independent expert commissioned by AREVA and Siemens submitted his report in which the 34% interest in AREVA NP held by Siemens' is valued at 1.620 billion euros as of the first quarter of 2009. AREVA settled this amount in the days that followed. In addition, the court of arbitration confirmed that Siemens' behavior was at fault, requiring the latter to pay 648 million euros in penalties to AREVA. This amount corresponds to the full amount of the penalty provided in the event of a violation of the provisions of the shareholders' agreement signed by AREVA and Siemens in 2011, or 40% of the value of the interest held by Siemens in AREVA NP.
- AREVA and the South African Nuclear Energy Corporation (Necsa) signed an agreement to strengthen the cooperation initiated in 2008 to develop South Africa's nuclear industry.
- AREVA's indirect interest of 10.9% in the share capital of STMicroelectronics was sold to the Fonds stratégique d'investissement (FSI, the strategic investment fund) for a total of 695 million euros.
- AREVA and Bulgarian Energy Holding signed a memorandum of understanding concerning the development of clean energy projects based on the group's technologies. As a longstanding partner of Bulgaria, AREVA plans to increase its contribution to the country's commercial nuclear power program and to provide support for the development of local renewable energy sources, including wind and biomass.
- On April 15, Standard & Poor's announced that it had maintained AREVA's BBB+ long-term credit rating with a stable outlook, thus lifting the negative credit watch that the rating agency had placed on AREVA on December 15, 2010.
- The Supervisory Board of AREVA, chaired by Jean-Cyril Spinetta, appointed Luc Oursel President and Chief Executive Officer. It also appointed Philippe Knoche, Sébastien de Montessus and Olivier Wantz members of the Executive Board. "The appointment of Mr. Luc Oursel and of the Executive Board is a continuation of the efforts deployed since AREVA's establishment," stated Jean-Cyril Spinetta.

Nuclear

- On January 10, AREVA received the first uranium concentrates produced during the second mining phase of the Trekkopje deposit in Namibia.
- AREVA and Rhodia signed a cooperative agreement to develop mixed deposits of uranium and rare earths.
- ATMEA, a joint venture between AREVA and Mitsubishi Heavy Industries Ltd. (MHI), proposed to the Canadian Nuclear Safety Commission (CNSC) that the latter review the design of its ATMEA1™ reactor. This initiative is part of the proposed development of a Clean Energy Park by AREVA near the Point Lepreau nuclear power plant in New Brunswick.
- AREVA and CNPRI 1 announced the establishment of the Beijing-RIC joint venture (BRIC) based in Beijing, which specializes in the construction and maintenance of the reactor core instrumentation (RIC 2) for China's CPR 1000 nuclear power plants.

Renewable Energies

- In view of depressed natural gas prices and the uncertainty surrounding the US policy of support for renewable energies, AREVA and Duke Energy announced their decision to suspend their investments in the ADAGE joint venture for the US biomass market.

- AREVA and Fresno Nuclear Energy Group LLC (FNEG) announced the signature of a contract for the first phase of development of a clean energy park near Fresno, California. This phase includes the construction of a concentrated solar power plant that will provide electricity to a water treatment plant which is part of a used water treatment complex. The contract concerns the project feasibility studies. It follows the signature of a letter of intent between AREVA and FNEG in April 2010. The letter of intent contemplated the launch of the project based on technologies developed by AREVA.
- GDF Suez, Vinci and AREVA signed a partnership agreement to establish a competitive, sustainable offshore wind industry that creates jobs. Together, this alliance will respond to the request for proposals announced by the French President in January 2011 to establish five wind farms off France's coasts; this is part of a larger program to develop 6,000 MW of offshore capacity by 2020. The agreement creates an industrial platform underpinned by three major players with complementary expertise in renewable energies and construction. It has the exclusivity for three offshore fields, in Dieppe-Le Tréport, Courseulles-sur-Mer and Fécamp, France.
- AREVA acquired the remaining 30% interest in AREVA Koblitz, making it a wholly-owned subsidiary of the group.
- Iberdrola Renewables and AREVA signed a memorandum of understanding for the joint development of offshore wind projects in France. This partnership is connected with the program announced by the French government which aims to create 6 gigawatts of installed power by 2020. The partners are focusing on two of the five offshore areas selected for the first phase of the request for proposals.

In the industrial field (progress on projects, inaugurations)

- Following a request from Tepco, AREVA proposed a solution to treat the highly radioactive water of the damaged Fukushima nuclear power plant in Japan. The process was deployed on site in six weeks and has been operational since June 17. The facility was able to process close to 30,000 cubic meters of contaminated effluents, representing approximately 25% of the total volume.
- AREVA's construction of the Olkiluoto 3 EPR™ power plant (OL3) in Finland met another important milestone with the successful installation of the four steam generators in the reactor building.

2.1.2 Related party transactions

Details of the main transactions with related parties are given in note 14 to the consolidated financial statements in this half year report.

2.1.3 Risk factors

The significant risks and uncertainties that the group faces are set out in Section 4, “Risk factors” of the 2010 Reference Document filed with the Autorité des Marchés Financiers on March 30, 2011 and available on latter's website (www.amf-france.org.) as well as on the company's website (www.areva.com). This description of the main risks remains valid as of the date of publication of this Report for the evaluation of major risks and uncertainties that could affect the group at the end of the current financial year. No significant risks or uncertainties are anticipated other than those set out in the Reference Document.

The group was still analyzing the consequences of these events for AREVA over the medium- and long-term as at the date of the half-year financial statements. The consequences concern all operations in the nuclear cycle as well as renewable energies, and their assessment by the group, once completed, will be included in the strategic plan to be established during the second half of the year. These consequences will be taken into account in:

- the establishment of business forecasts;
- the sizing of its industrial and commercial organization;
- the evaluation of the recoverable value of property, plant and equipment and intangible assets at December 31, 2011.

They are thus likely to have an impact on the group's operations and performance.

2.2 Summary data

2.2.1 Financial indicators

(in millions of euros)	**H1 2011**	**H1 2010**	***Change 2011/2010***
Backlog	*43,122*	*44,062*	*-2.1%*
Revenue	*3,997*	*4,158*	*-3.9%*
Gross margin	*692*	*390*	*+77.4%*
Percentage of revenue	*17.3%*	*9.4%*	*+7.9 pts.*
Earnings before interest, taxes, depreciation and amortization (EBITDA)	*865*	*215*	*+€650m*
Percentage of revenue	*21.6%*	*5.2%*	*+16.4 pts.*
Operating income	*710*	*(485)*	*+€1.195bn*
Percentage of revenue	*17.8%*	*(11.7)%*	*+29.5 pts.*
Net financial income	*(178)*	*(172)*	*-€6m*
Net income attributable to owners of the parent	*351*	*843*	*-€492m*
Percentage of revenue	*8.8%*	*20.3%*	*-11.5 pts.*
Net operating Capex excluding acquisition of AREVA NP shares	*(842)*	*(985)*	*+€143m*
Operating cash flow before tax and excluding acquisition of AREVA NP shares	*(271)*	*(1,084)*	*+€813m*
Acquisition of AREVA NP shares	*(1,679)*	*-*	*ns*
Operating cash flow before tax	*(1,950)*	*(1,084)*	*-€866m*
Dividends paid	*(51)*	*(302)*	*-€251m*
(in millions of euros)	***June 30, 2011***	***December 31, 2010***	
Net debt (-) / Net cash (+) at the end of the period	***(2,772)***	*(3,672)*	*+€900m*

It should be noted that Business Group revenues and contributions to consolidated income may vary significantly from one half year to the next in the nuclear businesses. Accordingly, half-year operating and financial results should not be viewed as a reliable indicator of annual trends.

2.2.2 Definitions of financial indicators

> Operating working capital requirement

Operating WCR 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;
- currency hedges on operating WCR;
- 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.

> Backlog

The backlog is valued based on economic conditions at the end of the period. It includes firm orders and excludes unconfirmed options. Orders in hedged foreign currencies are valued at the rate hedged. Non-hedged orders are valued at the rate in effect on the last day of the period. The 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.

> Free operating cash flow

It 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 on disposals of assets included in operating income;
- plus the decrease or minus the increase in operating working capital requirement between the beginning and the end of the period (excluding reclassifications, currency translation adjustments and changes in consolidation scope);
- minus acquisitions of property, plant & equipment and intangible assets, net of changes in accounts payable related to fixed assets;
- plus sales of property, plant & equipment 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)

> 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 and cash equivalents and other current financial assets. Shares classified as “available-for-sale securities” are now excluded from the net debt or (cash) position.

> 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 to exclude the costs of end-of-lifecycle operations for nuclear facilities (dismantling, waste retrieval and packaging) carried out during the year, as well as the full and final payments paid or to be paid to third parties for facility dismantling. It should be noted that the cash flows linked to end-of-lifecycle operations are presented separately.

> Cash flows from end-of-lifecycle operations

This indicator encompasses all of the cash flows linked to end-of-lifecycle 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-lifecycle operations;
- full and final payments received for facility dismantling;
- less full and final payments paid for facility dismantling

> Comprehensive income attributable to owners of the parent

Comprehensive income is the change in equity over a period resulting from transactions and events other than the changes resulting from transactions with the shareholders.

Comprehensive income includes all of the components of “income” and “other comprehensive income items”.

“Other comprehensive income items” include the following components:

(a) profits and losses resulting from the conversion of the financial statements of a foreign business;

(b) profits and losses relating to the revaluation of available-for-sale financial assets;

(c) the effective share of profits and losses on cash flow hedging instruments.

2.3 Summary data by division

A new organization for Nuclear and Renewables operations was established effective January 28, 2010. Accordingly, AREVA group segment reporting for the first half of 2011 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".

First half 2011 (contributions to the group)

(in millions of euros)	**Mining / Front End**	**Reactors & Services**	**Back End**	**Renewable Energies**	**Corporate and other**	**Total**
Revenue	*1,429*	*1,604*	*830*	*59*	*75*	*3,997*
EBITDA	*251*	*(113)*	*228*	*(63)*	*563*	*865*
Percentage of revenue	*17.6%*	*(7.0)%*	*27.5%*	*(106.8)%*	*ns*	*21.6%*
Operating income	*155*	*(79)*	*127*	*(50)*	*558*	*710*
Percentage of revenue	*10.8%*	*(4.9)%*	*15.3%*	*(84.7)%*	*ns*	*17.8%*
Change in operating WCR	*152*	*(174)*	*(15)*	*(10)*	*(248)*	*(294)*
Net operating Capex	*(641)*	*(105)*	*(61)*	*(20)*	*(1,696)*	*(2,521)*
Operating cash flow before tax	*(236)*	*(392)*	*151*	*(93)*	*(1,380)*	*(1,950)*

First half 2010 (contributions to the group)

(in millions of euros)	**Mining / Front End**	**Reactors & Services**	**Back End**	**Renewable Energies**	**Corporate and other**	**Total**
Revenue	*1,593*	*1,543*	*897*	*47*	*78*	*4,158*
EBITDA	*310*	*(199)*	*267*	*(44)*	*(118)*	*215*
Percentage of revenue	*19.4%*	*(12.9)%*	*29.7%*	*(93.3)%*	*(152.2)%*	*5.2%*
Operating income	*(133)*	*(391)*	*167*	*(59)*	*(69)*	*(485)*
Percentage of revenue	*(8.3)%*	*(25.3)%*	*18.6%*	*(127.0)%*	*(88.5)%*	*(11.7)%*
Change in operating WCR	*146*	*(108)*	*(122)*	*(58)*	*(149)*	*(291)*
Net operating Capex	*(645)*	*(113)*	*(41)*	*(170)*	*(16)*	*(985)*
Operating cash flow before tax	*(210)*	*(420)*	*102*	*(272)*	*(284)*	*(1,084)*

2.4 Backlog

The group's backlog at June 30, 2011 reached 43.1 billion euros, down 1.082 billion euros compared with December 31, 2010. Over the six-month period, all Business Groups' backlogs were stable, except for Mining/Front End BG's. The latter was affected by the first consequences of the Fukushima accident which result at the end of June 2011 in the cancellation of previously placed orders from Japanese and German customers in the amount of 191 million euros.

Thus, orders booked in the first six months of the year only partially offset the drawdown of backlog, considering in particular the delay on the signature of new contracts with certain power company customers.

It should be noted that the Japanese and German orders in backlog at June 30, 2011, in nuclear operations represented 17.5% of the total backlog. Among these orders, 0.7 billion euros present a risk of cancellation or renegotiation.

2.5 Income statement

(in millions of euros)	**H1 2011**	**H1 2010**	***2010***
Revenue	***3,997***	***4,158***	***9,104***
Gross margin	*692*	*390*	*1 326*
Research and development expenses	*(142)*	*(162)*	*(354)*
Marketing and sales expenses	*(112)*	*(145)*	*(253)*
General and administrative expenses	*(238)*	*(284)*	*(530)*
Other operating expenses	*(156)*	*(355)*	*(714)*
Other operating income	*667*	*71*	*102*
Operating income	***710***	***(485)***	***(423)***
Net financial income	*(178)*	*(172)*	*(314)*
Income tax	*(188)*	*242*	*334*
Share in net income of associates	*41*	*46*	*153*
Net income from continuing operations	*386*	*(369)*	*(250)*
Net income from discontinued operations	*(6)*	*1,240*	*1,236*
Net income for the period	*380*	*871*	*986*
Minority interests	*29*	*29*	*103*
Net income attributable to equity owners of the parent	***351***	***843***	***883***
Comprehensive income	*259*	*1,530*	*1,408*

2.5.1 Revenue

(in millions of euros)	**H1 2011**	**H1 2010**	***Change 2011/2010***
Contribution to consolidated revenue	*3,997*	*4,158*	*-3.9%*
Mining/Front End BG	*1,429*	*1,593*	*-10.3%*
Reactors & Services BG	*1,604*	*1,543*	*+4.0%*
Back End BG	*830*	*897*	*-7.5%*
Renewable Energies BG	*59*	*47*	*+26.3%*

The group had consolidated revenue of 3.997 billion euros in the first half of 2011, down 3.9% compared with the same period in 2010 (-1.6% like-for-like[1]). The decrease in revenue from the Mining/Front End BG (-10.3%, or -6.6% LFL[1]) and from the Back End BG (-7.5%, or -7.1% LFL[1]) was partially offset by increased business in the Reactors & Services BG and Renewal Energies BG, which reported growth of 4.0% (+6.0% LFL[1]) and 26.3% (+24.4% LFL[1]) respectively. Foreign exchange had a negative impact of 86 million euros, primarily in the Mining/Front End BG. Consolidation had a negative impact of 11 million euros over the period. Internationally, revenue was up 2.2% in the first half of 2011 compared with the first half of 2010, to 2.429 billion euros, and represents 61% of total revenue.

2.5.2 Gross margin

(in millions of euros)	**H1 2011**	**H1 2010**	***Change 2011/2010***
Gross margin	*692*	*390*	*+77.4%*
Percentage of revenue	*17.3%*	*9.4%*	*+7.9 pts.*

The group's gross margin for the first half of 2011 was 692 million euros, or 17.3% of revenue, compared with 390 million euros in the first half of 2010, or 9.4% of revenue. This increase is primarily due to the improvement of the gross margin in the Reactors & Services BG.

2.5.3 Research and development

The amounts committed to research and development are recorded on the balance sheet if they meet the criteria for capitalization 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 programs funded wholly or partly by customers, together with projects carried out in partnership where AREVA has commercial rights of use of the

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

results, are recognized in the cost of sales.

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

(in millions of euros)	**H1 2011**		**H1 2010**	
	in millions of euros	*in % of sales*	in millions of euros	*in % of sales*
Income statement: Research and development expenses	*142*	*3.6%*	*162*	*3.9%*
Other (including capitalized R&D)	*216*	*5.4%*	*258*	*6.2%*
Total research and development expenditure	*358*	*9.0%*	*420*	*10.1%*

Taking into account all costs incurred for research and development, the total research and development expenditure was 358 million euros in the first half of 2011, i.e. 8.9% of revenue for the period, slightly down from 420 million euros in the first half of 2010, i.e. 10.1% of revenue.

2.5.4 General and administrative, marketing and sales expenses

Marketing and sales expenses and general and administrative expenses totaled 350 million euros in the first half of 2011, or 8.7% of revenue, a decrease in relation to the first half of 2010 (10.3% of revenue), due to the success of the cost reduction program deployed throughout the group.

2.5.5 Other operating income, other operating expenses

- Other operating expenses were 156 million euros, versus 355 million euros in the first half of 2010. At June 30, 2010, they primarily included impairment of assets in the Mining/Front End BG. In the first half of 2011, they corresponded to impairment of assets in the Reactors & Services BG.
- Other operating income totaled 667 million euros, versus 71 million euros in the first half of 2010, primarily due to the payment by Siemens of the 648-million euro penalty following the proceedings before the International Chamber of Commerce.

2.5.6 Operating income

To facilitate comparisons of AREVA's intrinsic performance from one year to the next, the group has chosen to isolate the following particular items:

In the first half of 2010

- gains from the sale of minority interests in companies of the Mining/Front End BG in the amount of 19 million euros and a non-cash reversible accounting adjustment of -300 million euros on the value of certain mining assets;
- additional provisions for revised losses at completion of projects in the Reactors & Services BG in the amount of -417 million euros.

In the first half of 2011

- decision in AREVA's favor by the International Chamber of Commerce and payment of a 648-million euro penalty by Siemens in the first half of 2011.

These items are isolated throughout this press release to support analysis of "operating income excluding particular items".

(in millions of euros)	**H1 2011**	**H1 2010**	***Change 2011/2010***
Operating income excluding particular items	***62***	***213***	***-€151m***
Percentage of revenue	*1.6%*	*5.1%*	*-3.5 pts.*
Disposals and new partners - Mining/Front End assets	*0*	*19*	*ns*
Additional provisions - Reactors & Services projects	*0*	*(417)*	*ns*
Reversible accounting adjustment on mining assets	*0*	*(300)*	*ns*
Siemens arbitration	*648*	*0*	*ns*
Reported operating income	***710***	***(485)***	***+1.195bn***

Operating income excluding particular items totaled 62 million euros, a decrease of 151 million euros compared with the first half of 2010. This change is primarily due to:

- the provisions and impairment of assets recorded in the Reactors & Services BG in the amount of 87 million euros relating to the short-term business volume following the Fukushima accident,

- a lower level of recycling business in the Back End BG.

On the other hand, operating income excluding particular items in the Mining/Front End BG and the Renewable Energies BG was up compared with the first half of 2010, and in spite of the decrease in revenue from the Mining/Front End BG.

The CAP 2012 cost reduction program continues according to plan, with savings of 200 million euros in general, administrative, marketing and sales expenses expected over a two-year period.

In April 2011, following Siemens' withdrawal as a shareholder of AREVA NP, the court of arbitration confirmed that Siemens' behavior was at fault, requiring it to pay 648 million euros in penalties to AREVA. This amount corresponds to the full amount of the penalty provided in the event of a violation of the provisions of the shareholders' agreement signed by AREVA and Siemens in 2001. It was recognized in operating income, bringing the total to 710 million euros in the first half of 2011, compared with -485 million euros in the first half of 2010 (including particular items). This decision is final in nature and ends the arbitration proceedings with Siemens.

2.5.7 Net financial income

(in millions of euros)	**H1 2011**	**H1 2010**
Net borrowing costs	***(35)***	***(81)***
Other financial income and expenses	***(143)***	***(90)***
Share related to end-of-lifecycle operations	***(10)***	***(11)***
Income from the earmarked financial portfolio	*100*	*61*
Income from receivables and discount reversal on earmarked assets	*36*	*46*
Discounting reversal expenses on end-of-lifecycle operations	*(145)*	*(118)*
Share not related to end-of-lifecycle operations	***(133)***	***(80)***
Income from disposal of securities and change in value of securities held for trading	-	*(1)*
Financial income from pensions and other employee benefits	*(43)*	*(38)*
Dividends received	*6*	*18*
Other income and expenses	*(97)*	*(59)*
Net financial income	***(178)***	***(172)***

Net financial income reached -178 million euros in the first half of 2011 and was stable compared with the first half of 2010. The negative impact of foreign exchange and the increase in other financial expenses were offset by the increase in income from cash and cash equivalents due to the net effect of the change in equity interests related to Siemens' withdrawal from the share capital of AREVA NP.

2.5.8 Income tax

The tax expense for the first half of 2011 was -188 million euros, compared with tax income of 242 million euros in the first half of 2010. This was calculated by applying the estimated effective tax rate for the year to earnings before tax for the period. The rate was 35.5%, including the CVAE business tax. Following the 2010 business tax reform in France, the group recognizes the CVAE on the corporate income tax line, with the impact on the group's effective tax rate estimated at 28 million euros for fiscal year 2011. Excluding the CVAE, the group's estimated effective tax rate for the year is 30.8%.

2.5.9 Share in net income of associates

(in millions of euros)	**H1 2011**	**H1 2010**	***2010***
STMicroelectronics	n.a.	*18*	*69*
Eramet	*47*	*26*	*83*
Other	*(6)*	*2*	*1*
Total	***41***	***46***	***153***

The group's share in the net income of associates is 41 million euros in the first half of 2011 and was stable compared with 2010.

Eramet income recognized by the group may differ from reported income, as the calculation is based on interim results. Any differences between Eramet's interim and final financial statements are recognized in the financial statements for the following period.

2.5.10 Minority interests

The share in net income attributable to minority interests is 29 million euros and is stable in relation to the first half of 2010.

2.5.11 Net income

Net income attributable to owners of the parent for the first half of 2011 was 351 million euros, down 492 million euros in relation to the first half of 2010, when the sale of the Transmission & Distribution business resulted in a net consolidated gain of 1.270 billion euros.

2.5.12 Comprehensive income

Comprehensive income was 259 million euros, as against 1.530 billion euros in the first half of 2010. In addition to the decrease in net income attributable to owners of the parent, the value of available-for-sale financial assets went from 176 million euros in the first half of 2010 to -28 million euros in the first half of 2011.

2.6 Cash flow

2.6.1 Change in net debt

(in millions of euros)	**H1 2011**
Net debt at beginning of period (December 31, 2010)	*(3 672)*
EBITDA	*865*
Percentage of revenue	*21,6%*
Gains or losses on disposals of operating assets	-
Change in operating WCR	*(294)*
Net operating Capex (excluding acquisition of AREVA NP shares)	*(842)*
Free operating cash flow before tax (excluding acquisition of AREVA NP shares)	*(271)*
Cash flows for end-of-lifecycle operations	*(9)*
Dividends paid to minority shareholders	*(51)*
Disposal of STMicroelectronics	*696*
Valuation difference on 34% of AREVA NP vs. December 31, 2010	*434*
Other (net financial assets, taxes, non-operating WCR and net cash from discontinued operations)	*101*
Change in net debt	*900*
	June 30, 2011
Net debt (-) / Net cash (+) at the end of the period (including put options of minority interests)	*(2 772)*

2.6.2 Free operating cash flows of the Group

(in millions of euros)	**H1 2011**	**H1 2010**
EBITDA	***865***	***215***
Percentage of revenue	*21.6%*	*5.2%*
Gains or losses on disposals of operating assets	-	*(23)*
Change in operating WCR	*(294)*	*(291)*
Net operating Capex excluding acquisition of AREVA NP shares	*(842)*	*(985)*
Free operating cash flow before tax (excluding acquisition of AREVA NP shares)	*(271)*	*(1,084)*
Free operating cash-flow before tax	***(1,950)***	***(1,084)***

2.6.3 Free operating cash flows by business

(in millions of euros)	EBITDA		Change in operating WCR		Operating CAPEX, net of disposals		Free operating cash-flow before tax	
	H1 2011	**H1 2010**	**H1 2011**	**H1 2010**	**H1 2011**	**H1 2010**	**H1 2011**	**H1 2010**
Mining/Front End BG	*251*	*310*	*152*	*146*	*(641)*	*(645)*	*(236)*	*(210)*
Reactors & Services BG	*(113)*	*(199)*	*(174)*	*(108)*	*(105)*	*(113)*	*(392)*	*(420)*
Back End BG	*228*	*267*	*(15)*	*(122)*	*(61)*	*(41)*	*151*	*102*
Renewable Energies BG	*(63)*	*(44)*	*(10)*	*(58)*	*(20)*	*(170)*	*(93)*	*(272)*
Corporate and other	*563*	*(118)*	*(247)*	*(149)*	*(1,696)*	*(16)*	*(1,380)*	*(284)*
Total Group	*865*	*215*	*(294)*	*(291)*	*(2,521)*	*(985)*	*(1,950)*	*(1,084)*

Operating cash flow before capital expenditure reached 571 million euros, an increase of 670 million euros compared with the first half of 2010; this is due to the rise in EBITDA, which was 865 million euros in the first half of 2011, including the 648-million euro impact of the Siemens' arbitration, compared with 215 million euros in the first half of 2010. Restated for the Siemens' arbitration, EBITDA was stable compared with 2010, at 217 million euros. The change in working capital requirement was stable compared with the first half of 2010, at -294 million euros.

Gross operating Capex excluding acquisitions was 841 million euros in the first half of 2011, compared with 872 million euros in the first half of 2010, reflecting the ongoing deployment of capital programs, mainly in the Mining/Front End BG.

Acquisitions, mainly carried out in Renewable Energies, went from 158 million euros in the first half of 2010 to 18 million euros in the first half of 2011. They bring total gross capital expenditure for the first half of 2011, excluding acquisition of AREVA NP shares, to 858 million euros, compared with 1.030 million euros for the same period in 2010.

After recognizing asset sales, net operating Capex excluding acquisition of AREVA NP shares was 842 million euros in the first half of 2011, compared with 985 million euros in the first half of 2010.

The stability of EBITDA, restated for the penalty payment from Siemens, and of the working capital requirement, and the downturn in net operating Capex translated into free operating cash flow before tax of -919 million euros in the first half of 2011, excluding the Siemens' arbitration, compared with -1.084 billion euros in the first half of 2010.

Free operating cash flow before tax was -1.950 billion euros, versus -1.084 billion euros in the first half of 2010.

2.6.4 Cash flows for end-of-lifecycle operations

To finance its end-of-lifecycle operations, the Group has built a portfolio of assets earmarked to fund the corresponding expenses. It is the group's policy to offset negative cash flows associated with end-of-lifecycle operations with positive cash flows from dividends or sales of securities held in the portfolio.

In the first half of 2011, cash flows related to end-of-lifecycle operations reached -9 million euros, against -6 million euros at June 30, 2010. The main transactions were as follows:

- disbursements relating to end-of-lifecycle operations totaling 104 million euros, stable compared with the first half of 2010 (-100 million euros);
- dividends received in the amount of 42 million euros, against 27 million euros at June 30, 2010.

2.6.5 Other elements of the change in net debt

Other cash flows totaled 1.231 billion euros. They primarily consisted of receipts related to the sale of the interest in STMicroelectronics in the amount of 696 million euros and the valuation difference on the 34% interest in AREVA NP held by Siemens in relation to December 31, 2010.

2.7 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 paragraph 4.3.

(in millions of euros)	**June 30, 2011**	**December 31, 2010**
Net goodwill	*4,128*	*4,625*
Property, plant and equipment (PP&E) and intangible assets	*10,204*	*9,901*
Assets earmarked for end-of-lifecycle operations	*5,906*	*5,834*
Equity associates	*994*	*988*
Other non-current financial assets	*530*	*477*
Deferred taxes (assets – liabilities)	*359*	*474*
Operating working capital requirement	*231*	*(92)*
Assets of operations held for sale	*8*	*832*
Total assets	***22,360***	***23,039***
Equity and minority interests	*9,644*	*9,578*
Provisions for decommissioning operations	*5,854*	*5,815*
Other provisions and employee benefits	*2,947*	*3,064*
Other assets and liabilities	*1,139*	*909*
Liabilities of operations held for sale	*4*	-
Net borrowings	*2,772*	*3,672*
Total liabilities and equity of the simplified balance sheet	***22,360***	***23,039***

2.7.1 Net debt at the end of the period

In connection with Siemens' withdrawal from AREVA NP, the independent expert in charge of determining the value of Siemens' minority interest submitted his report on March 15, 2011. That report puts the value of Siemens' 34% interest in AREVA NP at 1.620 billion euros as of the 1st quarter of 2009. AREVA paid 1.679 billion euros to Siemens (including interest) on March 18, 2011. This amount is recognized in net Capex, bringing the latter to 2.521 billion euros.

At December 31, 2010, the independent expert's lower valuation thus resulted in a 434-million euro reduction of net debt.

The conclusion of the proceedings with Siemens thus had a net positive impact on AREVA's debt position in the amount of 1.082 billion euros.

The group had total net financial debt of 2.772 billion euros at June 30, 2011, compared with 3.672 billion euros at the end of 2010. This 900-million euro reduction is due to the positive impact of the finalization of proceedings with

Siemens in the total amount of 1.082 billion euros and to the sale of AREVA's interest in STMicroelectronics in the amount of 696 million euros, which largely offset the free operating cash flow of -919 euros described above.

2.7.2 Equity

Shareholders' equity increased from 9.578 billion euros at December 31, 2010 to 9.644 billion euros at June 30, 2011.

2.7.3 Operating working capital requirement

The group's operating working capital requirement was 231 million euros at June 30, 2011, compared with -92 million euros at December 31, 2010. In relation to June 30, 2010, it decreased by 121 million euros (352 million euros), benefitting from optimization activities led in every Business Group.

2.7.4 Assets and provisions for end-of-lifecycle operations

The change in the balance sheet from December 31, 2010 to June 30, 2011 with regard to assets and liabilities for end-of-life cycle operations is summarized in the table below.

(in millions of euros)	**June 30, 2011**	**December 31, 2010**
ASSETS		
End-of-lifecycle assets	*388*	*395*
AREVA share (to be amortized in future years)[(1)]	*140*	*143*
Third party share[(2)]	*248*	*252*
Assets earmarked for end-of-lifecycle operations[(3)]	*5,658*	*5,590*
LIABILITIES		
Provisions for decommissioning operations	*5,854*	*5,815*
Provisions to be funded by AREVA	*5,606*	*5,563*
Provisions to be funded by third parties	*248*	*252*

(1) Amount of total provision to be funded by AREVA still subject to amortization.
(2) Amount of the provision to be funded by third parties.
(3) Portfolio of financial assets and receivables earmarked to fund AREVA's share of the total provision.

Provisions for end-of-lifecycle operations at June 30, 2011 reached 5.854 billion euros, against 5.815 billion euros at December 31, 2010.

Earmarked assets relating to these end-of-lifecycle operations totaled 5.906 billion euros at June 30, 2011, including "third party receivables" of 248 million euros and 5.658 billion euros in financial assets earmarked by AREVA to fund these operations (including receivables).

At June 30, 2011, AREVA's coverage of activities subject to the French law of June 28, 2006 was 102.90%. The ratio for all AREVA group activities was 100.80%.

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

2.7.5 Other provisions and employee benefits

The amount of other provisions was 2.947 billion euros, slightly down compared with December 31, 2010.

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

2.7.6 Off balance-sheet commitments

(in millions of euros)	**June 30, 2011**	**December 31, 2010**
Commitments given	*2,118*	*2,663*
Commitments received	*876*	*690*
Reciprocal commitments	*5,919*	*4,430*

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

2.8 Review of the Business Groups

2.8.1 Mining/Front End BG

(contribution to the group, in millions of euros)	**H1 2011**	**H1 2010**	***2011/2010 change***
Backlog	*27,702*	*28,590*	*-3.1%*
Revenue	*1,429*	*1,593*	*-10.3%*
Operating income	*155*	*(133)*	*+€288m*
Percentage of revenue	*10.8%*	*(8.3)%*	*+19.1 pts.*
Operating cash flow before tax	*(236)*	*(210)*	*-€26m*

The backlog for the Mining/Front End BG reached 27.702 billion euros at June 30, 2011. Despite slower commercial operations in the first half of 2011 following the Fukushima accident, several sales agreements for uranium and conversion services were signed with US, European and Japanese power companies.

The Mining/Front End BG reported revenue of 1.429 billion euros in the first half of 2011, down 10.3% compared with the same period in 2010 (-6.6% like-for-like[1]). Foreign exchange had a negative impact of 64 million euros.

More specifically:

- The rising uranium sales price had a favorable impact on revenue in Mining over the period, offsetting the lower volumes sold over the period for schedule reasons;
- Revenue from the Enrichment business was heavily penalized by the end of SWU sales to EDF in France related to the end of the historical enrichment services supply contract dating to the original Georges Besse plant;
- Business rose in Fuel due to a favorable delivery schedule in France, largely offsetting the cancellation of deliveries to Germany scheduled for this period.

Operating income excluding particular items was 155 million euros (10.8% of revenue), compared with 148 million euros (9.3% of revenue) in the first half of 2010. Despite the decrease in revenue, this increase is due to improved performance in Mining (higher average sales prices and lower average production costs) and the positive impact of performance improvement plans in Fuel and Enrichment, helping to offset the financial impact of operating conditions at the Georges Besse enrichment plant, where production will cease in September 2012, and cancelled deliveries in the Fuel business.

After recognition of particular items in the amount of 281 million euros in the first half of 2010, operating income from the Mining/Front End BG rose 288 million euros in the first half of 2011.

Free operating cash flow before tax in the Mining/Front End BG came to -236 million euros in the first half of 2011, compared with -210 million euros in the first half of 2010. This change is due to continued capital spending programs and the positive contribution of the change in working capital requirement of 152 million euros (compared with +146 million euros in the first half of 2010).

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

2.8.2 Reactors & Services BG

(contribution to the group, in millions of euros)	**H1 2011**	**H1 2010**	***2011/210 change***
Backlog	*7,316*	*7,964*	*-8.1%*
Revenue	*1,604*	*1,543*	*+4.0%*
Operating income	*(79)*	*(391)*	*+€312m*
Percentage of revenue	*(4.9)%*	*(25.3)%*	*+20.4 pts.*
Operating cash flow before tax	*(392)*	*(420)*	*+€28m*

The backlog for the Reactors & Services BG reached 7.316 billion euros at June 30, 2011. In the first half of 2011, commercial operations were marked by the signature of a contract to modernize power plants in with European power companies.

The Reactors & Services BG reported revenue of 1.604 billion euros, an increase of 4.0% (+6.0% LFL[1]).

- The New Builds business was up sharply, led by progress on the three major reactor projects (Olkiluoto 3, Flamanville 3 and Taishan 1 and 2);
- Installed Base Services were also up due to robust engineering operations in France and to business from springtime unit outage campaigns in the United States.

Operating income excluding particular items was -79 million euros in the first half of 2011, compared with 26 million euros in the first half of 2010. This change is primarily due to a total of 87 million euros in provisions and impairment of assets recognized in conjunction with the immediate impacts of the Fukushima accident on short-term business volume.

After recognition of particular items in the amount of 417 million euros in the first half of 2010, operating income in the BG rose 312 million euros in the first half of 2011.

Free operating cash flow from the Reactors & Services BG was negative in the first half of 2011, at -392 million euros, compared with -420 million euros in the first half of 2010. This change reflects the following trends:

- Improved EBITDA tied to the good performance of Installed Base Services and progress on major projects, particularly OL3;
- A negative change in the working capital requirement of -174 million euros for the period (-108 million euros in the first half of 2010) corresponding to the use of customer advances;
- A slight decrease in Capex over the period.

2.8.3 Back End BG

(contribution to the group, in millions of euros)	**H1 2011**	**H1 2010**	***2011/2010 change***
Backlog	*6,178*	*6,268*	*-1.4%*
Revenue	*830*	*897*	*-7.5%*
Operating income	*127*	*167*	*-€40m*
Percentage of revenue	*15.3%*	*18.6%*	*-3.3 pts.*
Operating cash flow before tax	*151*	*102*	*+€49m*

The backlog for the Back End BG reached 6.178 billion euros at June 30, 2011. Among the most significant contracts won in the first half were:

- The development and installation, in just two months, of a process to recycle highly radioactive water at the Fukushima-Daiichi power plant for Tepco; as of the end of July, nearly 30,000 cubic meters of contaminated water had been processed, i.e. almost 25% of the cumulative volume.
- The signature of the Marcoule 2011-2015 dismantling contract with the CEA.

Revenue for the Back End BG fell 7.5% on a reported basis to 830 million euros and was down 7.1% like-for-like. This change is due to the following items in particular:

- The drop in operating activity at the La Hague plant compared with the first half of 2010 due to technical incidents in the facilities requiring heavy maintenance. The affected operations are scheduled to restart in the third quarter of 2011;
- Increased revenue from the Nuclear Site Value Development business related to the contaminated water recycling contract at the Fukushima-Daiichi site in Japan;
- The reduction in AREVA's scope of work in the Marcoule site dismantling contract with the CEA.

The Back End BG recognized operating income of 127 million euros, compared with 167 million euros in the first half of 2010. The operating margin was 15.3%, compared with 18.6% one year earlier. This change is primarily due to the lower level of production at the La Hague plant for the reasons cited above.

The Back End BG had free operating cash flow of 151 million euros in the first half of 2011, up from the first half of 2010 (102 million euros), benefitting from stabilization of the working capital requirement (compared with a negative change of -122 million euros in the first half of 2010), particularly due to the receipt in the first half of customer advances, including the advance for radioactive water decontamination at Fukushima.

2.8.4 Renewable Energies BG

(contribution to the group, in millions of euros)	**H1 2011**	**H1 2010**	***2011/2010 change***
Backlog	*1,849*	*1,135*	*+ 62.8%*
Revenue	*59*	*47*	*+ 26.3%*
Operating income	*(50)*	*(59)*	*+€9m*
Percentage of revenue	*(84.7)%*	*(127.0)%*	*+42.3 pts.*
Operating cash flow before tax	*(93)*	*(272)*	*+€179m*

The backlog for the Renewable Energies BG reached 1.849 billion euros at June 30, 2011. In the first half of 2011, the BG won a contract to install a concentrated solar power plant coupled to the Kogan Creek coal-fired plant operated by CS Energy in Australia.

The Renewable Energies BG reported revenue of 59 million euros in the first half of 2011, a 26.3% increase compared with the first half of 2010. Like for like, it reported growth of 24.4%, thanks to strong growth of Offshore Wind operations, despite a slower business start than expected and customer delays in setting up financing, impacting the biomass business in Brazil during the period.

Operating income in the Renewable Energies BG was -50 million euros in the first half of 2011, an improvement in relation to the same period in 2010, which had been penalized in particular by the repairs needed on the Alpha Ventus offshore wind farm.

The BG generated free operating cash flow of -93 million euros as of the end of June 2011, compared with -272 million euros at the end of June 2010. This change is due to the acquisition in 2010 of the Californian company Ausra, which specializes in concentrated solar power, and by the improvement of the operating working capital requirement in the first half tied to the receipt of customer advances.

2.8.5 Corporate and other

(contribution to the group, in millions of euros)	**H1 2011**	**H1 2010**	***2011/2010 change***
Revenue	*75*	*78*	-
Operating income	*558*	*(69)*	-
Operating cash flow before tax	*(1,380)*	*(284)*	-

Corporate operating income went from -69 million euros to 558 million euros from the first half of 2010 to the first half of 2011, primarily due to the payment by Siemens of the 648-million euro penalty following the proceedings before the International Chamber of Commerce.

2.9 Events subsequent to closing

The main events subsequent to the period ended June 30, 2011 are as follows:

- The decontamination system co-developed by AREVA and Veolia Eau for the Fukushima Daiichi nuclear power plant was successfully installed and had processed 30,000 metric tons of highly radioactive water as of July 10, 2011, some 25% of the total volume.
- The French request for proposals related to a total of 3,000 megawatts of offshore wind in five areas was issued on July 11, 2011.

2.10 Outlook

Depending on the operations and time-frame considered, the impacts of the Fukushima accident for AREVA remain extremely difficult to assess at this time. It should be noted that the leading nuclear agencies (IAEA, WNF, OECD, etc.) had not published post-Fukushima forecasts at the time that the financial statements were finalized.

The group was still analyzing the consequences of these events for AREVA over the medium- and long-term as at the date of the half-year financial statements. The consequences concern all operations in the nuclear cycle as well as renewable energies, and their assessment by the group, once completed, will be included in the strategic plan to be established during the second half of the year. These consequences will be taken into account in:

- the establishment of business forecasts;
- the sizing of its industrial and commercial organization;
- the evaluation of the recoverable value of property, plant and equipment and intangible assets at December 31, 2011.

Within this context, the value of some of the group’s assets appears to be particularly sensitive to the price and business assumptions selected, mainly:

- property, plant and equipment and intangible assets relating to mining facilities in production and mining projects under development or not yet launched (Namibia, Central African Republic and South Africa in particular); the net value of all of these assets reached 3.5 billion euros at June 30, 2011, of which 2.5 billion euros correspond to assets that have not yet entered production;
- capitalized development expenses for the full range of third generation nuclear reactors and for industrial facilities whose operations depend directly on the construction of new reactors; the net value of these assets reached nearly 750 million euros at June 30, 2011;
- to a lesser extent, industrial facilities whose principal activity is to supply goods and services to operating nuclear power plants.

Besides impairment tests on mining assets described in note 6, and waiting for the new strategic plan, the Group assessed the value of the assets based on the strategic plan in force as of December 31, 2010, reprocessed of the following elements assessed on the basis of the best estimates to date :

- Decrease /delay of reactors sales perspectives ;

- Ajustement of revenue for German and Japanese markets installed base ;

- Consideration of specific market contexts ;

On this basis, impairments amounting to 62 million euros were recorded on some specific industrial assets whose short-term business volume is affected.

All of these assets will be subject to impairment tests at December 31, 2011 based on multiyear forecast data contained in the new strategic plan.

The tests performed at June 30, 2011 continue to be based on management's best estimate at that date, in a market environment characterized by a high level of uncertainty and for which a detailed analysis is in progress. The completion of these analyses, expected at year-end 2011, will help to clarify the group's strategic scenarios and could lead to revisions to the tests performed at June 30, 2011.

The group draws attention to notes 1.3 and 6 to the consolidated financial statements for the period ended June 30, 2011.

3 Statutory Auditors' report on the half-year financial information for the period ended June 30, 2011

Statutory Auditors' report on the 2011 half-year financial information

For the period January 1 to June 30, 2011

This is a free translation into English of the Statutory Auditors' review report on the half-year condensed consolidated information for the period January 1 to June 30, 2011 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 with and construed in accordance with French law and French auditing professional standards.

To the Shareholders,

In accordance with our appointment as statutory auditors at your Annual General Meeting and in compliance with Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*), 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, 2011, as attached to this report;
- The verification of the information provided in the half-year management report.

These condensed half-year consolidated financial statements have been prepared under the responsibility of the Executive Board. Our role is to express a conclusion on these financial statements based on our limited review.

I. <u>Conclusion on the financial statements</u>

We have conducted our limited review in accordance with professional standards applicable in France. A limited review consists primarily in inquiries of members of the executive management team responsible for the accounting and financial matters, and the implementation of analytical procedures. These inquiries are substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Accordingly, a limited review provides a moderate assurance that the financial statements taken as a whole are free of material misstatement to a lesser extent than would result from an audit.

Based on our limited 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 respects, in accordance with IAS 34 accounting standard - IFRS as adopted by the European Union for interim financial information.

Without qualifying the above conclusion, we draw your attention to the following items set forth in the notes to the condensed half-year consolidated financial statements:

- Notes 1 (section 3) and 6, which describe the difficulties in assessing the impacts of the nuclear accident in Fukushima on the global nuclear market and Group activity, as well as the sensitivity of the value in use of certain tangible and intangible assets to certain assumptions, pending the completion of the strategic plan planned for the second half of the fiscal year;

- Note 12, in addition to Notes 1.1 and 1.8 included in the notes to the consolidated financial statements for the year ended December 31, 2010 as approved by the General Shareholders' meeting of April 27, 2011, which describe the performance conditions of the OL3 contract and the sensitivity of profit and loss at completion to contractual risks, scheduling, the effective implementation of piping installation and inspection operations in accordance with agreed operating procedures, as well as the potential difficulties during testing and commissioning phases including the Instrumentation and Control systems;

- Note 7, in addition to Notes 1.1, 1.13 and 1.18 included in the notes to the consolidated financial statements for the year ended December 31, 2010 as approved by the General Shareholders' meeting of April 27, 2011, which describe the procedures for measuring end-of-life cycle assets and liabilities and the sensitivity of such measurements to assumptions adopted with regard to cost estimates, timing of cash outflows and discount rates;

- Note 1.2 which describes the changes in accounting methods resulting from the application of new IFRS standards.

II. Specific procedures

We have also verified the information provided in the half-year management report in respect of the condensed half-year consolidated financial information, 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 half-year consolidated financial statements.

Paris-La-Défense and Neuilly-sur-Seine,

July 27, 2011

The Statutory Auditors

MAZARS		DELOITTE & ASSOCIES	
Jean-Luc BARLET	Juliette DECOUX	Patrice CHOQUET	Pascal COLIN

4 Condensed consolidated financial statements June 30, 2011

Consolidated statement of income

(in millions of euros)	Note	1st half 2011	1st half 2010	Year 2010
Revenue		**3,997**	**4,158**	**9,104**
Other income from operations		13	12	45
Cost of sales		(3,318)	(3,780)	(7,824)
Gross margin		**692**	**390**	**1,326**
Research and development expenses		(142)	(162)	(354)
Marketing and sales expenses		(112)	(145)	(253)
General and administrative expenses		(238)	(284)	(530)
Other operating expenses	*3*	(156)	(355)	(714)
Other operating income	*3*	667	71	102
Operating income		**710**	**(485)**	**(423)**
Income from cash and cash equivalents		67	17	37
Gross borrowing costs		(101)	(98)	(195)
Net borrowing costs		**(35)**	**(81)**	**(158)**
Other financial expenses		(291)	(223)	(348)
Other financial income		148	133	192
Other financial income and expenses		**(143)**	**(90)**	**(156)**
Net financial income	*4*	**(178)**	**(172)**	**(314)**
Income tax	*5*	**(188)**	**242**	**334**
Net income of consolidated businesses		**344**	**(415)**	**(403)**
Share in net income of associates	*8*	41	46	153
Net income from continuing operations		**386**	**(369)**	**(250)**
Net income from discontinued operations	*11*	(6)	1,240	1,236
Net income		**380**	**871**	**986**
Attributable:				
To the group:				
Net income from continuing operations		357	(387)	(343)
Net income from discontinued operations		(6)	1,230	1,226
Net income attributable to equity owners of		**351**	**843**	**883**
To minority interests:				
Net income from continuing operations		29	18	92
Net income from discontinued operations		-	10	10
Net income attributable to minority interests		**29**	**29**	**103**
Number of AREVA shares and investment certificates outstanding*		383,204,852	354,427,010	382,119,317
Average number of AREVA shares and investment certificates outstanding*		383,060,114	354,427,010	354,655,243
Average number of treasury shares*		1,035,426	731,590	764,713
Average number of AREVA shares and investment certificates outstanding, excluding treasury shares*		382,024,688	353,695,420	353,890,531
Earnings per share from continuing operations attributable to owners of the group (euros)*		0.93	(1.09)	-0.97
Basic earnings per share*		0.92	2.38	2.49
Diluted earnings per share(1)		0.92	2.38	2.49

(1) AREVA has not issued any instruments with a dilutive impact on share capital

* : The number of shares and the earnings per share for the first half of 2010 were restated for purposes of comparison in order to take into account the 10-to-1 split of the par value of the AREVA share that occurred in late 2010.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	1st half 2011	1st half 2010	Year 2010
Net income	**380**	**871**	**986**
Other comprehensive income items			
Currency translation adjustments on consolidated companies	(91)	172	100
change in value of available-for-sale financial assets	(28)	176	218
Change in value of cash flow hedges	16	27	73
Tax impact of these items	(41)	120	(52)
Other comprehensive income items related to discontinued operations		15	1
Share in other net comprehensive income items from associates	(28)	149	75
Non-current assets held for sale	**53**		**8**
Total other comprehensive income items (after tax)	**(120)**	**659**	**423**
Comprehensive income	**259**	**1,530**	**1,408**
- Attributable to the group	242	1,430	1,278
- Attributable to minority interests	18	101	130

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in millions of euros)	Note	June 30, 2011	December 31, 2010
Non-current assets		**22,789**	**22,870**
Goodwill on consolidated companies	*6*	4,128	4,625
INTANGIBLE ASSETS	*6*	3,653	3,652
Property, plant and equipment	*6*	6,551	6,249
End-of-lifecycle asset (third party share)	*7*	248	252
Assets earmarked to finance end-of-lifecycle operations	*7*	5,658	5,582
Equity associates	*8*	994	988
Other non-current financial assets	*9*	530	477
Pension fund assets		3	2
Deferred tax assets		1,024	1,044
Current assets		**10,025**	**11,667**
Inventories and work-in-process		2,883	2,599
Trade accounts receivable and related accounts		2,208	2,267
Other operating receivables		2,170	2,165
Current tax assets		48	64
Other non-operating receivables		197	172
Cash and cash equivalents	*10*	2,311	3,358
Other current financial assets		199	210
Assets of operations held for sale	*11*	8	832
Total assets		**32,813**	**34,538**

LIABILITIES AND EQUITY

(in millions of euros)	Note	June 30, 2011	December 31, 2010
Equity and minority interests		**9,644**	**9,578**
Share capital		1,456	1,452
Consolidated premiums and reserves		6,855	5,937
Deferred unrealized gains and losses on financial instruments		309	346
Currency translation reserves		(27)	45
Net income attributable to equity holders of the parent		351	883
Minority interests		700	915
Non-current liabilities		**12,190**	**14,210**
Employee benefits		1,213	1,171
Provisions for decommissioning operations	*7*	5,854	5,815
Other non-current provisions	*12*	112	116
Long-term borrowings	*13*	4,346	6,537
Deferred tax liabilities		665	570
Current liabilities		**10,979**	**10,749**
Current provisions	*12*	1,622	1,777
Short-term borrowings	*13*	936	703
Advances and prepayments received		4,122	3,923
Trade accounts payable and related accounts		1,611	1,641
Other operating liabilities		2,399	2,581
Current tax liabilities		46	52
Other non-operating liabilities		239	73
Liabilities of operations held for sale	*11*	4	-
Total liabilities and equity		**32,813**	**34,538**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	1st half 2011	1st half 2010	2010
Net income before minority interests	**380**	**871**	**986**
Less: income from discontinued operations	6	(1,240)	(1,236)
Net income from continuing operations	**386**	**(369)**	**(250)**
Share in net income of associates	(41)	(46)	(153)
Net amortization, depreciation and impairment of PP&E and intangible assets and marketable securities maturing in more than 3 months	318	555	1,085
Goodwill impairment losses		-	-
Net increase in provisions	(265)	50	(155)
Net effect of reverse discounting of assets and provisions	193	157	340
Income tax expense (current and deferred)	188	(242)	(334)
Net interest included in borrowing costs	36	76	170
Loss (gain) on disposals of fixed assets and marketable securities maturing in more than 3 months; change in fair value	(58)	(28)	(135)
Other non-cash items	24	(102)	(30)
Cash flow from operations before interest and taxes	**780**	**53**	**538**
Net interest received (paid)	32	(12)	(121)
Income tax paid	(51)	(20)	(63)
Cash flow from operations after interest and tax	**762**	**21**	**354**
Change in working capital requirement (WCR)	(186)	(286)	234
NET CASH FROM OPERATING ACTIVITIES	**576**	**(265)**	**588**
Investment in PP&E and intangible assets	(841)	(871)	(1,966)
Loans granted and acquisitions of non-current financial assets	(1,748)	(206)	(524)
Acquisitions of shares of consolidated companies, net of acquired cash	(6)	(132)	(195)
Disposals of PP&E and intangible assets	7	17	32
Loan repayments and disposals of non-current financial assets	1,771	1,032	1,961
Disposals of shares of consolidated companies, net of disposed cash	696	37	39
Dividends from equity associates	29	32	33
NET CASH USED IN INVESTING ACTIVITIES	**(92)**	**(91)**	**(621)**
Share issues subscribed by minority shareholders in consolidated subsidiaries and purchase of treasury shares	23	(4)	895
Transactions with minority shareholders.	(1,681)	(27)	75
Dividends paid to shareholders of the parent company	-	(250)	(250)
Dividends paid to minority shareholders of consolidated companies	(51)	(52)	(63)
Increase (decrease) in borrowings	321	(1,823)	(1,188)
NET CASH USED IN FINANCING ACTIVITIES	**(1,389)**	**(2,156)**	**(531)**
Decrease (increase) in marketable securities maturing in more than 3 months	3	(5)	(8)
Impact of foreign exchange movements	(6)	14	12
NET CASH FLOW FROM DISCONTINUED OPERATIONS	**(3)**	**2,252**	**2,243**
INCREASE (DECREASE) IN NET CASH	**(911)**	**(251)**	**1,683**
Net cash at the beginning of the year	**3,164**	**1,481**	**1,481**
Cash at the end of the year	2,311	1,413	3,358
Less: short-term bank facilities and non-trade current accounts (credit balances)	(58)	(183)	(194)
Net cash from discontinued operations			-
Net cash at the end of the year	**2,253**	**1,230**	**3,164**

"Net cash" taken into account in establishing the statement of cash flows consists of:

- "cash and cash equivalents" (see note 10), which includes:
  - cash balances and non-trade current accounts, and
  - risk-free marketable securities initially 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).
- The two preceding items relate to discontinued operations.

STATEMENT OF CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in millions of euros)	Number of shares and investment certificates**	Share capital	Premiums and consolidated reserves	Currency translation reserves	Deferred unrealized gains and losses on financial instruments	Total shareholders' equity attributable to owners of the parent	Minority interests	Total equity
December 31, 2009	***353,725,310***	**1,347**	**5,301**	**(155)**	**155**	**6,648**	**926**	**7,574**
Net income for the first half of 2010			843			843	29	871
Other comprehensive income items			5	373	209	587	72	659
Comprehensive income			**848**	**373**	**209**	**1,430**	**101**	**1,530**
Dividends paid (*)			(250)			(250)	(90)	(340)
Purchase of treasury shares	*(84,200)*		(4)			(4)		(4)
Other transactions with shareholders			4			4	(92)	(88)
June 30, 2010	***353,641,110***	**1,347**	**5,899**	**218**	**364**	**7,828**	**844**	**8,672**
December 31, 2010	***381,265,427***	**1,452**	**6,820**	**46**	**346**	**8,664**	**915**	**9,578**
Net income for the first half of 2011			351			351	29	380
Other comprehensive income items				(73)	(37)	(109)	(11)	(120)
Comprehensive income			**351**	**(73)**	**(37)**	**242**	**18**	**259**
Dividends paid (*)			-			-	(51)	(51)
Purchase of treasury shares	*(351,360)*		(15)			(15)		(15)
Share issue	*1,085,535*	4	28			32		32
Other transactions with shareholders			21			21	(181)	(160)
June 30, 2011	***381,999,602***	**1,456**	**7,206**	**(27)**	**309**	**8,944**	**700**	**9,644**
(*) Dividend paid out per share (in euros):								
In 2010 from 2009 net income			7.06					
In 2011 from 2010 net income			none					

* : The number of shares and the earnings per share for 2009 and for the first half of 2010 were restated for purposes of comparison in order to take into account the 10-to-1 split of the par value of the AREVA share that occurred in late 2010.

INFORMATION BY BUSINESS SEGMENT

First half 2011

	(in millions of euros)	Mining / Front End	Reactors & Services	Back End	Renewable Energies	Other and eliminations	Total Group
Income statement	Gross revenue	1,444	1,623	968	59	(97)	3,997
	Inter-segment sales	(15)	(19)	(138)	0	172	0
	Contribution to consolidated revenue	1,429	1,604	830	59	75	3,997
	Operating income	155	(79)	126	(50)	559	710
	Percentage of gross revenue	*10.7%*	*(4.9)%*	*13.0%*	*(84.8)%*	*n/a*	*17.8%*

First half 2010

	(in millions of euros)	Mining / Front End	Reactors & Services	Back End	Renewable Energies	Other and eliminations	Total Group
Income statement	Gross revenue	1,615	1,559	1,000	47	(63)	4,158
	Inter-segment sales	(22)	(16)	(103)	-	141	0
	Contribution to consolidated revenue	1,593	1,543	897	47	78	4,158
	Operating income	(133)	(391)	166	(59)	(69)	(485)
	Percentage of gross revenue	*(8.2)%*	*(25.1)%*	*16.6%*	*(126.1)%*	*n/a*	*(11.7)%*

2010

	(in millions of euros)	Mining / Front End	Reactors & Services	Back End	Renewable Energies	Other and eliminations	Total Group
Income statement	Gross revenue	3,730	3,433	1,943	152	(153)	9,104
	Inter-segment sales	(26)	(49)	(234)	(2)	310	0
	Contribution to consolidated revenue	3,704	3,384	1,709	150	157	9,104
	Operating income	(137)	(251)	278	(122)	(191)	(423)
	Percentage of gross revenue	*-3.7%*	*-7.3%*	*14.3%*	*-80.0%*	*124.9%*	*-4.6%*

"Other" includes Corporate and Consulting & Information Systems operations.

More than 10% of the group's consolidated revenue is received from one customer, the EDF group.

CONTRIBUTION TO CONSOLIDATED REVENUE BY BUSINESS SEGMENT AND CUSTOMER LOCATION

	1st half 2011					
(in millions of euros)	Mining / Front End	Reactors & Services	Back End	Renewable Energies	Other	**Total group**
France	455	546	496	1	70	**1,568**
Europe (excluding France)	308	422	134	37	2	**903**
North	293	313	68	20	4	**697**
Asia-Pacific	335	292	130	1	0	**758**
Africa / Middle East	37	31	2	0	0	**70**
Total	**1,429**	**1,604**	**830**	**59**	**75**	**3,997**

	1st half 2010					
(in millions of euros)	Mining / Front End	Reactors & Services	Back End	Renewable Energies	Other	**Total group**
France	587	510	611	0	73	**1,782**
Europe (excluding France)	450	360	133	27	2	**972**
North	270	395	70	20	3	**757**
Asia-Pacific	240	264	81	0	1	**586**
Africa / Middle East	46	14	2	0	0	**62**
Total	**1,593**	**1,543**	**897**	**47**	**78**	**4,158**

	2010					
(in millions of euros)	Mining / Front End	Reactors & Services	Back End	Renewable Energies	Other	**Total group**
France	1,209	1,129	1,083	2	147	**3,571**
Europe (excluding France)	895	920	330	92	3	**2,240**
North	632	718	128	55	6	**1,539**
Asia-Pacific	809	575	162	0	1	**1,547**
Africa / Middle East	159	43	5	0	0	**207**
Total	**3,704**	**3,384**	**1,709**	**150**	**157**	**9,104**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2011

All amounts are presented in millions of euros unless otherwise indicated. Certain totals may include rounding differences.

NOTE 1 – ACCOUNTING PRINCIPLES

.1 PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the period ended June 30, 2011 were prepared in accordance with the accounting standard IAS 34 on interim financial data. These summary financial statements do not contain all of the information to be provided for year-end financial statements prepared in accordance with International Financial Reporting Standards (IFRS). They must be read in conjunction with the consolidated financial statements at December 31, 2010.

Material events for the period are described in the half-year management report.

.2 ACCOUNTING PRINCIPLES

Accounting principles used to prepare the summary financial statements at June 30, 2011 are identical to those described in note 1 to the consolidated financial statements for the year ended December 31, 2010.

The revised IAS 24 standard ("Related Parties") and amendments to several existing standards have become applicable for fiscal years beginning January 1, 2011. These new regulations did not have a significant impact on AREVA's condensed consolidated financial statements for the period ended June 30, 2011.

- Revised IAS 24 grants a partial exemption for providing information to entities related to a public agency.

- The purpose of the amendments to IAS 34 on interim financial information is to clarify the information to be provided in application of this standard by focusing on important events and transactions during the interim period and to update pertinent information presented in the most recent annual report.

- The purpose of the amendments to IFRS 7 is to provide clarification on the information to be provided concerning the type and extent of risk arising from financial instruments.

In addition, AREVA applies the methodology prescribed in IAS 34 to calculate expenses related to retirement obligations, other employee benefits and income taxes for the interim period.

- Interim period expenses regarding retirement obligations and other employee benefits are based on the discount rate used at the end of the previous year, adjusted to reflect material changes in market conditions since that date and reductions, liquidations and other non-recurring material events. Accordingly, AREVA calculated first-half 2011 expenses using the discount rate established at December 31, 2010. The use of a discount rate updated at June 30, 2011 would have no material impact on the amount of the provision for employee benefits or on net income for the period.

- The AREVA group calculated its income tax expense for the interim period by applying the estimated average tax rate for the year to before-tax income. However, a different tax rate was used for income items subject to a specific tax rate, such as gains on disposals of securities eligible for long-term capital gains tax treatment.

.3 HIGHLIGHTS OF THE PERIOD, ESTIMATES AND JUDGMENTS

As mentioned in note 1.1 to the consolidated financial statements for the year ended December 31, 2010, AREVA must make estimates, assumptions and judgments affecting the net carrying amount of certain assets and liabilities, income and expense items, and information provided in some notes to the financial statements. AREVA updates its estimates and judgments on a regular basis to take into account past experience and other factors deemed relevant, based on business circumstances.

Estimates and judgments following the Fukushima nuclear accident

The first half of 2011 was marked by the nuclear accident at Fukushima on March 11, 2011 and by the decision made in Germany to withdraw from nuclear power. Following the Fukushima accident, nuclear facilities in the majority of countries operating them are undergoing or will undergo stress tests; the outcome of those tests will determine the conditions required for their continued operation. At the same time, in the second quarter of 2011, many countries confirmed their intention of pursuing or launching nuclear power programs, including India, China, South Africa, the United Kingdom, Finland, the Czech Republic and Poland.

As of the date of the financial statements for the six-month period ended June 30, 2011, cancelled orders totaled 200 million euros. The Japanese and German orders in backlog at June 30, 2011 represented 17.5% out of a total backlog of 43.1 billion euros. Among those orders, 700 million euros presented a risk of cancellation or renegotiation. Concerning market conditions and price trends in comparison with their pre-Fukushima levels, key long-term prices remained relatively stable, while spot prices continued to be characterized by substantial volatility.

UxC and TradeTech average		**June 30, 2011**	**December 31, 2010**
LT uranium	$/lb.	68.00	66.00
LT enrichment	$/SWU	155.50	155
LT conversion	$/kg	16	15

Depending on the operations and time-frame considered, the impacts of the Fukushima accident for AREVA remain extremely difficult to assess at this time. It should be noted that the leading nuclear agencies (IAEA, WNF, OECD, etc.) had not published post-Fukushima forecasts at the time that the financial statements were finalized.

The group was still analyzing the consequences of these events for AREVA over the medium- and long-term as at the date of the half-year financial statements. The consequences concern all operations in the nuclear cycle as well as renewable energies, and their assessment by the group, once completed, will be included in the strategic plan to be established during the second half of the year. These consequences will be taken into account in:

- the establishment of business forecasts,

- the sizing of its industrial and commercial organization,

- the evaluation of the recoverable value of property, plant and equipment and intangible assets at December 31, 2011.

Within this context, the value of some of the group's assets appears to be particularly sensitive to the price and business assumptions selected, mainly:

- property, plant and equipment and intangible assets relating to mining facilities in production and mining projects under development or not yet launched (Namibia, Central African Republic and South Africa in particular); the net value of these combined assets reached 3.5 billion euros at June 30, 2011, of which 2.5 billion euros correspond to assets that have not yet entered production. Impairment tests of the "Uranium mining" cash generating unit (CGU) and, within it, of the abovementioned assets at June 30, 2011 were carried out, as indicated in note 6, "Goodwill and property, plant and equipment and intangible assets", which explains the sensitivity of the result of this test to certain assumptions;
- capitalized development expenses for the entire line of third generation nuclear reactors and for industrial facilities whose operations depend directly on the construction of new reactors; the net value of these assets reached nearly 750 million euros at June 30, 2011;
- to a lesser extent, industrial facilities whose principal activity is to supply goods and services to operating nuclear power plants.

Apart from the impairment tests of mining assets described in note 6, and pending the new strategic plan, the group assessed the net carrying amount of assets based on the strategic plan in effect at December 31, 2010, restated for the following items, valued based on current best estimates:

- postponements or decreases in reactor sales prospects;

- adjustment of sales to the installed base in the German and Japanese markets;

- consideration of specific market conditions.

On this basis, impairment in the amount of 62 million euros was recognized on certain specific industrial assets whose short-term level of activity is impacted.

All of these assets will be subject to impairment tests at December 31, 2011 based on multiyear forecast data contained in the new strategic plan.

The tests performed at June 30, 2011 continue to be based on management's best estimate at that date, in a market environment characterized by a high level of uncertainty and for which a detailed analysis is in progress. The completion of these analyses, expected at year-end 2011, will help to clarify the group's strategic scenarios and could lead to revisions to the tests performed at June 30, 2011.

NOTE 2 – CONSOLIDATION SCOPE AND OTHER KEY EVENTS

AREVA NP

On January 27, 2009, Siemens had announced to AREVA its decision to exercise its put option for its 34% equity interest in AREVA NP.

Following a procedure stipulated in the shareholders' agreement signed between AREVA and Siemens in 2001, the two companies called on an independent expert to determine the value of Siemens' minority interest as of the first quarter of 2009. In March 2011, the independent expert submitted his report, which values Siemens' 34% interest in AREVA NP at 1.620 billion euros. AREVA paid that sum to Siemens on March 18, 2011.

This valuation reduces the goodwill relative to AREVA NP by 429 million euros (see notes 6, 13 and 16).

In addition, Siemens paid a penalty to AREVA in the first half of 2011 in the amount of 648 million euros in connection with the dispute between AREVA and Siemens for breach of the shareholders' agreement pertaining to AREVA NP (see note 16).

The main changes in the scope of consolidation during the first half of 2011 are described hereunder.

AREVA SOLAR

In March 2011, Agave SPV acquired a 6.54% interest in AREVA SOLAR. The capital increase subscribed by the partner was 12.3 million US dollars.

AREVA KOBLITZ

In April 2011, AREVA exercised its call option on the interest held by the minority shareholder in AREVA Koblitz Brazil, representing 30% of the share capital.
The acquisition price of that interest was 32 million euros, including a contingent price provision.

STMICROELECTRONICS

On December 15, 2010, the Supervisory Board examined the firm offer from the Fonds stratégique d'investissement (FSI, the strategic investment fund) to purchase AREVA's indirect interest in the share capital of STMicroelectronics, and authorized AREVA to grant exclusivity to FSI for the sale of that interest at 7 euros per share, or a total amount of 695 million euros. Acceptance of the FSI offer was subject to a process of information / consultation with AREVA employee representation bodies and approval by the competent competition authorities.

The sale closed on March 30, 2011. A provision in the amount of 101 million euros had been set up for that transaction for the capital loss on the disposal and consolidated at December 31, 2010.

NOTE 3 – OTHER OPERATING EXPENSES AND OTHER OPERATING INCOME

Other operating expenses

(in millions of euros)	1st half 2011	1st half 2010	2010
Restructuring and early retirement costs	(7)	(6)	(2)
Goodwill impairment losses	-	-	-
Impairment of other assets	(68)	(300)	(548)
Other operating expenses	(81)	(49)	(164)
Total other operating expenses	**(156)**	**(355)**	**(714)**

Other operating income

(in millions of euros)	1st half 2011	1st half 2010	2010
Income on sales of non-financial assets	0	21	17
Other operating income	667	50	85
Total other operating income	**667**	**71**	**102**

In the first half of 2011, "other operating income" primarily includes the 648-million-euro penalty received in connection with the dispute between AREVA and Siemens concerning the violation of the shareholders' agreement pertaining to AREVA NP (see note 16).

NOTE 4 – NET FINANCIAL INCOME

(in millions of euros)	1st half 2011	1st half 2010	2010
Net borrowing costs	**(35)**	**(81)**	**(158)**
Income from cash and cash equivalents	67	17	37
Gross borrowing costs	(101)	(98)	(195)
Other financial income and expenses	**(143)**	**(90)**	**(156)**
Share related to end-of-lifecycle operations	***(10)***	***(11)***	***(98)***
Income from disposal of securities earmarked for end-of-lifecycle operations	58	28	29
Dividends received	42	33	51
Income from receivables and discount reversal on earmarked assets	36	46	81
Impairment of securities	-	-	-
Impact of revised schedules	-	-	(5)
Discounting reversal expenses on end-of-lifecycle operations	(145)	(118)	(254)
Share not related to end-of-lifecycle operations	***(133)***	***(80)***	***(58)***
Foreign exchange gain (loss)	(16)	(2)	36
Income from disposals of securities and change in value of securities held for trading	-	(1)	214
Loss on STMicroelectronics interest	-	-	(101)
Dividends received	6	18	20
Impairment of financial assets	(2)	(6)	(10)
Interest income on prepayments received (Back End contracts)	(14)	(17)	(45)
Other financial expenses	(71)	(41)	(109)
Other financial income	6	7	11
Financial income from pensions and other employee benefits	(43)	(38)	(73)
Net financial income	**(178)**	**(172)**	**(314)**

NOTE 5 – INCOME TAX

Income tax expense was 188 million euros in the first half of 2011.

The tax expense for the first half of 2011 was calculated by applying the estimated effective tax rate for the year to earnings before tax for the period. The rate was 35.5%, including the CVAE business tax. *Following the 2010 business tax reform in France, the group recognizes the CVAE on the corporate income tax line, with the impact on the group's effective annual tax rate estimated at 28 million euros for fiscal year 2011. Excluding the CVAE, the group's estimated effective tax rate for the year is 30.8%.*

Changes in deferred taxes in the first half of 2010 in the amount of -41 million euros, resulting from changes in the fair value of financial instruments recognized in retained earnings, were recorded directly in equity.

Following development of the strategic plan in the second half of 2011, the group will re-estimate the recoverable share of deferred tax assets based on projected data that are consistent with the new plan.

NOTE 6 – GOODWILL AND PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

GOODWILL

Goodwill at June 30, 2011 was as follows:

(in millions of euros)	**December 31, 2010**	Additions	Disposals	Minority interest put options	Currency translation adjustments and other	**June 30, 2011**
Nuclear operations	**4,348**	1		(421)	(82)	**3,846**
Renewable Energies operations	**277**			(3)	9	**283**
TOTAL	**4,625**	1		(424)	(73)	**4,128**

The "minority interest put options" column primarily includes the impacts of AREVA NP securities transactions in the amount of 421 million euros.

INTANGIBLE ASSETS

(in millions of euros)	**NCA at December 31, 2010**	Additions	Net increase in depreciation / Impairment	Currency translation adjustments	Other changes	**NCA at 30 Jun. 2011**
Pre-mining expenses	**1,108**	83	(28)	(50)	(13)	**1,100**
R&D expenses	**591**	54	(19)	(22)	(88)	**515**
Mineral rights	**988**	0	0	(70)	0	**918**
Other	**965**	120	(28)	(16)	79	**1,121**
TOTAL	**3,652**	**257**	**(75)**	**(158)**	**(23)**	**3,653**

PROPERTY, PLANT AND EQUIPMENT

(in millions of euros)	**NCA at December 31, 2010**	Additions	Net increase in depreciation / Impairment	Currency translation adjustments	Other changes	**NCA at 30 Jun. 2011**
Land	**99**	0	(1)	(2)	3	**100**
Buildings	**910**	14	(28)	(17)	25	**904**
Plant, equipment and tooling	**2,501**	23	(169)	(19)	158	**2,494**
Decommissioning assets	**143**	0	(6)	(1)	4	**140**
Other	**642**	59	(38)	(32)	0	**631**
In process	**1,953**	558	(4)	(14)	(211)	**2,282**
TOTAL	**6,249**	**654**	**(246)**	**(84)**	**(21)**	**6,551**

IMPAIRMENT TESTS

Impairment tests were performed on the Uranium CGU, both as a whole and on each mine site, keeping most of the same fundamental assumptions as at December 31, 2010 (volumes, schedule for startup of new mines).

Concerning post-Fukushima market conditions, the group is in the process of analyzing demand trends and the status of its offering in terms of competitor positions and decisions. Once these analyses have been finalized as part of the new strategic plan, at the end of 2011, the group could be led to certain trade-offs in the management of its mining portfolio, which could translate into the postponed startup of some projects. No decision had been made in this regard at June 30, 2011.

Consequently, the market forecast data was adjusted for the purposes of the tests in relation to December 31, 2010 based solely on the most recently available external forecasts, dating to May and June 2011.

Concerning industrial and technical risk, as AREVA indicated in its 2010 Reference Document, the results of exploration campaigns to assess the potential of deposits in South Africa (Ryst Kuil) and Namibia (Trekkopje), in particular, along with economic trends are likely to have an impact on the estimated volume and quality of resources, and consequently on the production level to be used in connection with impairment tests.

In particular, for the Trekkopje deposit, preliminary results for correlations between radiometric measurements and chemical measurements point to a risk of lower actual ore grades, more specifically in low-grade ore, and thus a risk of a lower level of resources. At June 30, 2011, all of the measurements had been performed. Their interpretation is in progress and not yet finalized at this stage. Technical work on the resources had not yielded new assessment data at June 30. Once the interpretation has been completed, the resources and reserves book will be updated and the mining plan related to the project will be implemented. The new mining plan could take into account a deterioration in target production parameters (quantity produced, production costs), due to these interpretations and to market conditions.

On that basis, the tests performed did not indicate impairment of goodwill or additional impairment of the assets tested, and the impairment recognized at December 31, 2010 was maintained.

Concerning property, plant and equipment and intangible assets related to mining projects that have not yet entered production, for which the total net carrying amount was 2.5 billion euros at June 30, 2011 after impairment of 400 million euros recognized in 2010, a delay of one year in the start of production would lead to recognition of additional impairment of approximately 150 million euros (and approximately 300 million euros per additional year).

For these same assets, a variation of one percentage point in the discount rate used for the test would lead to an impact of approximately 300 million euros.

All of these assets will be subject to impairment tests at December 31, 2011 based on multiyear forecast data contained in the new strategic plan. The tests performed at June 30, 2011 continue to be based on management's best estimate at that date, in a technical and industrial market environment characterized by a high level of uncertainty for which a detailed analysis is in progress. The completion of these analyses, expected at year-end 2011, will help to clarify the group's strategic scenarios and could lead to revisions to the tests performed at June 30, 2011.

NOTE 7 – END-OF-LIFECYCLE OPERATIONS

The table below summarizes the AREVA balance sheet accounts affected by the treatment of end-of-lifecycle operations and their financing.

ASSETS *(in millions of euros)*	June 30, 2011	December 31, 2010	LIABILITIES	June 30, 2011	December 31, 2010
End-of-lifecycle assets – AREVA share [(1)]	140	143			
Assets earmarked for end-of-lifecycle operations	5,906	5,842	Provisions for decommissioning operations	5,854	5,815
- End-of-lifecycle asset – third party share (2)	*248*	*252*	- funded by third parties (2)	*248*	*252*
- Assets earmarked for end-of-life cycle operations (3)	*5,658*	*5,590*	- funded by AREVA	*5,606*	*5,563*

[1] : *Amount of total provision to be funded by AREVA still subject to amortization*
[2] : *Amount of the provision to be funded by third parties*
[3] : *Portfolio of financial assets and receivables earmarked to fund AREVA's share of the total provision*

ASSETS EARMARKED FOR END-OF-LIFECYCLE OPERATIONS

This heading consists of the following:

(in millions of euros)	June 30, 2011	December 31, 2010
Receivables related to end-of-lifecycle operations	635	1,262
Earmarked assets	5,022	4,320
Total	**5,658**	**5,582**

Receivables related to end-of-lifecycle operations correspond to receivables resulting from the signature of a contract in December 2004 under which the CEA agreed to fund a share of facility dismantling costs at the La Hague and Cadarache plants and a share of waste retrieval and packaging costs at the UP2-400 plant.

The schedule for payment of the amount due by EDF had been defined in an agreement signed in July 2009. Under the terms of this agreement, EDF made the final payment to AREVA in June 2011.

The portfolio of assets earmarked to fund end-of-lifecycle expenses includes the following:

(in millions of euros)	June 30, 2011	December 31, 2010
At market value		
Publicly traded shares	1,124	1,010
Equity mutual funds	902	766
Bond and money market mutual funds	2,746	2,419
Sub-total	**4,772**	**4,195**
In amortized cost		
Bond funds held until maturity	**250**	**125**
Total	**5,022**	**4,320**

PROVISIONS FOR END-OF-LIFECYCLE OPERATIONS

(in millions of euros)	**June 30, 2011**	**December 31, 2010**
Dismantling of nuclear facilities	4,327	4,212
Waste retrieval and packaging	1,527	1,603
Provisions for decommissioning operations	**5,854**	**5,815**

There were no significant revisions of estimates during the first half. Concerning the GB I facility, the best closing assumption continues to be based on the balance between pre-dismantling expenses and the profit from recoverable uranium.

NOTE 8 – INVESTMENTS IN ASSOCIATES

	June 30, 2011					December 31, 2010
(in millions of euros)	% of control	Share in net income of equity associates	Investment in associates, excluding goodwill	Goodwill	Investment in associates (including goodwill)	Investment in associates (including goodwill)
Eramet	25.93%	47	787	35	822	796
MNF	30.00%	(9)	39	74	112	131
Other equity associates		3	54	5	59	61
Total		**41**	**880**	**114**	**994**	**988**

The revised forecasts for MNF operations were not available at June 30, 2011 and will be assessed in the second half; they could lead to a new assessment of the going concern value of securities carried on the balance sheet.

NOTE 9 – OTHER NON-CURRENT FINANCIAL ASSETS

(in millions of euros)	**June 30, 2011**	**December 31, 2010**
Available-for-sale securities	239	293
Loans to equity associates	4	3
Other non-current financial assets	72	81
Derivatives on financing activities	215	92
Total	**530**	**469**

- **Available-for-sale securities**

Available-for-sale securities are as follows:

(in millions of euros)	**June 30, 2011**	December 31, 2010
Publicly traded shares (at market value)		
- Alcatel	10	6
- Suez Environnement	100	107
- Summit	26	61
- Japan Steel	23	38
- Other publicly traded securities	20	23
Investment in privately held companies	60	58
Total	**239**	**293**

The change between December 31, 2010 and June 30, 2011 is due mainly to changes in the market value of publicly traded shares.

NOTE 10 – CASH AND CASH EQUIVALENTS

(in millions of euros)	**June 30, 2011**	**December 31, 2010**
Cash equivalents	2,080	3,029
Cash and current accounts	231	329
Net value	**2,311**	**3,358**

Cash equivalents consist chiefly of short-term marketable securities and mutual funds.

NOTE 11 – NET INCOME, ASSETS AND LIABILITIES, AND CASH FLOW FROM DISCONTINUED OPERATIONS

Net income from discontinued operations for the first half of 2011 corresponds to the following items:

(in millions of euros)	**June 30, 2011**	**June 30, 2010**
Net income from discontinued operations (T&D) for the January 1 - June 7, 2010 period		(30)
Net income from discontinued operations (excluding T&D)	(6)	
After tax capital gain*		1,270
Net income from discontinued operations	**(6)**	**1,240**

** : Including release to income of currency translation reserves and deferred unrealized gains and losses*

Net cash from discontinued operations

At June 30, 2011 and June 30, 2010, this item includes:

(in millions of euros)	June 30, 2011	June 30, 2010
Sales price for T&D securities, net of disposal expenses		2,254
Cash flows from discontinued operations (excluding T&D)	(3)	
T&D contrib. to cash position at 1/1/10, transferred upon disposal of the T&D business		(2)
Net value	**(3)**	**2,252**

In addition to the purchase price of T&D shares at June 8, 2010, AREVA collected on liabilities and financial debt owed to it by T&D. These items are included for the most part under “loan repayments and disposals of non-current financial assets” in the cash flow statement.

NOTE 12 – OTHER PROVISIONS

(in millions of euros)	June 30, 2011	December 31, 2010
Restoration of mining sites and mill decommissioning	111	115
Other	1	1
Other non-current provisions	**112**	**116**
Restructuring and layoff plans	17	20
Provisions for ongoing cleanup	99	99
Provisions for customer warranties	90	103
Provisions for losses to completion	474	636
Accrued costs	628	638
Other	314	281
Current provisions	**1,622**	**1,777**
Total other provisions	**1,734**	**1,894**

Contract to build the Olkiluoto 3 EPR™ reactor

In the first half of 2011, heavy construction was completed for the project and all electro-mechanical installation and testing activities began ramping up.

Piping activities are still on the critical path of the project. Testing of instrument and control systems and their applications will be added to it in the second half of 2011. In the near term, the installation of instrumentation and control system cabinets is a major challenge in terms of schedule and the overall sequencing of the program to keep the electro-mechanical test schedule on track.

Construction activities are 62% complete, in accordance with the general project schedule. Piping installation is 53% complete, despite significant difficulties in implementing the hydraulic tests to be carried out throughout 2011 and into the beginning of 2012.

The diesel generators were installed but auxiliary components are still held up in the plant due to new quality requirements imposed by the safety authorities on the subcontracting chain. However, the documentation is being revised and should allow the complete installation to be finalized before testing starts in early 2012.

Concerning instrumentation and control systems, a large amount of documentation was produced during this six-month period to supplement the various qualification programs carried out for the platforms, systems and equipment.

The additional items needed for the operating license application are included in this documentation and will allow it to be finalized before the end of October, which is the deadline set by TVO and the safety authorities.

As of June 30, the December 2012 date for fuel loading is on track.

The risks of delay are connected with the difficulties of carrying out the hydraulic testing and the deliveries of the instrumentation and control system cabinets and diesel generator auxiliary components.

Discussions concerning the commissioning of the post-fuel-loading phases are in progress with the operating teams of TVO. As a reminder, TVO will assume responsibility for nuclear operations as from that date.

Concerning the arbitration proceedings launched in December 2008, the consortium maintained its claim by filing an application in May 2011 for compensation in the amount of 1.9 billion euros for a 22-month extension of the schedule during the contract period running until the end of 2007.

AREVA has not recognized any income in respect of this claim.

As a matter of record, TVO filed a counterclaim against the consortium in April 2009 in the amount of 1.4 billion euros; no provision was made for this counterclaim, as the consortium and its counsel consider the allegations made in the counterclaim to be unfounded and without merit under Finnish law.

At June 30, 2011, in light of the progress of the project, AREVA did not recognize any additional provision.

The total of the provisions recognized remain at the level of 2.6 billion euros, of which 400 million euros remained at June 30, 2011.

The remaining uncertainties linked to the estimate of the loss at completion still concern the contract risks and the necessary operating conditions in these final phases of construction and ramp-up to full-scale unit and integration testing.

Currently, the principle risks linked to the schedule and in particular to the date of fuel loading relate to customer decisions concerning the diesel generator auxiliaries and the instrumentation and control system cabinets.

As of this writing, TVO had not requested that any impact related to the Fukushima accident be taken into account.

NOTE 13 – BORROWINGS

(in millions of euros)	Long-term borrowings	Short-term borrowings	June 30, 2011	December 31, 2010
Put options of minority shareholders	22		22	60
Debt to Siemens for exercise of put option				2,117
Interest-bearing advances	84		84	83
Loans from financial institutions	473	692	1,165	753
Bond issues	3,750	103	3,853	3,803
Short-term bank facilities and non-trade current accounts (credit balances)		58	58	194
Derivative instruments		72	72	139
Miscellaneous debt	16	11	27	91
Total Borrowings	**4,346**	**936**	**5,282**	**7,240**

- **Debt to Siemens for exercise of put option**

On January 27, 2009, Siemens decided to exercise the put option for its equity share in AREVA NP.

Given the uncertainty concerning the exercise price resulting from this proceeding, AREVA had decided to maintain the same amount on its balance sheet at June 30, 2010 as at December 31, 2007, December 31, 2008 and December 31, 2009, i.e. 2.049 billion euros, excluding interest.

The independent expert commissioned to determine the value of that equity interest rendered his opinion on March 14, 2011, setting the value at 1.620 billion euros as of the first quarter of 2009, excluding interest. The difference was recognized in goodwill (see note 6).

NOTE 14 – RELATED PARTY TRANSACTIONS

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

Transactions between the group and other important related parties are presented below.

(in millions of euros)	CEA	
	June 30, 2011	**December 31, 2010**
Sales	292	630
Purchasing	46	116
Loans to/receivables from related parties	835	900
Borrowings from related parties	170	106

Relations with government-owned companies

The group has business relationships with French government-owned companies, mainly EDF. Transactions with EDF include sales of uranium, enrichment services and nuclear fuel, maintenance and sales of equipment for nuclear reactors, and used fuel transportation, storage, treatment and recycling services.

NOTE 15 – COMMITMENTS GIVEN OR RECEIVED

Off-balance sheet commitments *(in millions of euros)*	**June 30, 2011**	**December 31, 2010**
COMMITMENTS GIVEN	**2,118**	**2,663**
Contract guarantees given	*1,309*	**1,869**
Other operating guarantees	*296*	**360**
Financing commitments given	91	**17**
Other commitments given	422	**417**
COMMITMENTS RECEIVED	**876**	**690**
Operating commitments received	833	**648**
Commitments received on collateral	1	**1**
Other commitments received	42	**41**
RECIPROCAL COMMITMENTS	**5,919**	**4,430**

The amounts above only include commitments that the group considers valid as of the date of closing. Accordingly, these commitments do not include construction contracts currently under negotiation.

Commitments given

Operating commitments represent almost 76% of all commitments given. The majority of these commitments relate to performance warranties.

In addition, the group gave a parent company guarantee to TVO for the full value of the contract for the construction of an EPR reactor in Finland. The group received a counter-guarantee from Siemens corresponding to that supplier's share of the TVO contract. The net commitment given by the group is in the range of 1.5 billion to 2 billion euros. This amount is not included in the summary table.

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

Reciprocal commitments

In February 2007, the group established a 2-billion-euro revolving line of credit available in euros and dollars maturing in February 2014. This line had not been used at June 30, 2011.

Confirmed bilateral banking lines of credit were established in January 2011 in the amount of 1.5 billion euros. These lines of credit, which mature in January 2013, had not been used at June 30, 2011.

NOTE 16 – OTHER INFORMATION

LISTING OF SHARES

Effective May 30, 2011, the AREVA share is listed for trading on compartment A of the regulated NYSE Euronext Paris market under the ISIN code FR0011027143.

AREVA common shares replaced the investment certificates pursuant to the public exchange offer initiated by the CEA in April 2011.

At June 30, 2011, AREVA's share capital was held as follows:

	June 30, 2011
CEA	73.0%
French State	10.2%
Kuwait Investment Authority	4.8%
Caisse des dépôts et consignations	3.3%
Total	1.0%
Crédit Agricole CIB and employee shareholders	1.2%
EDF	2.2%
Repurchased shares	0.3%
Public	4.0%
Total	**100.0%**

POTENTIAL LITIGATION AND LIABILITIES

- **Siemens' withdrawal as AREVA NP shareholder**

On January 27, 2009, Siemens announced to AREVA its decision to exercise its put option for its 34% interest in the share capital of AREVA NP.

Following a procedure stipulated in the shareholders' agreement signed between AREVA and Siemens in 2001, the two companies called on an independent expert to determine the value of Siemens' minority interest as of the first quarter of 2009. In March 2011, the independent expert submitted his report, setting the value of Siemens' 34% interest in AREVA NP at 1.620 billion euros. AREVA paid that sum to Siemens on March 18, 2011.

In March 2009, AREVA exercised its put option for breach of said interest held by Siemens in AREVA NP, based on several breaches by Siemens of its contractual obligations, as stipulated in the shareholders' agreement between the two shareholders of AREVA NP.

AREVA subsequently supplemented its service of notice by initiating arbitration proceedings against Siemens on April 14, 2009 before the International Chamber of Commerce (ICC) to claim penalties for breach of the shareholders' agreement.

In connection with this dispute, the court of arbitration confirmed that Siemens' was in breach of contract in a judgment rendered on May 19, 2011 to the parties. As a result, Siemens paid 648 million euros in penalties in principal and interest to AREVA.

In parallel, in May 2010, the European Commission announced the start of official proceedings against AREVA and Siemens concerning the existence of various contractual restrictions between the parties in the commercial nuclear field, including a non-competition clause. The Commission's investigation is still ongoing.

NOTE 17 – EVENTS SUBSEQUENT TO THE END OF THE PERIOD

There was no event subsequent to the end of the period that might have a major impact on the group's financial statements.

FINANCIAL COMMUNICATIONS DEPARTMENT

33, rue La Fayette – F-75442 Paris Cedex 09 – France – Tel: +33 1 34 96 00 00 – Fax: +33 1 34 96 00 01