

ACTIELEC Technologies : 2005 Results : a transitional year

In EUR millions	2004 IFRS	2005 IFRS
Sales	227.7	217.6
Operating income	8.3	2.0
Cost of financial debt	<3.1>	<3.0>
Net income	6.0	<1.6>

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 diagnostics, onboard systems for buses and coaches and microwave transmission. The Group actively develops products for new niche markets and is present in 15 countries.

Keep up to date with the latest information on the Group, by registering at the following address:

www.actielec.com

In 2005, ACTIELEC Technologies posted sales of EUR 217.6 million versus EUR 227.7 million in 2004 and operating income of EUR 2.0 million versus EUR 8.3 million. The AUTOMOTIVE division accounted for 81.6% of the Group's consolidated sales, while international sales totaled EUR 106.2 million (EUR 117.0 million in 2004). 2005 was a transitional year with the postponed launch of major agreements, allowing the Group to adapt its strategy to the changes in its markets.

AUTOMOTIVE division : a year of facing new challenges

Affected by the postponement of the tachograph, a major growth driver, sales for the AUTOMOTIVE division remained stable at EUR 177.5 million compared with EUR 177.8 million in 2004, mainly due to the sharp growth of the multi-brand diagnostic tool, Multidi@g, and the instrument panel for buses and coaches, Podium. The drop in the division's operating income from EUR 4.7 million in 2004 to EUR 2.2 million in 2005 can be explained by:

- the heavy pressure from vehicle manufacturers on prices and the cost of setting up a new software publication subsidiary in Tunisia;
- the cost of transferring the production site for medium- and large-sized series to Tunisia and the Automobile and Aeronautics quality certifications;
- the start of the amortization period for the tachograph as of July 1, 2005.

Moreover, the development of business from the new agreements (automobile and aeronautics) only partly offset the termination of some low-profit subcontracting agreements.

Having adapted to these new challenges, the AUTOMOTIVE division had an impact of EUR 0.9 million on Group net income.

Confirmation of the impact of the TELECOMMUNICATIONS division

With a 20.2% drop in sales from EUR 50.2 million in 2004 to EUR 40.0 million in 2005, the TELECOMMUNICATIONS division posted operating income of EUR 0.1 million as against EUR 4.7 million one year earlier. In 2005, the signing of a major agreement involving military stations led to the launch of R&D programs, as planned, but did not generate any sales. The continuation of R&D programs in other areas and the reorganization of Provençal sites, which is now complete, also impacted results for 2005. The TELECOMMUNICATIONS division contributed a total of EUR 0.2 million to net income.

If you would like to receive financial information about Actielec Technologies by e-mail, contact:

www.kaparcapfinance.com

Number of shares: 19,838,699
Eurolist compartment C
ISIN:
FR0000076655-ATI
FR0010121061-ATIBS (BSA)
Reuters: MRSP.PA
Bloomberg: AIELF

Outlook for 2006

The Group expects its sales growth to improve in 2006 from 4% to 6%, representing between EUR 225 million and EUR 230 million thanks to:

- the effective launch of the tachograph in May 2006,
- the launch of a new multi-brand diagnostic tool for the European market in April 2006,
- the development of the multiplexed instrument panel Podium,
- the deployment of both Diagnostic and Onboard Systems products amongst manufacturers of industrial vehicles.

Given its full order books, the TELECOMMUNICATIONS division is likely to contribute 20% to consolidated sales, notably through the growth in the Broadcasting (TNT) and Networks activities and the delivery of the initial prototypes of new stations.

The measures taken in 2005, including the renewal of outsourcing agreements, the transfer of medium- and large-sized series and the set-up of an engineering center in Tunis, should enable the Group to improve its profitability in 2006.

Next publication: Sales for Q1 2006 in the week of May 8, 2006.