



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
MARKET REGULATION

January 22, 2007

Ms. Sarah Murphy
Freshfields Bruckhaus Deringer
65 Fleet Street
London EC4Y 1HS
United Kingdom

Re: Possible Cash Offer by Areva S.A. for REpower Systems AG
File No. TP 07-28

Dear Ms. Murphy:

This is in response to your letter dated January 22, 2007. A copy of that letter is attached with this response. By including a copy of your correspondence, we avoid having to repeat or summarize the facts you presented. The defined terms in this letter have the same meaning as in your letter, unless otherwise noted.

On the basis of your representations and the facts presented, but without necessarily concurring in your analysis, the United States Securities and Exchange Commission ("Commission") hereby grants an exemption from Rule 14e-5 under the Securities Exchange Act of 1934 ("Exchange Act") to permit the Prospective Purchasers to purchase or arrange to purchase REpower Systems AG ("REpower") Shares otherwise than pursuant to the Offer, particularly in light of the following facts:

- The Offer is required to be conducted in accordance with the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs-und Übernahmegesetz*, "WpÜG");
- REpower, a company organized under the laws of Germany, is a "foreign private issuer," as defined in Rule 3b-4(c) under the Exchange Act;
- Any purchases of Shares of REpower by the Prospective Purchasers will be subject to the WpÜG, which among other things requires that the Offer price be increased to match any purchases made outside the Offer at a price per Share higher than the Offer price;
- The existence of the Memorandum of Understanding on Exchange of Information between the Commission and the German Bundesaufsichtsamt für den Wertpapierhandel Concerning Consultation and Cooperation in the Administration and Enforcement of Securities Laws, dated October 17, 1997.

The Commission grants this exemption from Rule 14e-5 under the Exchange Act to permit the Prospective Purchasers to purchase or arrange to purchase Shares otherwise than pursuant to the Offer, subject to the following conditions:

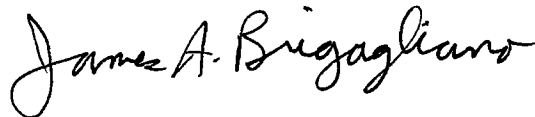
1. No purchases or arrangements to purchase Shares, otherwise than pursuant to the Offer, shall be made in the United States;
2. The Offer Document shall disclose prominently the possibility of, or the intention to make, purchases of Shares by the Prospective Purchasers during the Offer;
3. The Prospective Purchasers shall disclose in the United States by means of postings to the English language pages of Areva's website relating to the Offer, www.repower.aveva.com, to the extent such information is made public in Germany pursuant to the WpÜG;
4. The Prospective Purchasers shall comply with the applicable requirements under the WpÜG and other applicable German laws;
5. The Prospective Purchasers shall provide to the Division of Market Regulation ("Division"), upon request, a daily time-sequenced schedule of all purchases of Shares made by any of the Prospective Purchasers during the Offer, on a transaction-by-transaction basis, including:
 - a. size, broker (if any), time of execution, and price of purchase; and
 - b. if not executed on the Frankfurt Stock Exchange, the exchange, quotation system, or other facility through which the purchase occurred;
6. Upon the request of the Division, the Prospective Purchasers shall transmit the information as specified in paragraphs 5.a. and 5.b. above to the Division at its offices in Washington, D.C. within 30 days of its request;
7. The Prospective Purchasers shall retain all documents and other information required to be maintained pursuant to this exemption for a period of not less than two years from the date of the termination of the Offer;
8. Representatives of the Prospective Purchasers shall be made available (in person at the offices of the Division in Washington, D.C. or by telephone) to respond to inquiries of the Division relating to their records; and
9. Except as otherwise exempted herein, the Prospective Purchasers shall comply with Rule 14e-5.

The foregoing exemption from Rule 14e-5 under the Exchange Act expressed above is based solely on your representations and the facts presented, and is strictly limited to the application of this rule to the proposed transactions. Such transactions should be discontinued, pending presentation of the facts for our consideration, in the event that any material change occurs with respect to any of those facts or representations.

Ms. Sarah Murphy
January 22, 2007
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In addition, we direct your attention to the anti-fraud and anti-manipulation provisions of the federal securities laws, including Sections 10(b) and 14(e) of the Exchange Act and Rule 10b-5 thereunder. The participants in the Offer must comply with these and any other applicable provisions of the federal securities laws. The Division expresses no view with respect to any other questions that the proposed transactions may raise, including, but not limited to, the adequacy of disclosure concerning, and the applicability of any other federal or state laws to, the proposed transactions.

For the Commission, by the Division of Market
Regulation pursuant to delegated authority,

A handwritten signature in black ink that reads "James A. Brigagliano". The signature is written in a cursive, flowing style.

James A. Brigagliano
Associate Director
Division of Market Regulation

Attachment



FRESHFIELDS BRUCKHAUS DERINGER

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CONFIDENTIAL TREATMENT REQUESTED

DOC ID LON1097141/16
OUR REF SCM
CLIENT MATTER NO. 131372-0002

January 22, 2007

Ladies and Gentlemen:

Re: Possible Cash Offer by Areva S.A. for REpower Systems AG

We are writing on a confidential basis on behalf of Société des Participations du Commissariat à l'Énergie Atomique, which has the commercial name Areva (*Areva*), a company organized under the laws of France, which intends to commence an offer (the *Offer*) for all of the issued and to be issued shares (the *Shares*) of REpower Systems AG (*REpower*), a company organized under the laws of Germany. The Offer will be made in cash to the holders of all the Shares.

Areva announced its decision to launch the Offer today, January 22, 2007. Areva expects to approach certain shareholders in REpower to negotiate the purchase of their Shares. As discussed below, such agreements could take the form of a standard share purchase agreement or possibly an option agreement. It is anticipated that the aforementioned agreements may be entered into before the commencement of the Offer but also could take place afterward. In addition, Areva may purchase Shares outside the United States in the open market prior to and during the pendency, but outside, of the Offer, subject to applicable limitations under German law. We note that option agreements and similar contractual arrangements as well as open market purchases are permissible under applicable German law and under the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz, WpÜG*).

As previously discussed with members of the staff (the *Staff*) of the Securities and Exchange Commission (the *Commission*), we, as counsel to Areva in connection with the Offer, are requesting exemptive relief from Rule 14e-5 (*Rule 14e-5*) promulgated under the Securities

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Moscow Munich New York Paris Rome Shanghai Singapore Tokyo Vienna Washington



Exchange Act of 1934, as amended (the *Exchange Act*), allowing Areva, its affiliates or subsidiaries, and any broker or other financial institution acting as its agents (collectively, the *Prospective Purchasers*) to purchase Shares outside the Offer when otherwise permissible under German rules and practice.

BACKGROUND

The Target

REpower is a foreign private issuer as defined in Rule 3b-4(c) of the Exchange Act. The Shares are not registered under Section 12 of the Exchange Act or listed on a U.S. national securities exchange or quoted on NASDAQ, nor is or has REpower ever been subject to the periodic reporting requirements of the Exchange Act. REpower does not have a sponsored program in place for American Depositary Receipts evidencing the Shares. To Areva's knowledge, REpower has never directly accessed the U.S. markets through an exempt offering under Rule 144A of the Securities Act of 1933, as amended, or any public offering in the United States.

REpower is a German stock corporation (*Aktiengesellschaft*) with its seat (*Sitz*) in Hamburg, which is registered in the commercial register of the Local Court of Hamburg under HRB 75543. The entire registered share capital of REpower, in the amount of €8,101,797.00, divided into 8,101,797 REpower Shares, is listed on the Prime Standard (*Geregelter Markt*) of the Frankfurt Stock Exchange.

REPower is mainly active in the development, production, distribution, licensing and servicing of wind energy plants. It has 100%-owned subsidiaries in Spain, France, Italy, Australia and Germany and joint ventures in the UK and Greece. As of its financial year ended December 31, 2005, REpower generated consolidated worldwide revenue of €335 million and for the first nine months of 2006, it generated revenue of €292,585,558. As of September 30, 2006, REpower had 740 employees and total assets of €344,920,643.

Two of REpower's non-U.S. shareholders each hold more than 10% of the Shares, which holdings account for 55% of the Shares in the aggregate. Therefore only 45% of the Shares are included in REpower's free-float. As the Shares are in bearer form, it is not possible to fully ascertain the location of ownership of the Shares. Based upon publicly available information from the share ownership database, FactSet LionShares, we believe less than



20% of the free-float, or approximately 8% of the Shares, are held by investors in the United States.

The Bidder

Areva is a *Société Anonyme à Directoire et Conseil de Surveillance* with its seat (*Sitz*) in Paris and is registered at the Business Register of Paris under number 712054923. Areva is a worldwide provider of solutions for CO₂-free power generation and electricity transmission and distribution, and their leading business is energy. The group is the global leader in nuclear power solutions and number three worldwide for electricity transmission and distribution products and services. It is the only group to be active in every stage of the nuclear cycle. Areva's customers include some of the world's largest utilities, with which Areva does a large share of its business under medium- and long-term contracts.

The capital stock of Areva amounts to €1,346,822,638.00. In 2005, Areva's consolidated sales revenue was €10.125 billion, with consolidated net income of €1,049 million. Areva has manufacturing facilities in close to 40 countries and employs more than 58,000 people worldwide.

Two major nuclear industry companies held directly and indirectly by CEA-Industries (Areva's former name) were combined to form the Areva group on September 3, 2001, Cogema (*Compagnie Générale des Matières Nucléaires*), established in 1976 to acquire the majority of CEA's production department operations (uranium mining, uranium enrichment and used fuel treatment) and Framatome, established in 1958, one of the world's leading companies in the design and construction of nuclear reactors, the supply of nuclear fuel and the services relating to those activities.

Areva was thus formed from the legal structure of CEA-Industries. It retained the Euronext Paris listing of a portion of its share capital in the form of investment certificates.

Areva is controlled by *Commissariat à l'Energie Atomique (CEA)*, an *Établissement de recherche à caractère scientifique, technique et industriel* (a research establishment with a scientific, technical and industrial purpose), having its registered office in Paris, France. CEA, which is controlled by the French State, constitutes a distinct category of state-owned public establishment coming under the "EPIC" classification (public establishments with an industrial and commercial purpose). CEA is defined according to the provisions of articles L.332-1 to L.332-7 of the French *Code de la Recherche*. CEA holds 78.96% of the capital of



Areva and 82.99% of the voting rights in the Areva. CEA is the ultimate holding company of a group of companies (collectively *Holding Group*), which are active in three main areas, energy, defense and information and health technologies. As of December 31, 2005, Holding Group employed over 73,000 employees worldwide, including those employed by Areva.

TAKEOVER OFFER STRUCTURE IN GERMANY

The all cash Offer will be structured as a single offer made concurrently under a single document (the *Offer Document*) in all jurisdictions in which the Offer may be legally extended. Areva's current intent would be to allow for participation by U.S. holders of Shares in REpower. The Offer will be structured to comply with (i) the applicable rules and regulations of the WpÜG and (ii) except as otherwise requested herein, the requirements of Section 14(e) of the Exchange Act and the rules and regulations promulgated thereunder. The Offer will not be subject to Section 14(d) of the Exchange Act or Regulation 14D thereunder because no class of securities of the Company is registered under Section 12 of the Exchange Act. The Offering Document would comply with the WpÜG and, to the extent applicable, the Exchange Act.

Following the approval by the German Federal Institute for the Supervision of Financial Services (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*) to publish the Offer Document, Areva, will publish a notice (*Hinweisbekanntmachung, Initial Announcement*) announcing the commencement of the Offer in the Electronic Federal Gazette, a German web based institution to which mandatory publications made under the WpÜG and other German laws are posted, and in the U.S. edition of The Wall Street Journal. Under German law, an offer commences on the first day on which both the Offer Document and the Initial Announcement are publicly available.

The Offer will be communicated by means of the Offer Document, which will be published on Areva's website in the German language together with an unofficial English language translation provided for the convenience of non-German shareholders of Repower (at www.repower.areva.com). The foregoing procedure for making available the Offer Document to U.S. Holders is customary in such offers in Germany (see, e.g., The Third Supplement to the SEC Manual of Publicly Available Telephone Interpretations, II.D. Q. 1). Under the WpÜG the Offer must remain open for acceptance for at least 28 calendar days and for such additional period as may be mandated by the provisions of the WpÜG.



Securities of listed German companies are frequently, as in this case, uncertificated and held in book entry form through Clearstream Banking AG. Accordingly, once an offer has commenced in Germany, shareholders will accept the offer by informing the bank, financial institution, brokerage or other intermediary (an *Intermediary*) at which the shareholder maintains an account for Shares, at any time prior to or on the expiration date of the offer, of the shareholder's desire to tender the Shares and instruct their Intermediary to re-book such Shares into a specified German Securities Identification Number at Clearstream Banking AG.

Payment of the purchase price to the Intermediary is to take place in exchange for (*Zug um Zug gegen*) the transfer of the tendered Shares into the deposit account of a designated German bank at Clearstream Banking AG for transfer to Areva. The designated German bank will transfer the purchase price to the Intermediary promptly after the tendered Shares have been placed at its disposal, but no earlier than five banking days and no later than seven banking days in Frankfurt am Main following expiration of the Offer and satisfaction of the conditions precedent pursuant to the offer document.

Credit of the purchase price at the Intermediary shall constitute fulfillment by Areva of its obligation for payment of the purchase price. The Intermediary shall be responsible to credit the purchase price to each shareholder.

PURCHASES OUTSIDE THE OFFER AND RULE 14E-5

Under the WpÜG, Areva, acting directly and through its agents, financial advisors at Citigroup Global Markets Limited and other nominees or brokers, or through one of their wholly-owned subsidiaries (collectively, the *Prospective Purchasers*), are each permitted to purchase Shares in the open market, pursuant to contractual arrangements or otherwise prior to and during the pendency, but outside, of the Offer, subject to certain limitations.

As discussed above, Areva intends to approach shareholders to negotiate the purchase of their shares. It is unknown at this time exactly what form such agreements will take or when they will be concluded. In addition, Areva may purchase Shares outside the United States in the open market prior to and during the pendency, but outside, of the Offer, subject to applicable limitations under German law.

Subject to certain exceptions, Rule 14e-5 prohibits a covered person from directly or indirectly purchasing or arranging to purchase any securities to be acquired in a tender offer



or any securities immediately convertible into, exchangeable for or exercisable for such securities, except as part of the tender offer. This prohibition applies from the time an offer is publicly announced until it expires. Rule 14e-5 defines a covered person as (i) the offeror, its dealer-managers, and any of their respective affiliates, (ii) any advisors of the foregoing whose compensation is dependent on the completion of the offer and (iii) any person acting in concert either directly or indirectly with any of the foregoing. Purchases of the Ordinary Shares outside the offer by the Prospective Purchasers would not fall within any of the excepted activities specifically outlined in Rule 14e-5. Accordingly, in the absence of exemptive relief, if the Staff takes the view that the Initial Announcement constitutes the “public announcement” of an offer, purchases of the Shares outside such offer would be prohibited, although permitted and regulated by the WpÜG.

The WpÜG provides protections similar to those provided by Rule 14e-5, making exemptive relief appropriate in the circumstances of the Offer, by requiring Areva to make available to all holders of the securities subject to the tender offer, any more favorable terms, including price terms, agreed to in connection with any purchases by Areva or any of its affiliates during the offer period, including any purchases under contractual arrangements. Under Section 31 para. 4 WpÜG, Areva would be obligated to increase the Offer price to the level of any higher purchase price outside the Offer. In addition, pursuant to Section 23 para. 2 WpÜG, any purchases by Areva of the Shares in the six months prior to the commencement of the offer period must be disclosed in the Offer Document. Any purchases of the Shares by Areva after the Offer Document is published must be reported to the BaFin and announced publicly following such purchases on a weekly basis and during the last week of the Offer period, on a daily basis. Such disclosure will also include the price paid for any purchases by Areva of the Shares after Areva has acquired 30% of the Shares.

The Commission has granted a number of exemptions from Rule 14e-5 and Rule 10b-13 (the predecessor to Rule 14e-5) to permit purchases by offerors and persons acting on behalf of offerors. We believe the exemptive relief requested herein under Rule 14e-5 is consistent with that granted by the Commission in the letter regarding the offer by Bayer Aktiengesellschaft and Dritte BV GmbH for Schering Aktiengesellschaft (available August 7, 2006), the letter regarding the offer by Adecco S.A. for DIS Duetscher Industrie Service, A.G. (available January 9, 2006), the letter regarding the offer by Axel Springer AG for ProSiebenSat.1 Media AG (available September 12, 2005), the letter regarding the offer by Deutsche Telekom AG for T-Online International AG (available November 3, 2004), the letter regarding the offer by 91 Profi-Start 2004 GmbH for P & I Personal Informatik Aktiengesellschaft (filed June 24, 2004), the letter the offer by DB Sechste



Vermögensverwaltungsgesellschaft mbH for Stinnes AG (available August 29, 2002). In addition, similar relief has been granted under old Rule 10b-13 (the predecessor of Rule 14e-5) in the letter regarding the offer by Vodafone AirTouch Plc for Mannesmann Aktiengesellschaft (available December 22, 1999), and in other jurisdictions in the past such as the letter regarding the offer by Kuoni Holdings plc for Kuoni Reisen Holdings AG (available June 16, 1999). In addition, we note the existence of the Memorandum of Understanding Between the Commission and the German Bundesaufsichtsamt für den Wertpapierhandel Concerning Consultation and Cooperation in the Administration and Enforcement of Securities Laws, dated October 17, 1997 and the Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information of the International Organization of Securities Commissions, dated May, 2002, to which both the SEC and BaFin are signatories.

In our view, there are serious doubts as to whether the jurisdictional predicate for the application of the Exchange Act—namely that there be a purchase of a security “by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange”—would be satisfied if the Prospective Purchasers made purchases of, or arrangements to purchase, Shares outside the United States. We nonetheless apply, on behalf of such persons, for exemptive relief for such purchases from the provisions of Rule 14e-5 pursuant to Rule 14e-5, on the conditions set forth below. We have been requested by the Prospective Purchasers to emphasize that this letter does not reflect an admission that Rule 14e-5 would apply to such a purchase of Shares outside the United States in the absence of such exemptive relief.

REQUESTED EXEMPTIVE RELIEF

Based on the foregoing, we respectfully request that the Prospective Purchasers be granted exemptive relief from the provisions of Rule 14e-5 in order to permit purchases of Ordinary Shares outside of the possible tender offer by any Prospective Purchaser that would otherwise be prohibited by Rule 14e-5. In particular, we respectfully request that Areva be granted exemptive relief from the provisions of Rule 14e-5 to permit any direct or indirect purchase of Shares outside the Offer that may be made while such Offer is pending. The foregoing request for exemptive relief will be subject to the following conditions:

- (a) no purchases or arrangements to purchase Shares, otherwise than pursuant to the tender offer, will be made in the United States;



- (b) disclosure of the possibility of such purchases by the Prospective Purchasers, otherwise than pursuant to the tender offer, will be included prominently in the Offer Document (when and if distributed);
- (c) the Prospective Purchasers shall disclose in the U.S. by means of postings to the English language pages of Areva's website relating to the Offer, www.repower.aveva.com, to the extent such information is made public in Germany pursuant to the WpÜG, information regarding all purchases of Shares otherwise than pursuant to the Offer since the Announcement Date, including the dates of such purchases, the number of shares purchased on any given date, and the average market price of such purchases;
- (d) the Prospective Purchasers shall disclose to the Division of Market Regulation of the Commission (the Division of Market Regulation) upon request, a daily time-sequenced schedule of all purchases of Shares made by any of them during the offer, on a transaction-by-transaction basis, including: (1) size, broker (if any), time of execution, and price of purchase and (2) if not executed on the Frankfurt Stock Exchange, the exchange, quotation system or other facility through which the purchase occurred;
- (e) upon request of the Division of Market Regulation, the Prospective Purchasers shall transmit the information specified in (d)(1) and (d)(2) above to the Division of Market Regulation at its offices in Washington, D.C. within 30 days of its request;
- (f) the Prospective Purchasers shall comply with the applicable requirements under the WpÜG and other applicable German laws;
- (g) the Prospective Purchasers shall retain all documents and other information required to be maintained pursuant to this exemption for a period of not less than two years from the date of the termination of the tender offer;
- (h) representatives of the Prospective Purchasers shall be made available (in person at the offices of the Division of Market Regulation in Washington, D.C. or by telephone) to respond to inquiries of the Division of Market Regulation relating to such records; and
- (i) except as otherwise exempted herein, the Prospective Purchasers shall comply with Rule 14e-5.



CONCLUSION

Pursuant to Rule 81 under the Rules of Practice (17 CFR 200.81), we respectfully request on behalf of Areva that this exemptive request and the response be accorded confidential treatment until 120 days after the date of the response to such request or such earlier date as the Staff is advised that all of the information in this letter has been made public. This request for confidential treatment is made on behalf of Areva for the reason that certain of the facts set forth in this letter have not been made public.

In view of the short timetable, we respectfully request that the Commission issue the requested exemptive relief as soon as practicable. If you require any further information or have any questions, please contact Sarah Murphy at +44 20 7832 7429 or Andrew Boyer at +44 20 7427 3580.

Yours sincerely

A handwritten signature in black ink, appearing to read "Sarah Murphy".

Sarah Murphy