



PRESS RELEASE

Restructuring plan for the TELECOMMUNICATIONS Division with the aim of a return to profitability by end 2011

About ACTIA GROUP

A Toulouse based group with global presence, ACTIA is specialised in high added value electronic equipment, destined for the buoyant vehicle and telecommunications markets.

With a strategy based on innovation, quality and competitiveness, the Group is today a leader in automobile diagnostics, in on-board systems for the niche markets for vehicles with small and medium sized production runs (buses, coaches, HGV's and specialist vehicles...) as well as in hertzian transmission.

As at 30/06/10, ACTIA GROUP employed more than 2,550 people across 15 countries, of which more than 550 in R&D and generates more than 55 % of revenues from outside France.

Find and receive any information about the Group by registering at:

www.actiagroup.com

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ACTIA Sodielec, the Telecommunications Division of the ACTIA Group, weakened by the long lasting economic crisis

In spite of its considerable expertise, **ACTIA Sodielec**, which has been confronted by a difficult economic environment over the past two years, has been further affected by less buoyant sales in the military procurement sector, a sector which had previously contributed to the division's positive performance.

Thus, after two years marked by the disappearance of a major customer in the field of digital radio (Worldspace) and fiercer competition for the deployment of Digital Terrestrial Television, the Telecommunications Division of the ACTIA Group has suffered delays in the area of military procurement having a detrimental effect on the profitability of the Group over the 1st half of 2010.

Faced with what would seem to be a long term phenomenon, **ACTIA Sodielec** has reviewed its future strategy with reference to those businesses still offering prospects for growth and others whose potential has been considerably reduced by the economic crisis.

A plan to optimise the use of industrial resources and to refocus the Telecommunications business on more buoyant markets

With an aim to ensuring its long term future, **ACTIA Sodielec** has today presented its Central Works Council with a restructuring plan.

The plan, while allowing activities to continue at the four sites (Millau (12), Dinard (35), Le Puy-Sainte-Réparate (13) and Manosque (04)), calls for a management reorganisation and a renewed focus on the division's more profitable areas of business.

To make the products more competitive in terms of cost, the plan envisages the reorganisation of production, which is today still spread over all the sites or partially outsourced, in order to better control the production process, the supply chain and the amount of stock, while continuing to ensure product quality.



In the same way, management structures and departments may be reorganised around Operational Departments centred on the more profitable businesses, namely:

- Broadcasting, Railways, Transportation,
- Satellite Communications,
- Telecoms Network Infrastructure,
- Energy, Aeronautics, Defence.

This reorganisation may involve the loss of 20 % of jobs in the **Telecommunications Division**. However, placements may be made within the **Automotive Division**, particularly in Toulouse, where those concerned could have first priority for certain positions. Group management will also ensure that appropriate forms of support are provided.

The priority objective: preparing for the challenges of the telecoms market of tomorrow

The purpose of the restructuring plan that was presented today to the Central Works Council is to enable the subsidiary, **ACTIA Sodielec**, which, for all its well known expertise has been weakened by its cost base, to return to breakeven during the 2011 financial year and to be able to build a forward plan that will enable it to meet the challenges of the markets of tomorrow. Turnover for the subsidiary should reach € 38 million for the 2010 financial year and show slight growth in 2011.

The Group restates that its annual turnover objective for 2010 is between €235 and 240 million.

“The Telecommunications Division is the focus of all our attention. It is going through a difficult period, due in particular to reduced visibility in military markets that had provided repeat business and satisfactory profitability for ACTIA Sodielec. Therefore, so as not to endanger the entire division with the inherent risk of losing its expertise, we need to rebuild a more focused and solid organisation, capable of meeting the challenges of tomorrow’s markets. The entire Group is mobilised to rise to the long term challenge and to provide support to our staff in these difficult times”, declared Christian DESMOULINS, Chairman of the Board of Directors.

Contacts

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Next press release

3rd quarter turnover 2010

Wednesday 10th November 2010

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