

Observations by the Supervisory Board on the Executive Board's management report and on the 2007 financial statements

After reviewing and auditing the corporate and consolidated financial statements for fiscal year 2007, and pursuant to article L. 225-68, paragraph 6, of the French Commercial Code, the Supervisory Board has no observations to make on these accounts or on the Executive Board's management report, as presented during the Supervisory Board meeting of February 26, 2008.

It should be pointed out that 2007 operations were very clearly consistent with the objectives set for the 2006-2011 period by the Supervisory Board during its meeting of June 29, 2006, which constitute a roadmap for the Executive Board.

It is also in light of these objectives that the Supervisory Board and its specialized committees – the Strategy Committee, Audit Committee, Compensation and Nominating Committee, and End-of-Life-Cycle Obligations Monitoring Committee – intensified their in-depth work with the Executive Board and the group's corporate departments. For example the Supervisory Board met 12 times in 2007 (compared with 6 times in 2006), with an attendance rate of 84%.

In particular, the Supervisory Board dedicated a full day to an examination of the main thrusts of the 2008-2012 Strategic Action Plan prepared by the Executive Board after two meetings with the Strategy Committee. During its meeting of December 20, 2007, the Supervisory Board noted the quality of the work accomplished and approved not only this far-reaching plan, underpinned by AREVA's integrated model, but also the budget for 2008, based on the conclusions of two meetings of the Audit Committee.

In 2007, the Executive Board presented to the Supervisory Board several major transactions that are important to the group's future and consistent with the strategic objectives.

In the nuclear business, the Supervisory Board authorized the Executive Board to launch a public offer to acquire all of the share capital of the mining company Uramin, which is listed on the London and Toronto stock exchanges and which holds exploration permits in Namibia, South Africa and the Central African Republic. This successful acquisition is entirely consistent with group's strategy in the mining sector, which is to develop and diversify even more its sources of supply to guarantee deliveries of uranium to its customers. The Board approved a major capital investment program for the Comurhex II project in the chemistry sector which, by renewing its conversion facilities, will enable the group to maintain its goal of world leadership in this business. After reviewing the general terms and conditions beforehand, the Board was pleased to see the signature of the agreement between AREVA and CGNPC for the construction of two EPR nuclear islands in China and the supply of the materials and services needed for their operation, along with CGNPC's commitment to buy 35% of Uramin's production. This agreement strengthens the group's position on the Chinese nuclear market, one of the most promising in the world.

With regard to electrical equipment for transmission and distribution, the Supervisory Board complimented management for the vitality of its operations, marked by a number of targeted acquisitions and strong growth in business and income. Among the many contracts awarded in 2007 is the largest contract of its history, concluded in Qatar with the power and water company Kahramaa for the turnkey supply of 14 gas-insulated substations (GIS), and the agreement to form a joint venture with United Company Rusal of Russia, the world leader in aluminum. The joint venture will become Rusal's preferred supplier of turnkey electrical equipment and services in Russia, where electricity-intensive industries are booming. These operations confirm AREVA T&D's spectacular recovery and the aptness of its strategy for strong and sustainable growth.

In renewable energies, the Supervisory Board authorized the Executive Board to launch a public offer to raise AREVA's interest in the share capital of REpower from almost 30% to 100%. During the takeover battle that ensued, which the Board watched closely, the Board authorized AREVA to increase the value of its initial offer and to improve its terms, but ultimately had to abandon the

transaction when the price reached a new high. In any event, the Supervisory Board expressed its satisfaction that the value of the initial investment in REpower had increased and that the group had concluded an agreement with Suzlon giving it an option to sell its shares and making it a preferred electricity transmission and distribution supplier. To maintain its strategic focus on the development of renewable energies, the Supervisory Board authorized the Executive Board to acquire 51% of Multibrid, a wind turbine designer and manufacturer based in Germany specialized in high output offshore turbines, and to acquire 70% of Koblitz, a Brazilian company in the biomass sector, with an option to acquire the remaining 30%. These transactions reflect the decision to continue AREVA's development in wind power, biomass and fuel cells, in a profitable and sustainable manner.

With regard to the group's economic and financial performance, the Supervisory Board followed progress on the OL3 project in Finland in 2007 very closely and regularly. For example, the Executive Board was asked to report regularly to the Audit Committee and to the Supervisory Board on the status of this project.

The financial performance in 2007 combined with a significant increase in backlog confirm the strength of the group, which is ready to implement its capital expenditure program, even if that will necessarily mean a change in its financial structure.

For the Supervisory Board,
The Chairman,
Frédéric Lemoine