

2004 Results : Net income 57.9 % up in line with targets

| In EUR millions | 2003 (1) | 2004 (2) | Change |
|----------------------------------|----------|----------|----------|
| Sales | 198.6 | 227.7 | + 14.7 % |
| EBITDA | 15.2 | 15.8 | + 3.4 % |
| Operating income | 10.3 | 9.1 | (11.7 %) |
| Financial income | (4.4) | (3.3) | ns |
| Exceptional income | (0.2) | (0.6) | ns |
| Group net income before goodwill | 3.4 | 5.5 | + 57.9 % |
| Group net income | 1.9 | 3.9 | + 99.2 % |

About

ACTIELEC Technologies :

ACTIELEC Technologies, which specializes in electronic systems for the collection, processing and transfer of information, is a leader on the buoyant markets of automotive electronic diagnosis, image and sound distribution and microwave communications (digital TV and radio rebroadcasting).

The Group actively develops products for new niche markets and is present in 15 countries.

www.actielec.com

Number of shares :
19 028 208
ISIN FR0000076655 and
FR0010121061 (BSA)

Reuters MRSP.PA
Bloomberg AIELF

(1) Including Muller Bem assets consolidated as of 01/01/03
(2) Audited figures including ACTIA Nordic as of 01/04/04

ACTIELEC Technologies reported sales of EUR 227.7 million for 2004, representing organic growth of 12.9%. The Automotive division provided much of the growth momentum (+ 17.6%), accounting for 78.1% of consolidated sales. 51.4% of group sales were generated outside France, through exports and foreign subsidiaries.

Operating income affected by R&D expenditure

R&D expenditure rose 24.4% to EUR 35.7 million in 2004 (15.7% of consolidated sales), compared to EUR 28.7 million in 2003 (14.5% of consolidated sales). The increase was due to a number of particularly costly product development programs such as **High Definition earth stations** (mobile satellite telecommunications systems for the transmission of data from the field), **Multidiag** (an electronic diagnostic tool for all car models designed for garages and quick repair networks), **Smartach** (an encrypted digital chronotachograph that complies with European legislation on heavy goods vehicle testing and management) and related products, **Podium** (a complete onboard system integrating specific functions such as multiplexing or embedded PCs).

R&D expenditure charged directly to the profit and loss account amounted to EUR 19.4 million in 2004 (an increase of EUR 3.9 million) and pushed operating income back to EUR 9.1 million (against EUR 10.3 million in 2003).

Net income surged 57.9% in line with targets

Group net income before goodwill amortization came out at EUR 5.5 million (+57.9% on 2003), in line with targets announced at the beginning of the year. The figure was obtained after application of the new method for calculating research tax credits, which enables the Group to keep R&D expenditure at a high level in order to maintain its technological edge. The net profit margin rose 0.7 points to 1.7% of sales.

Reduction in gearing

As a result of the capital increase and good full year results, net gearing came out at 96% compared to 137% on December 31, 2003.

Outlook for 2005

A number of flagship products are due to be launched in 2005:

- Multidiag on the European market,
- the Podium onboard system for buses and coaches,
- Terrestrial Digital Television retransmitters in France and on the export market,
- Smartach and its full range of equipment,
- High Definition stations.

In addition, group profitability levels will be boosted by the full year impact of contracts such as Siemens and Airbus in the Services division (production).

Against this backdrop, the Group expects 2005 full year sales to remain in line with current levels (i.e. EUR 230 million).