

H1 2004

Growth in activity: Sales of EUR 105 million (+18.5%) Virtually stable results - Forecasts revised upwards

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.

In EUR millions	H1 2003 ⁽¹⁾	H1 2004 ⁽²⁾
Sales	88.6	105.0
EBITDA	4.6	4.3
Operating income	1.9	0.9
Financial income	(2.2)	(1.4)
Exceptional income	0.0	(0.2)
Group net income before goodwill	(0.3)	(0.4)
Group net income after goodwill	(1.0)	(1.2)

(1) Including the assets of MULLER BEM, which were consolidated as of 01/01/03 (sales of EUR 8.5 million)

(2) Including ACTIA Nordic as of 01/04/04 (sales of EUR 1.2 million)

In the first half of 2004, the Group put in a solid performance with consolidated sales of EUR 105 million, up by +18.5%. This can be attributed to the Automotive activity which grew by 24.2% to EUR 88.7 million. Sales for the Telecommunications business fell by 4.7% to EUR 16.3 million due to a delay in certain deliveries relating to the military contract. At June 30, the Automotive and Telecommunications businesses represented 84.4% and 15.6% respectively of total sales.

The Group forged ahead with its international growth strategy and notably opened a subsidiary in Sweden. Accordingly, the proportion of sales generated internationally grew by 27% and now accounts for 57% of total sales.

The delay in deliveries relating to the Telecommunications business, which took place in July for a total of EUR 2 million, and the exceptionally high provision for contingencies and risks (EUR 1.3 million versus EUR 0.5 million) has had a one-off impact on operating income, which came out at EUR 0.9 million.

At EUR -1.4 million, financial income grew by EUR 760,000 in relation to the first half of 2003, despite the additional stock relating to deliveries in the second half of the year.

In total, group net income before goodwill amortization remained almost unchanged in

relation to the first half of 2003 at EUR -0.4 million. Net income stood at EUR -1.2 million.

Forecasts revised upwards

ACTIELEC Technologies has revised its annual sales target upwards to EUR 220 million on the back of a strong performance by the Automotive business and a notable pick-up in invoicing in the Telecommunications business, which structurally generates a higher level of activity in the second half of the year.

Given the seasonal nature of its activity, the Group confirmed its annual earnings target, despite its first-half performance, forecasting operating income of EUR 13 million for the full year and group net income before goodwill of EUR 5.5 million.

ACTIELEC Technologies continues to consolidate its position as a major player on the buoyant electronics market for the collection, processing and transfer of information in both the Automotive and Telecommunications sectors.

During the first half of 2004, the Group:

- continued the development of electronic products for new niche markets (automotive diagnosis, commercialization of tachographs, high-definition earth stations, digital TV equipment);

- was ranked the best in terms of production quality (automobile and aeronautical) by car manufacturing audits.

In terms of development, the Group will focus on the following areas over the next few months:

■ Total diagnosis:

The automotive diagnosis market has enjoyed sharp growth with manufacturers renewing models at an accelerated pace and the development of in-car electronics.

As the world leader in this field, the Group has teamed up with the CNRS (French national scientific research organization) to create a laboratory for new diagnosis technologies. This will consolidate the Group's technological progress and its position in terms of

patent rights. In addition, ACTIELEC Technologies has just introduced a new diagnosis tool integrating all European brands, which has already been selected by FEU VERT, MAGNETTI-MARELLI, etc.

■ Electronics for commercial vehicles:

- the complete implementation of a platform designed for public transport with the addition of multiplexing products and instrument panels, audio and video broadcasting and fleet management products.

ACTIELEC Technologies aims to step up activity in India and China where it has already taken orders from two major manufacturers.

The Group has just won a contract to equip all IRISBUS (group combining the bus and coach activities of RENAULT and FIAT) vehicles with its new instrument panel.

- the commercialization of encrypted data digital tachographs (digital "black box" containing encrypted data):

ACTIELEC Technologies holds the only official encrypted data digital tachograph in Europe, a product that will become compulsory as of August 2005. The Group expects to take a leading position in this market, given that the European market alone is estimated to be worth EUR 100 million. Moreover, the Group has just been selected by the FIAT Group to fit out its commercial vehicles and coaches and by PSA to equip its public transport vehicles.

■ Telecommunications:

The Group maintains a solid positioning on the defence, leisure and security niche markets.

- The substantial growth potential in the supply of earth stations to armies was confirmed in the third quarter of 2004.

- New orders of medium-sized broadcasting and re-broadcasting systems are expected thanks to the launch of digital TV.

Next publication: sales for the third quarter of 2004 in the week of November 8, 2004.



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17,153,208

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