

Paris, July 27, 2006

First half 2006: Sales revenue up by 5.7% to €5,036 million

- **Nuclear business up slightly: 1.3% organic growth**
- **Organic growth of 13.9% for the Transmission & Distribution Division**

The AREVA group reports first half 2006 sales revenue of €5,036 million, up from €4,764 million for the same period in 2005, representing 5.7% growth in terms of reported data. Organic growth was 5.1%.

In the second quarter 2006 the group had revenue of €2,560 million, down 0.7% from second quarter 2005 sales (-1.6% like-for-like).

- ▶ Nuclear operations reported first half 2006 revenue of €3,334 million, up 1.6% from the first half of 2005 (+1.3% like-for-like), marked by:
 - net growth of 12.9%* for the **Front End** Division, mainly attributable to uranium deliveries and enrichment services;
 - the contribution from reactor projects in Finland (OL3), China (Ling Ao-Phase II) and France (Flamanville 3 EPR), which boosted sales for the **Reactors and Services** Division by 2.7%*, despite the downturn in sales of reactor services;
 - a 14.4% drop in the **Back End** Division, primarily in the used fuel treatment business.
- ▶ The **Transmission & Distribution** Division recorded sales revenue of €1,701 million, representing strong organic growth of 13.8%, consistent with the increase in orders booked in the second half of 2005. Orders for the first half of 2006 were up by 17.5% like-for-like compared with those of the first half of 2005.

Outlook: The group is targeting a net increase in revenue for 2006, like-for-like.

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* Like-for-like, i.e. at constant consolidation scope, accounting methods and foreign exchange rates.

July 27, 2006 – First half 2006 sales

In millions of euros	1 st half 2006	1 st half 2005	Change in %	% change LFL ¹
Front End	1 381	1 250	+10.5%	12.9%
Reactors and Services	1 102	1 039	+6.0%	+2.7%
Back End	851	991	-14.1%	-14.4%
Sub-total "Nuclear Operations"	3 334	3 281	+1.6%	+1.3%
Transmission & Distribution	1 701	1 473	+15.5%	+13.8%
Corporate	1	10	n/a	n/a
Total	5 036	4 764	+5.7%	+5.1%

Quarterly data is presented in the appendix.

The difference in foreign exchange between the first quarter of 2005 and the first quarter of 2006 was a positive €57 million.

Front End Division

First half 2006 revenue for the **Front End** Division was €1,381 million, representing organic growth of 12.9% (up 10.5% in reported data), compared with €1,250 million for the first half of 2005.

- ▶ There was a substantial volume effect for the *Mining* Business Unit, with more than 6,800 metric tons (MT) of uranium delivered in the first half of 2006, up from around 5,500 MT in the first half of 2005, which had represented less than half of the year's volume. The average sales price for concentrates was also up with the gradual escalation of long-term contract prices based on spot market prices. In all, revenue for the *Mining* business was up by 39.8% like-for-like. This rate is higher than is expected for the year as a whole.
- ▶ Following a particularly buoyant first quarter, sales of *Enrichment* services benefited from a favorable price effect, posting growth of 15.4% like-for-like. Volumes delivered were down in France and the United States. This was partially offset by shipments to European customers and by significant growth in Asia, where the group has become the leading supplier to several utilities.
- ▶ Sales revenue for the *Fuel* Business Unit was up 4.1% like-for-like. The volume of UO₂ fuel shipped was up 3% from the first half of 2005, mainly due to brisk first quarter business in the United States.

The group is targeting substantial growth in **Front End** Division revenue for 2006, like-for-like, compared with 2005.

¹ Like-for-like, i.e. at constant consolidation scope, accounting methods and foreign exchange rates.

July 27, 2006 – First half 2006 sales

Reactors and Services Division

First half 2006 sales revenue for the **Reactors and Services** Division was €1,102 million, representing organic growth of 2.7% compared with the first half of 2005 (+6.0% in reported data).

Sales revenue from the Ling Ao - Phase II project in China, involving the supply of primary cooling systems for the two additional Generation II reactors, and from advance engineering of the Flamanville 3 EPR for EDF in France has boosted the *Plants* Business Unit's organic growth by 14.8% compared with the first half of 2005. First half 2006 revenue from the Olkiluoto 3 project in Finland is comparable to that of the first half of 2005. A special press release on this project was issued on July 12, 2006.

- ▶ Sales revenue was slightly down in *Equipment* (-2.7% like-for-like), where a major share of production is now devoted to the *Plants* Business Unit.
- ▶ *Nuclear Services* revenue was down 12.5% like-for-like. In the first half of the year, business was slow for reactor outages in all regions and market share was down in steam generator inspections at EDF reactors, whereas the business unit had major steam generator replacement projects in the first half of 2005.
- ▶ The downturn in *Nuclear Services* is offset by the strong performance of *Nuclear Measurements* (+19.0% like-for-like) and of the *Consulting and Information Systems* business (+13.6% like-for-like).

For the entire year of 2006, the group is targeting a sharp increase in revenue for the **Reactors and Services** Division compared with 2005, with reactor construction projects in Finland, France and China making a stronger contribution.

Back End Division

First half 2006 revenue for the **Back End** Division stood at €851 million, down 14.4% like-for-like compared with the same period in 2005, when sales of €991 million were recorded.

- ▶ Sales revenue for the *Treatment-Recycling* business, which represents more than three-fourths of the division's sales, was down by 16.0% like-for-like compared with the first half of 2005. In the second quarter of 2006, fuel shearing operations had to be interrupted at the La Hague plant for maintenance for more than one month. The drop in activity was partially offset by growth in waste vitrification and packaging activities.
- ▶ *Logistics* posted an 1.4% drop in revenue like-for-like compared with the first half of 2005, when transportation operations for the Eurofab project and the final shipments of used fuel from Germany took place. However, the growth in sales of transportation and storage equipment limited the downturn.

For the full year, sales revenue should be slightly down for the **Back End** Division.

July 27, 2006 – First half 2006 sales

Transmission & Distribution Division (T&D)

New orders rose by 26.7% in the first half of 2006 to €2,122 million, and were up sharply from those of the first half of 2005. Like-for-like, orders were up 17.5%. This trend is consistent with that of the second half of 2005 and the first quarter of 2006. The orders came from major contracts in the *Systems* business (Libya, Niger, United Kingdom and Mexico) and from strong business in *Products* (+21% like-for-like) and *Automation* (+25% like-for-like).

Like-for-like, new orders were up by 85% in the Africa-Middle East region, mainly due to two major contract awards in Libya, and by 25% in Asia, particularly in China (+21%), India (+12%) and Vietnam. Orders rose by 14% in Europe. Growth came mainly from the United Kingdom, Germany, France and Italy.

As a result, the **Transmission & Distribution** Division's backlog stood at €3,299 million as of June 30, 2006, up by 27.8% from that of the end of June 2005 and by 9.4% from that of December 31, 2005. The increase is largely due to the consolidation of the Indian units and the high level of orders in *Systems* since the end of 2005.

First half 2006 revenue for the **Transmission & Distribution** Division stood at €1,701 million, an increase of 15.5% compared with first half 2005 sales of €1,473 million. Revenue was up 13.8% on a like-for-like basis.

All of the division's business units contributed to revenue growth in the first half of 2006:

- ▶ *Products* reported a 14.4%² increase in sales, driven by the High Voltage and Transformer businesses. The increase includes the rise in commodities prices. These price increases are passed through to the customer, particularly in the Transformer business.
- ▶ *Systems* saw growth of 10.8%², particularly in Latin America (Mexico and Brazil).
- ▶ Sales revenue for the *Automation* Business Unit rose by 4.8%², mainly driven by the Automation Support & System business, especially in the Africa-Middle East and Europe regions.
- ▶ *Services* saw revenue rise by 19.9%² due to brisk trading operations in Europe, "Proximity Business" in the United States and projects in the United Kingdom.

Geographically, revenue was up in practically every region, like-for-like. The strongest growth was recorded in the Americas region, where revenue was up by 66% in South America (especially Mexico and Brazil) and by 13% in North America. Asia saw 15% growth in China and 44% in India, followed by Europe, with 13% growth.

With the significant increase in orders since the beginning of the year and the strong backlog as of the end of June 2006, sales revenue for the **Transmission & Distribution** Division is expected to be up sharply in 2006 as a whole.

² Before elimination of inter-business unit sales, like-for-like.

July 27, 2006 – First half 2006 sales

Upcoming events and publications

- ▶ September 27, 2006 – 5:45 pm: Press release – First half 2006 results
- ▶ September 27, 2006 – 5:45 pm: Audio conference presenting first half 2006 results
- ▶ October 26, 2006 – 5:45 pm: Press release – Third quarter 2006 revenue

About AREVA

With manufacturing facilities in 40 countries and a sales network in more than 100, AREVA offers customers reliable technological solutions for CO₂-free power generation and electricity transmission and distribution. We are the world leader in nuclear power and the only company to cover all industrial activities in this field. Our 58,000 employees are committed to continuous improvement on a daily basis, making sustainable development the focal point of the group's industrial strategy. AREVA's businesses help meet the 21st century's greatest challenges: making energy available to all, protecting the planet, and acting responsibly towards future generations.

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- Appendix -
Consolidated revenue by quarter

In millions of euros	2006	2005	2006/2005 change in %	2006/2005 change in % like-for- like
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1st quarter

Front End	714	602	+18.5%	+20.4%
Reactors and Services	534	465	+15.0%	+13.2%
Back End	412	422	-2.5%	-2.5%
Sub-total "Nuclear Operations"	1 660	1 489	+11.5%	+11.6%
Transmission & Distribution	817	691	+18.2%	+16.6%
Corporate and other	0	6	n/a	n/a
Total	2 476	2 186	+13.3%	+13.0%

2nd quarter

Front End	667	648	+3.0%	+5.9%
Reactors and Services	567	575	-1.2%	-5.6%
Back End	439	569	-22.8%	-23.3%
Sub-total "Nuclear Operations"	1 674	1 792	-6.6%	-7.2%
Transmission & Distribution	885	782	+13.1%	+11.3%
Corporate and other	1	4	n/a	n/a
Total	2 560	2 578	-0.7%	-1.6%

Total 1st half

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