

Paris, April 26, 2007

## **Sales revenue and data for the first quarter of 2007**

- **Q1-2007 sales revenue<sup>1</sup> stable at €2.47 billion**
- **Outlook : AREVA anticipates a significant increase in sales revenue for 2007**

### **Business trends**

- ▶ In February 2007, Vladimir Putin signs the law reforming the nuclear sector in Russia and establishing AtomEnergopro, an integrated group similar to AREVA.
- ▶ Following Toshiba's acquisition of Westinghouse, the Japanese and American nuclear players (General Electric, Toshiba and Hitachi) continued discussions on the future of their partnerships and alliances.
- ▶ Late March 2007, the group estimates that more than 60 countries have opened or reopened debate on the need to build new nuclear reactors. Some of these countries already have a nuclear power program, others do not.

### **Key events concerning AREVA's operations during the first quarter**

- ▶ It should be noted that the group's sales revenue and results may vary significantly from one quarter to the next. Consequently, quarter-to-quarter comparisons in the nuclear business do not provide a reliable basis for annual forecasts.
- ▶ Four major marketing events occurred in the first quarter:
  - AREVA signed a contract with EDF valued at more than €1 billion for fuel supply during the 2008-2012 period.
  - AREVA won two contracts in Sweden for a combined value of €400 million to modernize the Oskarshamn power plant and extend the service life of the Ringhals power plant.
  - EDF and AREVA entered into a contract for the supply of the nuclear steam supply system for the Flamanville power plant's third reactor, an EPR.
  - UniStar Nuclear, a joint venture between AREVA and Constellation Energy, signed an agreement with the Missouri-based utility Ameren UE to prepare an application for an EPR reactor construction and operating license.

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<sup>1</sup> : Sales revenue was down 0.2% in reported data and down 1.0% at constant consolidation scope and exchange rates (like-for-like).

- ▶ Strategic developments
  - According to the report published by Cameco, the Cigar Lake mine, flooded since October 2006, should begin production in 2010 and achieve full capacity in 2012. AREVA owns 37.6% of the mine. Cigar Lake is part of AREVA's plan to increase its new uranium production by 2011.
  - AREVA and Mitsubishi Heavy Industries confirmed quick deployment of their alliance, which calls for development of a Generation III 1100 MW pressurized water reactor.
  - AREVA launched a takeover bid to acquire German wind turbine manufacturer REpower which expires May 4, 2007.
  - AREVA T&D acquired Passoni & Villa, a leading manufacturer of high voltage bushings.
- ▶ On the legal front, AREVA and Alstom dealt with the issue of the payment of fines that might be imposed by the anti-competition authorities in the transmission and distribution sector. The group will have no impact in this regard. In addition, a new framework was established concerning the remaining vendor warranties of the acquisition agreement.

### First quarter 2007 sales revenue

First quarter 2007 sales revenue totaled €2.47 billion. This is essentially unchanged<sup>2</sup> in relation to sales revenue reported for the first quarter of 2006, which at €2.476 billion were particularly high for a first quarter.

- ▶ The nuclear divisions reported sales revenue of €1.52 billion, down 8.4% from the first quarter of 2006 (down 10.2% like-for-like):
  - The **Front End** division reported sales revenue of €653 million, down 8.5% from the first quarter of 2006 (down 9.6% like-for-like).  
This change is primarily due to the high Q1-2006 sales revenue in *Mining* and *Enrichment*. These effects are expected to be offset over the remainder of 2007.
  - The **Reactors and Services** division reported sales revenue of €513 million, down 4% from the first quarter of 2006 (down 8.5% like-for-like).  
This change mainly reflects a seasonal "lull" in the *Nuclear Services* business. In addition, sales revenue from the OL3 contract dropped due to the percentage of completion accounting method used by the group and the late 2006 revision to the overall construction schedule.
  - The **Back End** division reported sales revenue of €354 million, down 14% from the same period last year (down 13.5% like-for-like).  
*Treatment* and *Recycling* operations, which represent more than three-fourths of the division's revenue, were impacted by shifts in production schedules. Meanwhile, the other operations were buoyant during the first quarter of the year.
- ▶ Sales reported for the **Transmission & Distribution** division were up 16.3% (up 18.3% like-for-like), driven by the *Products* and *Systems* business units in Western Europe, the Middle East and Asia.
  - At €950 million in sales revenue, this is the group's strongest first quarter of the last four years. A total of €1.18 billion in orders were booked in Q1-2007, up 5.3% (+6.8% like-for-like) from Q1-2006. These orders reflect continuing strong demand, higher than that of the market, for transmission and distribution equipment.
  - The Transmission & Distribution division's backlog as of March 31, 2007 was €3.714 billion, up 12.5% year-on-year and up 5.7% from December 31, 2006.

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<sup>2</sup> : Sales revenue was down 1% like-for-like.

April 26, 2007 – Sales revenue and data for the first quarter of 2007

## Summary data

In millions of euros	3/31/2007	3/31/2006	Change in %	% change like-for-like
Front End	653	714	-8.5%	-9.6%
Reactors and Services	513	534	-4.0%	-8.5%
Back End	354	412	-14.0%	-13.5%
<b>Sub-total Nuclear operations</b>	<b>1 520</b>	<b>1 660</b>	<b>-8.4%</b>	<b>-10.2%</b>
Transmission & Distribution	950	817	+16.3%	+18.3%
<b>Total</b>	<b>2 470</b>	<b>2 476</b>	<b>-0.2%</b>	<b>-1.0%</b>

The difference between reported growth and organic growth<sup>3</sup> is primarily due to the acquisition of a 50% interest in ETC (July 2006), the acquisitions of Sfarsteel (September 2006) and Ritz High Voltage (July 2006), disposal of the Electromechanical business by the *Equipment* business unit, and a negative exchange rate impact of €51 million.

## Upcoming events and publications

- ▶ July 26, 2007 – 17:45: Press release – Second quarter 2007 sales revenue
- ▶ August 30, 2007 – 17:45: Press release and telephone conference – First half 2007 results

## About us

*With manufacturing facilities in 41 countries and a sales network in more than 100, AREVA offers customers reliable technological solutions for CO<sub>2</sub>-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 61,000 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 21<sup>st</sup> century's greatest challenges: making energy available to all, protecting the planet, and acting responsibly towards future generations.*

[www.aveva.com](http://www.aveva.com)

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<sup>3</sup> Organic: based on the same exchange rates and consolidation scope.