PRESS
RELEASE

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2007 results: accelerated growth and significantly improved profitability

- ***Backlog: €39.8 billion, up 55%***
- ***Sales revenue: €11.9 billion, up 9.8% (up 10.4% like-for-like[1])***
- ***Operating income: €751 million, i.e. 6.3% operating margin, up 2.6 points compared with 2006***
- ***Net income attributable to equity holders of the parent: €743 million (€20.95 per share), up from €649 million in 2006 (€18.31 per share)***
- ***Net debt: €1.954 billion[2], linked to the acquisition of UraMin***
- ***Dividend: €6.77, to be proposed to the Annual General Meeting of Shareholders convening on April 17, 2008***

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The Supervisory Board of the AREVA group met today under the chairmanship of Frédéric Lemoine to examine the financial statements for 2007, as submitted by the Executive Board.

Anne Lauvergeon, CEO and Chairman of the Executive Board, offered the following comments:

"*The AREVA group recorded accelerated growth and increased profitability in 2007, meeting both of our objectives for the year.*

The group made strategic inroads in fast growing markets. AREVA's integrated model met with record success in China, where GGNPC acquired two EPR nuclear islands in a combined order including both the reactors and the fuel, and the creation of a joint venture in engineering. Our T&D division was awarded the largest contract of its history in Qatar, making it the leader in a region where T&D was not even present a few years ago.

For more than three years, AREVA has built up its capacity to meet surging demand in the nuclear power and T&D markets through an active policy of research and development and by capitalizing on the diversity and strength of our partnerships.

We hired 8,600 people in 2006 and 11,500 people in 2007; this represents an investment in recruitment, training and integration of approximately €200 million per year.

For 2008, the group foresees a further increase in its backlog, sales revenue and operating income."

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[1] At constant consolidation scope, accounting methods and exchange rates
[2] Excluding Siemens' put option

I – Overall performance and highlights

In millions of euros	**2007**	2006	Change 07/06
Backlog	39 834	25 627	55.4%
Sales revenue, reported	11 923	10 863	9.8%
Operating income	751	407	84.5%
Operating income / sales revenue (in %)	6.3%	3.7%	+2.6 pts
Net income attributable to equity holders of the parent	743	649	14.5%
Free operating cash flow before tax	(1 985)	(358)	x 5.5
Net debt excluding put option held by minority interests	1 954	(251)	X (7.8)

▶ Backlog up 55.4%

The group's backlog rose to €39.834 billion as of December 31, 2007, up 55.4% compared with that of December 31, 2006. The drivers for this growth are the **Front End** division (+86%), the **Reactors and Services** division (+73%) and the **Transmission & Distribution** division (+40%).

▶ Sales revenue up 9.8%

As previously reported on January 31, 2008, the group posted sales revenue of €11.923 billion, up 9.8% on a reported basis and up 10.4% organically (at constant exchange rates, accounting methods and consolidation scope). Organic growth was 7.1% in the nuclear businesses and 16.7% in transmission & distribution.

Note: AREVA's backlog and sales revenue are specifically commented upon in the press release published on January 31, 2008.

▶ Operating margin: 6.3%, up by 2.6 points

The group recorded €751 million in operating income for 2007, representing 6.3% of sales revenue, compared with €407 million in 2006, i.e. 3.7% of sales revenue.

- A sharp rise in sales for the *Enrichment* business unit fueled revenue growth in the **Front End** division. This non-recurring volume effect had a positive impact on the division's profitability, offsetting higher exploration and operating expenses in the *Mining* business unit and a less favorable geographical mix in the *Fuel* business unit. The division reported operating income of €496 million, i.e. 15.8% of sales revenue, compared with 15.6% in 2006.
- After recognizing an additional provision for the OL3 project in Finland in the first half of 2007, the **Reactors and Services** division reported a sharp reduction in its operating losses. This improvement is due to higher volumes and successful restructuring efforts undertaken in recent months in the *Equipment* and *Services* business units. The division reported an operating loss of €178 million in 2007 (6.6% of sales revenue) compared with an operating loss of €420 million in 2006 (18.2% of sales revenue).
- Operating income for the **Back End** division was €203 million, down €70 million from the exceptionally high level of 2006. The division's 2006 operating margin had been boosted by non-recurring contracts with German utilities and exceptionally high production levels at the Melox plant, creating significant operating leverage. The division's operating margin is back to a more normal level of 11.7% in 2007.
- Operating income was up very sharply in the **Transmission & Distribution** division, to €397 million (9.2% of sales revenue) from €191 million in 2006 (5.1% of sales revenue). Rising labor costs, higher commodity prices and price pressures – particularly in medium voltage – were more than offset by profitable external growth and the positive impact of the optimization plans. All business units contributed to this performance.

- **Corporate** division costs went from negative €93 million in 2006 to negative €166 million in 2007, reflecting the strengthening of the marketing and sales teams and several projects designed to prepare for the group's growth.

Net income attributable to equity holders of the parent: up 14.5%

Net income attributable to equity holders of the parent rose to €743 million in 2007, up 14.5% from €649 million in 2006. Net earnings per share rose to €20.95 from €18.31 in 2006.

- Net financial income came to €64 million in 2007, compared with €97 million in 2006, notably due to the growth of net borrowing costs.
- The 2007 income tax expense increased to €81 million from €51 million in 2006.
- The group's share in the net income of associates totaled €148 million in 2007, compared with €220 million in 2006. This change reflects a sharp drop in the net income of STMicroelectronics, partially offset by the improvement of Eramet's results.

Strong growth in Capex impacts free operating cash flow

The group's free operating cash flow was negative €1.985 billion in 2007, compared with negative €358 million in 2006. This decrease is the combined result of:

- 3.3% growth in EBITDA to €1.335 billion, to which both the **Front End** and **Transmission & Distribution** divisions contributed, stable EBITDA in the **Back End** division, and lower EBITDA in the **Reactors and Services** division, where provisions recorded in previous periods for the OL3 project now translate into cash spending;
- €432 million used in cash for increased operating working capital requirements, in particular the rebuilding of inventories in the **Front End** division and the use of customer advances in the **Back End** division, while optimization measures (accounts receivable, inventories, etc.) kept working capital requirements stable in the **T&D** division, even as the business experienced very strong growth;
- a sharp increase in operating Capex, which rose from €1.248 billion in 2006 to €2.889 billion in 2007 due among other things to the acquisition of UraMin as the group continued to implement a strong investment program.

Net debt increases on acquisition of UraMin

The group had net debt of €1.954 billion at year-end 2007, excluding the put option held by Siemens, compared with net cash of €251 million at year-end 2006. This change is primarily due to AREVA's acquisition of UraMin, which was financed by a bank loan. On a reported basis, net debt rose from €865 million at year-end 2006 to €4.003 billion at year-end 2007, taking into account the put option held by Siemens, revalued to reflect AREVA NP's favorable prospects in the context of a resurgence of nuclear power.
The debt levels should be compared with AREVA's equity of €7.464 billion at year-end 2007, up from €7.016 billion at year-end 2006.

Dividend of €6.77 to be proposed to the Annual General Meeting of Shareholders of April 17, 2008

For 2007, the Supervisory Board will recommend a dividend of €6.77 per share or investment certificate for approval by the Annual General Meeting of Shareholders convened on April 17, 2008. The dividend corresponds to a distribution rate of 32% of consolidated net income and will be paid on 06/30/2008.

II - Outlook

For 2008, the group's objectives are:

- A strong increase in the group's sales revenue and backlog,
- Increased operating income,
- Continuation of AREVA's capital investment program.

The presentation of AREVA's annual results will be available live on the Internet.

- To access the webcast, click on the following links:

  French: http://webcast.areva.com/20080226/resultats_annuels_2007/

  English: http://webcast.areva.com/20080226/2007_annual_results/

Upcoming events and publications

- April 24, 2008 – 5:45 pm CET: Press release – First quarter 2008 sales revenue and information
- July 24, 2008 – 5:45 pm CET: Press release – First Half 2008 sales revenue
- August 29, 2008 – 5:45 pm CET: Press release – First Half 2008 results

About us

With manufacturing facilities in 43 countries and a sales network in more than 100, AREVA offers customers reliable technological solutions for CO_2-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 65,000 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.

www.areva.com

Appendix 1: Income statement

In millions of euros	2007	2006	Change 07/06
Sales revenue	**11 923**	**10 863**	**9.8%**
Other income from operations	21	55	-61.8%
Cost of sales	(9 183)	(8 698)	5.6%
Gross margin	**2 762**	**2 220**	**24.4%**
Research and development expenses	(421)	(355)	18.6%
Marketing and sales expenses	(529)	(493)	7.3%
General and administrative expenses	(881)	(778)	13.2%
Restructuring and early retirement costs	(57)	(131)	-56.5%
Other operating income and expenses	(123)	(56)	119.6%
Operating income	**751**	**407**	**84.5%**
Income from cash and cash equivalents	37	50	-26.0%
Gross borrowing costs	(110)	(78)	41.0%
Net borrowing costs	**(73)**	**(29)**	**151.7%**
Other financial income and expenses	138	126	9.5%
Net financial income	**64**	**97**	**-34.0%**
Income tax	(81)	(51)	58.8%
Net income of consolidated businesses	**734**	**453**	**62.0%**
Share in net income of associates	148	220	-32.7%
Net income from continuing operations	**882**	**672**	**31.3%**
Minority interests	(139)	(24)	x 5.8
Net income attributable to equity holders of the parent	**743**	**649**	**14.5%**
Average number of shares outstanding	35 442 701	35 442 701	-
Basic earnings per share	**20.95**	**18.31**	**14.5%**
Adjusted earnings per share	20.95	18.31	14.5%

Appendix 2 – Consolidated Cash Flow Statement

In millions of euros	**2007**	**2006**	**Change 07/06**
Cash flow from operations before interest and taxes	1 294	1 231	5.1%
Net interest received and taxes paid	(156)	(90)	73.3%
Cash flow from operations after interest and tax	**1 138**	**1 141**	**-0.3%**
Change in working capital requirement	(416)	(344)	20.9%
Net cash from operating activities	**722**	**797**	**-9.4%**
Net cash used in investing activities	**(2 796)**	**(953)**	**193.4%**
Net cash used in financing activities	**1 522**	**(364)**	**x 4.2**
Decrease (increase) in marketable securities maturing in more than 3 months	178	(1)	-
Impact of foreign exchange movements	(7)	2	-
Net cash from discontinued operations	0	0	-
Increase / (decrease) in net cash	**(381)**	**(518)**	**-26.4%**
Cash at the beginning of the period	901	1 419	-36.5%
Net cash at the end of the year	**520**	**901**	**-42.3%**

Appendix 3 – Simplified balance sheet[3]

In millions of euros	**12/31/07**	**12/31/06**
ASSETS		
Goodwill	4 377	2 515
Property, plant and equipment and intangible assets	6 931	4 988
Assets earmarked for end-of-life-cycle operations	5 366	5 077
Investments in associates	1 558	1 521
Other non-current financial assets	2 588	2 376
LIABILITIES		
Equity	7 464	7 016
Provisions for end-of-life-cycle operations	5 075	4 585
Other provisions (including net deferred taxes)	3 790	3 274
Net working capital requirement	488	736
Put option held by Siemens	2 049	1 117
Net debt (excluding Siemens' put)	1 954	(251)
Total – Simplified balance sheet	**20 821**	**16 477**
Net debt (including Siemens' put)	**(4 003)**	**(865)**
Net debt (excluding Siemens' put)	**(1 954)**	**251**

[3] Working capital assets and liabilities, as well as deferred taxes, are offset in the simplified balance sheet. These items are not offset in the detailed balance sheet presented in the consolidated financial statements.

Appendix 4 – Definitions

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

Cash flow from end-of-life-cycle operations: This indicator encompasses all of the cash flows linked to end-of-life-cycle 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 year on end-of-life-cycle operations
- full and final payments received for facility dismantling
- less full and final payments paid for facility dismantling

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

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

- EBITDA, excluding end-of-life-cycle operations
- plus losses or minus gains included in operating income on sales of property, plant and equipment (PPE) and intangible assets
- plus the decrease or minus the increase in operating working capital requirement between the beginning and the end of the period (excluding reclassifications, currency translation adjustments and changes in consolidation scope)
- minus acquisitions of PPE and intangible assets, net of changes in accounts payable related to fixed assets
- plus sales of PPE and intangible assets included in operating income, net of changes in receivables on the sale of fixed assets
- plus customer prepayments on non-current assets received during the period
- 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 balances, non-trade current accounts, securities held for trade and other current financial assets, including equity derivatives exercisable in less than one year (e.g. fair value of REpower put). Shares classified as "available-for-sale securities" are now excluded from the net debt or (cash) position.