PRESS RELEASE

AREVA

Paris, July 28, 2005

First half 2005 sales figures

- **Sales are up 1.1% compared with the first half of 2004 (up 2.6% like-for-like[1])**
- **The € (17.3) M impact of IFRS adoption is limited to the Front End division**

- **Energy is up**
  - **Nuclear Power: up 4.4% (up 5.5% like-for-like[1]), driven by the *Front End* and *Reactors & Services* divisions**
  - **T&D: down 3.9% (-2.1% like-for-like[1]) due to the one-time peak observed in early 2004**

- **Connectors stable** — **Sales are stable (+0.3% like-for-like[1]): Automotive performed well, while the communication market continued to be a difficult one**

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In millions of euros	H1 2005	H1 2004	% change	% change like-for-like[1]
Front End	1 250	1 179	+6.0%	+8.8%
Reactors & Services	1 039	959	+8.3%	+11.3%
Back End	991	1 004	-1.3%	-3.4%
Transmission & Distribution	1 473	1 533	-3.9%	-2.1%
Sub-total Energy	**4 754**	**4 675**	**+1.7%**	**+3.0%**
Connectors	638	653	-2.4%	+0.3%
Corporate	5	10	-55.4%	-54.5%
Total	**5 396**	**5 339**	**+1.1%**	**+2.6%**

Quarterly data is presented in the attachment.

First half 2005 sales for the AREVA group were up 1.1% to 5,396 million euros and 2.6% like-for-like[1], compared with 5,339 million euros for the same period in 2004.The change in foreign exchange rates had a negative impact of nearly (34) million euros between these two periods, which was much less than between the first half of 2003 and the same period in 2004.

Energy operations recorded growth of 3.0% like-for-like[1]:

- Nuclear power sales grew by 5.5% like-for-like[1] in relation to the first half of 2004 (up 4.4% in reported data), mainly due to the ramp-up of the EPR construction project in Finland and to a favorable price effect in the mining business. In the

[1] Constant consolidation scope, accounting standards/procedures, and exchange rate.

nuclear divisions, the group points out that production volumes are unevenly distributed over the year. Accordingly, changes from one quarter to another cannot be compared to predict future growth.

- In the *Transmission & Distribution* division, after a first quarter drop of 6.5% like-for-like[1], a 2.1% increase like-for-like[1] was recorded in the second quarter, bringing the change in sales revenue down 2.1% like-for-like[1] for the first half of 2005 compared with the first half of 2004 (down 3.9% in reported data). The decrease in the beginning of 2005 was tied to the pick-up in business following the consolidation of the T&D division in early 2004.

In **Connectors**, sales were up by 0.3% like-for-like[1] (down 2.4% in reported data) on the strength of performance in *Automotive* and *Microconnections* despite a difficult communication market.

Front End division

First half 2005 sales for the Front End division rose by 6.0% to 1,250 million euros and by 8.8% like-for-like[1], compared with 1,179 million euros for the same period in 2004. In addition to the negative foreign exchange rate impact of (13) million euros, sales for the Front End division were affected by the adoption of IFRS: in the trading business, only profits are now recorded in sales, resulting in a negative impact of (17.3) million euros for the first half of 2005.

The *Mining* business recorded growth of 18.9% like-for-like[1] (up 13.0% in reported data), buoyed by a favorable uranium price effect and a volume effect. Gold production returned to normal in relation to the beginning of 2004, when the business unit experienced operating difficulties.

Sales of *Enrichment* services were up 2.6% like-for-like[1] (down 2.8% in reported data, primarily due to the impact of IFRS adoption). As expected, second quarter business compensated for the decline in sales during the first quarter of 2005 as a result of sales timing differences over the year. Sales for the entire year should reach a level comparable to that of 2004.

Fuel sales revenue is up by 6.5% like-for-like[1] (up 5.6% in reported data), after a particularly brisk first quarter 2005. Period-on-period, natural uranium (UO_2) fuel volumes are stable and slightly up in other forms of fuel (MOX and URT[*]). This trend is nonetheless specific to a distribution of sales over H1 2005 that is not representative of the year, for which sales volumes should be stable in relation to 2004.

For the full year, the group forecasts like-for-like growth in sales revenue for the Front End division compared with 2004, mainly due to the trend in mining operations.

Reactors & Services division

First half 2005 sales for the Reactors & Services division rose by 8.3% to 1,039 million euros and by 11.3% like-for-like[1], compared with 959 million euros for the same period in 2004. Foreign exchange rate fluctuations had a negative impact of (10) million euros over the period. The adoption of IFRS had no impact on the division's sales revenue.

The rise in sales revenue is due mainly to:

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[*] reprocessed uranium

- The ramp-up of the EPR project in Finland for the *Plants* business unit (up 36.3% like-for-like[1]);

- a healthy level of business in the *Nuclear Services* field in the first half of the year (up 9.3% like-for-like[1]), mainly because of a more favorable outage and components replacement schedule in early 2005, especially in France;

- a momentary drop in *Equipment* sales in the first half (down 9.8% like-for-like[1]) due to the high level of business from the Finnish project, for which sales are recorded by the *Plants* business unit.

Sales are stable in all of the division's other businesses (up 1% like-for-like[1]).

For the full year, the division's sales should rise compared with 2004, due to the ramp-up of projects in the *Plants* business.

Back End division

First half 2005 sales for the Back End division fell by 1.3% to 991 million euros and by 3.4% like-for-like[1], compared with 1,004 million euros for the same period in 2004. The adoption of IFRS had no impact on the Back End division's sales revenue.

The *Reprocessing-Recycling* businesses, which represent more than three-fourths of the division's sales, are the main source of the downturn in the division's sales (down 3% like-for-like[1]). This trend is the result of the end in 2004 of the assistance contract with JNFL in Japan, partially offset by a favorable client mix effect in *Reprocessing* and sales revenue relating to decommissioning services to the CEA at the Marcoule site. MOX production and used fuel reprocessing continue according to plan.

Logistics recorded a 7.9% drop, like-for-like[1], compared with the first half of 2004. This change is connected to a decrease in the number of foreign fuel shipments, due in particular to the scheduled phase-out of used fuel transport to and from Germany.

The other businesses, which represent about 10% of the Back End division's sales, recorded a 2% increase in sales revenue, like-for-like[1], in relation to the first half of 2004.

The group forecasts stable sales revenue in the Back End division, like-for-like, for the full year.

Transmission & Distribution division (T&D)

First half 2005 sales for the Transmission & Distribution division were down 3.9% to 1,473 million euros and 2.1% like-for-like[1], compared with 1,533 million euros for the same period in 2004. Following the 6.5% downturn in the first quarter like-for-like[1], tied to the pick-up in business following the division's consolidation in early 2004, the second quarter posted a gain of 2.1% like-for-like[1]. Foreign exchange rate fluctuations had a negative impact of (1) million euros over the period. The adoption of IFRS had no impact on the division's sales revenue. The scope impact due to the sale of the businesses in Australia and New Zealand on April 1st, 2005 represented 41.6 million euros (i.e. sales revenue of 2004 second quarter).

New orders booked in the first half of 2005 were up 0.5% to 1,676 million euros like-for-like in comparison to the first half of 2004, following a high level of orders in the first half of 2004 due to the pick-up effect mentioned earlier. The backlog of orders stood at more than 2,500 million euros at the end of June, up by more than 10% compared with the 2,322 million euros in backlog at the end of December 2004.

The upward sales trend is attributable in particular to the following:

- The 7% increase[2] in *Products* like-for-like, which represent some 40% of the divisions' sales, largely driven by the *High Voltage Switchgear* product lines.
- The 13.4% decrease[2] like-for-like in the *Systems* business, representing about 30% of the division's sales, mainly due to the timing of invoices for major projects, although the backlog increased 5% over the period. This trend should be equalized over the course of the year.
- The successful addition of two new bundled services offerings, which raised sales in the *Services* business by 15.6%[2] like-for-like.
- The 3.7% decline[2] in sales for the *Automation* business unit due to a slow-down of the North American market, despite its successful penetration into the substation automation segment.

Sales were up by 2.9% in Asia as a whole, and up by 13.8% in China. Conversely, business was down compared with the first half of 2004 in Europe (-3.6%) and in North America (-12.8%), due to the phasing of projects in Mexico and the United States.

For the full year, the group forecasts stable sales like-for-like and a downturn in sales in terms of reported data (deconsolidation of the telecom businesses in Australia and New Zealand beginning in the second quarter of 2005 and consolidation of operations in India and Pakistan beginning in the third quarter of 2005).

Connectors division

In the first half of 2005, the Connectors division recorded sales revenue of 638 million euros, compared with 653 million euros for the same period in 2004, representing a 2.4% decrease in terms of reported data. Like-for-like[1], the division's sales revenue indicates that the business is level, with growth at 0.3%, despite a difficult communication market. Foreign exchange rate fluctuations had a negative impact of almost (7) million euros over the period. The adoption of IFRS had no impact on the division's sales revenue.

The *Automotive* business recorded a 3.0% increase in sales like-for-like[1] and leads the division in terms of sales revenue. Despite the downward trend in global markets, sales were up in all regions. Specifically, sales were up in Europe and North America, where the markets were down. In Asia, the group's sales rose much higher than market growth, primarily due to the kick-off of new programs in Korea.

The *Communication, Data, Consumer* business, which represents more than a third of the division's H1 2005 sales, recorded a 9.1% drop in business like-for-like[1] over the period. Sales revenue was maintained between the first and second quarters of 2005, but remained lower than that of 2004 for the same periods. This trend is largely due to the postponement of customer programs to the second half of the year; to *Consumer* products that have reached the end of their life cycle; and to the customers' ongoing transfer of communication equipment production in low-cost countries, affecting European and U.S. sales in particular. The growth in Asian business did not offset these events.

Sales for the *Electrical Power Interconnect* business unit were up by 4.6% like-for-like[1], although down in terms of reported data due to asset disposals in Europe and Australia and to an unfavorable foreign exchange effect. The increase in sales revenue is being driven by

[2] Before eliminations of inter-business unit sales.

North America, where new products have been introduced and sales to distributors have risen.

Sales for the *Microconnections* business unit continued to strongly grow, with a 33.8% increase (like-for-like[1] and reported) in the first half of 2005 compared with the first half of 2004, and a 6% increase compared with the second half of 2004. This growth was sustained by the signature of partnership agreements with major customers and the sharp upturn in microprocessor applications, especially in Asia and the United States.

For the full year, the Connectors division should see a strengthening of sales revenue, like-for-like, compared with 2004.

Outlook

For the full year, the group expects to see sales revenue rise like-for-like, driven mainly by nuclear power.

Upcoming events and publications

- September 19, 2005 – 5:45 pm: Press release – H1 2005 results
- September 20, 2005 – 3:30 pm: Telephone conference on H1 2005 results
- October 27, 2005 – 5:45 pm: Press release – Q3 2005 sales
- January 31, 2006 – 5:45 pm: Press release – 2005 sales

About us

With manufacturing facilities in more than 40 countries and a sales network in more than 100, AREVA offers customers technological solutions for highly reliable nuclear power generation and electricity transmission and distribution.

The group also provides interconnect systems to the telecommunications, computer and automotive markets.

These businesses engage AREVA's 70,000 employees in the 21st century's greatest challenges: access to energy for everyone, preservation of the planet and responsibility toward future generations.

For more information: www.areva.com

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Appendix 1
Consolidated sales by quarter

In millions of euros	2005	2004	2005/2004 change in %	2005/2004 change in % like-for-like[1]
1st quarter				
Front End	602	586	+2,8%	+5,4%
Reactors & Services	465	383	+21,3%	+23,7%
Back End	422	385	+9,6%	+9,6%
Transmission & Distribution	691	735	-6,0%	-6,5%
Sub-total Energy	**2 180**	**2 089**	**+4,4%**	**+5,3%**
Connectors	313	317	-1,4%	+1,8%
Corporate and other	3	4	-15,9%	-13,7%
Total	**2 496**	**2 410**	**+3,6%**	**+4,8%**
2nd quarter				
Front End	648	593	+9,2%	+12,2%
Reactors & Services	575	576	-0,3%	+3,0%
Back End	569	619	-8,0%	-11,1%
Transmission & Distribution	782	798	-2,0%	+2,1%
Sub-total Energy	**2 574**	**2 586**	**-0,5%**	**+1,3%**
Connectors	325	336	-3,3%	-1,0%
Corporate and other	1	6	-79,5%	-79,2%
Total	**2 900**	**2 929**	**-1,0%**	**+0,8%**
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