Press Release

outremertelecom GROUPE

2008 ANNUAL RESULTS

Revenue: + 16%

EBITDA: + 72% to €34.4m

Substantial increase in Net Profit

Positive cash flow: €5.9m

Paris, 2nd April 2009: Groupe Outremer Telecom (FR0010425587 – OMT), the leading alternative telecom operator in the French Overseas Regions (FOR), today publishes its 2008 annual results.

Simplified income statement

(in €m IFRS)	**H1 2008**	**H2 2008**	**2008**	**2007**	***Δ (%)***	***Δ (€m)***
Revenue	**88.2**	**92.5**	**180.7**	**156.2**	***+ 16%***	***+ €24.5m***
Gross margin	**46.4**	**51.1**	**97.5**	**77.2**	***+ 26%***	***+ €20.3m***
% of total revenue	*52.5%*	*55.3%*	*53.9%*	*49.4%*		
EBITDA	**16.2**	**18.2**	**34.4**	**20.0**	***+ 72%***	***+ €14.4m***
% of total revenue	*18.4%*	*19.7%*	*19.0%*	*12.8%*		
Operating profit	**3.2**	**4.5**	**7.7**	**- 1.2**	**-**	***+ €8.9m***
Net profit	**1.5**	**1.2**	**2.7**	**- 2.1**	**-**	***+ €4.8m***

Revenue up 16%

In 2008, Outremer Telecom's revenue totalled €180.7m, an increase of 16% on the previous year. The Group's activity was marked by the increasing contribution of the Indian Ocean zone, which represented 30% of total revenue in 2008 (versus 25% in 2007).

Mobile and Residential activity continued to be the largest contributors to revenue, generating €109.0m (up 33%) and €50.7m (almost stable) respectively.

At 31st December 2008, the Group had 452,141 subscribers to its offers, 271,618 of these being Mobile subscribers. For 2008 as a whole, Mobile ARPU was €37.1 in the French West Indies and French Guiana zone and €30.4 in the Indian Ocean zone.

2008 saw substantial marketing innovations on the Mobile segment, with the launch of the first unlimited mobile offer towards local operators, 3G+ packages and the Only 3G+ USB key, as well as on the Residential segment, with a broadening of its ADSL television offer and an increase in the bandwidth provided to subscribers.

Gross margin up 26%

Network and technical costs, given their substantial fixed component, increased by just 5% between 2007 and 2008, thus enabling an increase in the Group's gross margin rate. This expected evolution lies at the very heart of Outremer Telecom's business model.

In particular, for Residential activity, the acquisition in late 2007 of IRU (Indefeasible Right of Use) in the French West Indies, which has enabled a reduction in the cost of transatlantic capacities, resulted in a 6% fall in network and technical costs over the second half of 2008 compared to the same period of the previous year. Implemented at end-2008, the IRU contract signed with Cable&Wireless in the Indian Ocean zone will produce its full effects in 2009.

All in all, the gross margin increased by 4.5 percentage points in 2008 to 53.9%, with a figure of €97.5m, i.e. an increase of 26% compared to 2007.

EBITDA up 72%

Sales costs were down 17.1% compared to 2007, and represented 12.6% of revenue versus 17.6% in 2007. This fall was due to a combination of two factors: the optimisation measures implemented by the Group, notably with the fourth-quarter 2007 purchase of franchised sales outlets in the French West Indies and French Guiana zone, and the slowdown in the rate of acquiring new subscribers recorded over the second and third quarters of 2008.

Despite the strengthening of operational structures and the insourcing of franchised outlets, personnel costs rose by just 13.6%.

Lastly, other operating charges increased by €6.3m, notably because of the increase in provisions on accounts receivables due to the extending of payment deadlines and the increase in client debts.

All in all, operating charges increased by 10.2% in 2008, a substantially lower rate of increase than that recorded by revenue.

Backed by its business model and by cost controls that were intensified as soon as the first signs of the economic slowdown appeared, Outremer Telecom saw its EBITDA increase by 72% in 2008, reaching €34.4m. The EBITDA margin reached 19%, an improvement of + 6.2 percentage points compared to 2007.

Breakdown of 2008 EBITDA

IFRS / €m	31st December 2008	31st December 2007
Residential	13.0	10.6
% of revenue	*26%*	*21%*
Mobile	15.8	2.8
% of revenue	*14%*	*3%*
Professional	5.8	5.9
% of revenue	*40%*	*39%*
Other	- 0.1	0.7
% of revenue	*- 1%*	*10%*
TOTAL	**34.4**	**20.0**

Residential and Mobile activities were essentially responsible for this performance, generating EBITDA of €13.0m and €15.8m respectively. The EBITDA margin for all activities as a whole improved, illustrating the pertinence of Outremer Telecom's business model, with a fixed-cost structure and the initial effects of the plan to optimise operating charges.

Moreover, the EBITDA rate was 27% for the French West Indies and French Guiana zone, versus 2% in the Indian Ocean, reflecting the potential for progression of the Group's EBITDA.

Net profit up sharply

Depreciations, amortisations totalled €26.7m in 2008, up 26% on 2007. With the bulk of network deployments completed in 2007, the rate of increase of depreciations, amortisations slowed through 2008. The increase between the first and second halves of 2008 was thus just 5%.

Operating profit rose by close to €9m in 2008, reaching €7.7m compared to a negative €1.2m in 2007.

The cost of debt totalled €3.3m in 2008, €0.5m above the 2007 figure. The Group also recorded a supplementary financial charge of €1.6m in 2008 associated essentially with the impact of the global economic slowdown on foreign exchange rates and discount rates as well as adjustments in the Fair Value of derivatives.

After the writing down of almost zero profit tax, there was a net profit of €2.7m in 2008, compared to a net loss of €2.1m in 2007.

Other financial information

At 31st December 2008, total assets came to €209.0m, with client debt representing €48.8m versus €38.0m at 31st December 2007, an increase of 28%. These were depreciated by €13.2m to take into account an increased risk of defaults in payments. In this respect, Outremer Telecom recently became a member of PREVENTEL, an Economic Interest Group responsible for managing a database of subscribers with unpaid debts that are due to member companies.

The Group's shareholders' equity totals €84.5m, including 2008 net profit.

Cash flow for FY 2008 totalled €5.9m, and at 31st December 2008 Outremer Telecom had a cash position of €12.0m, reducing net debt to €45.1m.

Main events since yearend and 2009 prospects

In March 2009, Outremer Telecom recruited Arnaud Lecoeur as General Manager for the French West Indies and French Guiana zone. This telecoms specialist has spent his professional career in mobile telephony and broadband on the Consumer and Businesses markets.

In February 2009, the Group signed a partnership agreement with CANAL OVERSEAS. This deal will allow Outremer Telecom's broadband customers with access to ADSL television to subscribe to CANAL+ and/or CANALSAT channels in the French West Indies and Reunion, and will also allow CANAL+ and/or CANALSAT subscribers in the French West Indies, French Guiana and Reunion to benefit from Outremer Telecom's broadband Internet and telephony offers.

Outremer Telecom also announced in February that it had signed a commercial agreement with ZTE Corporation regarding the deployment of its new GSM/UMTS networks and the expansion of the 2G/3G networks already deployed in Mayotte and Reunion.

Furthermore, in March Outremer Telecom withdrew a complaint filed against France Telecom for anti-competitive practices, following the settlement of this dispute.

The Group points out that the first quarter of 2009 was affected by social unrest across French Overseas Regions, and notably the French West Indies where economic activity came to a standstill for more than a month and a half.

Lastly, in March 2009, Outremer Telecom applied for a Mobile licence in Mauritius with that island's telecom authorities, the ICTA, for the deployment of GSM and 3G networks by 2010. The ICTA's decision is expected before the coming summer.

Jean-Michel Hégésippe, Chairman and CEO of Outremer Telecom concludes: "*The EBITDA margins of each of our activities improved, validating our economic model that is based on a fixed-cost structure and revenue that generates margins once breakeven is reached. Early 2009 was marked by a deterioration in the economic situation further intensified by industrial action whose consequences depend in large part on the recovery package that the French government is due to present in the coming weeks. Within this context, our visibility on market dynamism for the current year is limited. However, backed by our completed operational and managerial structuring, over the first quarter we have continued to provide the most innovative offers in order to carry on acquiring new clients.*"

An integrated operator present in all of the French overseas regions - Founded in 1986, Groupe Outremer Telecom has established itself in the French overseas regions (Martinique, Guadeloupe, French Guiana, Reunion and Mayotte) as the leading alternative telecom operator able to offer a full range of fixed line, mobile and Internet access services for both residential and business customers.

The keys to its success: a self-owned network and single well-known brand, Only - Groupe Outremer Telecom has developed its own telecom networks, enabling it to adopt an aggressive and innovative position as a challenger on a strong growth market. The company also has a single brand, Only, which has an excellent reputation in all of the overseas regions and conveys an image of quality, leading-edge technology and local presence.

Strategy focusing on further growth in a solid market - Groupe Outremer Telecom intends to consolidate its position as the leading alternative operator in the French overseas regions and achieve further strong growth in its Internet and mobile subscriber base. Thanks to considerable market potential and capitalising on the success of its activities in French Guiana and the French West Indies, the company extended its Mayotte Mobile activities in December 2006, then its Fixed line and Internet activities there in February 2007, followed by its Mobile offer in Reunion in April 2007. The group also intends to develop the convergence of its different services, expand its business customer base and offer innovative services thanks to the evolving nature of its network.

Revenue for the first quarter of 2009: 12th May 2009

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