



Press Release  
12 May 2005

## Finance

### First-Half 2004/2005 Turnover Amounts to €149.6 million

A NOVO has reported turnover of €149.6 million for the first six months of the 2004/2005 financial year. Excluding the Malaga assembly operations, turnover amounted to €135.9 million. The 3.2% decrease from the €140.4 million reported a year earlier was primarily due to the already announced loss of a UK cable-operator contract. Exchange rates did not have an impact on the decrease.

Although growth businesses, especially Flat Screens in Europe and Telecommunications in USA, failed to fully offset the decrease, the Group's Core Businesses (excluding Malaga) are continuing to expand quarter by quarter since bottoming out in Q4 2003/2004:

*In millions of euros*

	Q2 2003/2004	Q3 2003/2004	Q4 2003/2004	Q1 2004/2005	Q2 2004/2005
Core Businesses*	75.5	63.4	61.7	66.9	69.0
Growth compared to the previous quarter	/	-16%	-2.7%	+8.4%	+3.1%

Based on recently signed contracts in the Flat Screens business (with NEOVIA, PHILIPS, SAMPO, THOMSON TCL, etc.), the IT business (MITAC, FUJITSU SIEMENS COMPUTER, etc.) and the DTT business (NOKIA, STRONG, etc.), this growth will continue in the second half. As a result, strategic businesses (excluding Malaga) are expected to show growth of 5 to 7% over the full year, for turnover ranging between €280 million and €285 million, compared with €265.5 million in 2003/2004.

In addition, as indicated in the press release of 9 May 2005, the restructuring of the Malaga assembly operations is now underway. In the light of the time needed to implement the redundancy plan, the negative contribution to second-half operating income will be €2 million, the same as in the first half. The restructuring plan should enable the operations to return to break -even by the first quarter of 2005/2006.

Also, based on the return to profit of the Telecommunications business and in spite of the extraordinary ramp-up of the Flat Screens business (which is expected to reach operating breakeven in the fourth quarter) the operating margin (excluding Malaga) should amount to between 5 and 6% for the full financial year, an increase of nearly 50% from 2003/2004.

\* Based on the same scope of consolidation

\*\* €11.6 million in the 2<sup>nd</sup> quarter 2003/2004, €7.3 million in the 3<sup>rd</sup> quarter, €6.3 million in the 4<sup>th</sup> quarter, €6.9 million in 1<sup>st</sup> quarter 2004/2005, €6.8 million in the 2<sup>nd</sup> quarter.

## Analysis by segment

In millions of euros

	H1 2003/2004			H1 2004/2005		
	South	North	Total	South	North	Total
Multimedia	33.8	33.3	67.1	32.9	26.6	59.5
Telecommunications	27.8	45.5	73.3	26.7	49.7	76.4
<b>Total Core* Businesses</b>	<b>61.6</b>	<b>78.8</b>	<b>140.4</b>	<b>59.6</b>	<b>76.3</b>	<b>135.9</b>
Assembly**	21.9	/	21.9	13.7	/	13.7
<b>Total*</b>	<b>83.5</b>	<b>78.8</b>	<b>162.3</b>	<b>73.3</b>	<b>76.3</b>	<b>149.6</b>

The increase in Flat Screens business in the Southern **Multimedia** region could partly offset the decrease in business related to the replacement of set-top boxes following the merger of SKY in Italy (-€2.7 million). Demand is expected to return to normal during the 3<sup>rd</sup> and 4<sup>th</sup> quarters. The decrease in Northern turnover was mostly due to the change in the spare-part procurement process for FUJITSU SIEMENS in the Nordic countries and the loss of a UK cable operator contract (-€8.2 million).

In the **Telecommunications** business, spare-part prices fell sharply, cutting turnover by around €2 million but having no impact on operating income. The decrease was offset by profitable growth in the USA (+€4 million), which seems to be sustainable in the light of our closer relationship with ASURION and VERIZON.

### **Note:**

*Some of the information in this press release is based on forecasts regarding future performance or events. This information is subject to a number of risks/factors that could make the actual results differ significantly from those forecasts. These risks/factors include market developments, competition, customer service requirements, technical innovation that makes our services obsolete or unsuitable, available finance, sufficient capacity to manage growth/change and general market/economic conditions. Provisional documents are by their nature based on assumptions, estimates and uncertain data. No assurance can be given that the expected results will be achieved. Future results may differ significantly from those anticipated.*

*With a turnover of €301.5M and 4,700 employees, A NOVO is totally focussed on its two main business segments - Telecommunication (consumer and infrastructure) and Multimedia (IT and video) - in line with its industrial policy built around major European and American Centres of Excellence, capable of handling large volumes while providing high level of value added services for global clients. In April 2003, A NOVO launched "Genesis", a wide-ranging programme for mobilising internal resources, the motive power for the new corporate strategy, based on organic profit growth.*

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ESIN Codes : FR0004152593 (actions), FR0000181174 (obligations convertibles Océane), FR0000341174 (ABSA), Bloomberg Code: NOVO FP ; Reuters Code : ANOV.LN

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