

**Annual Consolidated Results 2008/2009**

**Net income from continuing operations at 3.8 million euros**

Marseille, 15 June 2009 - The Avenir Telecom Group, a leading distributor of telecommunications products and services, has released its annual consolidated results for the financial year 2008-2009.

€ thousands IFRS	Financial year 2008-2009	Financial year 2007-2008
<b>Sales</b>	<b>712,330</b>	<b>734,408</b>
Gross profit	151,732	143,708
% gross margin	21.3%	19.6%
<b>Operating profit</b>	<b>14,551</b>	<b>19,902</b>
before depreciation of non-current assets		
% operating margin	2.0%	2.7%
<b>Depreciation of non-current assets</b>	<b>-12,926</b>	<b>-123</b>
<b>Operating profit</b>	<b>1,625</b>	<b>19,779</b>
% operating margin	0.2%	2.8%
<b>Financial income</b>	<b>-4,667</b>	<b>-3,825</b>
<b>Corporate income tax</b>	<b>6,858</b>	<b>2,529</b>
<b>Net income from continuing operations</b>	<b>3,816</b>	<b>18,483</b>
Net income from discontinued operations	-2,067	-6,461
<b>Net attributable income</b>	<b>1,749</b>	<b>12,021</b>

Consolidated sales for the financial year 2008-2009 reached €712.3 million, down by 3.0% compared to the financial year 2007-2008. On a like-for-like basis and excluding the effect of the exchange rate (pound sterling and Romanian leu), the annual consolidated sales for the financial year 2008-2009 were down by 1.2% at €726.0 million, as a result of the strong resistance shown by all the Group's companies, despite the widespread crisis in Europe.

#### Retail Distribution

##### High value sales transactions improved the gross margin rate

The retail business recorded over the year an increase of 3.0% to €329.1 million for the European stores with 664 active points of sale as of 31 March 2009. France, Spain and Romania were very active players over the period.

The gross margin rate increased by 2.9 points to 34.9% of sales confirming the capacity of this network to achieve high value sales transactions on behalf of the partner operators, and to develop our own additional services and sales. Operating expenditure increased by 15.1%, taking into account the costs associated with the development of the number of stores, mostly in France and Bulgaria, the main contributors in the number of openings (51 net openings over the financial year).

Operating profit reached €5.9 million before taking account of depreciation of non-current assets for €12.9 million, affecting mainly Portugal.

### Wholesale Distribution

#### Operating profit held firm despite the slow-down in business activity

The wholesale business was down by 7.6% over the financial year 2008-2009 at €383.3 million.

The gross margin rate was 9.6% of sales, down slightly by 0.4 of a point compared to the previous year, linked mostly to measures taken to reduce stocks of company phones at the start of the year and the selective marketing policy adopted by the sales force. Portugal made an encouraging start with its wholesale business over the period.

The operating profit stood at €8.6 million, confirming a total control of operating expenditure (-2%), mainly in France and Romania. In a sluggish economic context, Avenir Telecom UK maintained a strong level of profitability.

### Consolidated profit and cash flow

**Consolidated operating profit** reached €14.6 million before taking account of the depreciation of non-currents assets, compared to €19.9 million in the previous year.

**Net attributable income** stood at €1.7 million, including the losses from the discontinued operations of €2.1 million and the profit from continuing operations of €3.8 million, after taking account of the financial income of -€4.7 million and a tax profit of €6.9 million, split between €4.1 million in current taxes and €11.0 million in income from deferred taxes given the prospect of using tax losses over the coming years.

#### Self-financing capacity of €16.2 million for continuing operations

Operations generated €16.2 million of self-financing capacity for continuing operations and €3.6 million in negative variation of working capital requirements, resulting in operating cash flows of €12.1 million. Investment flows represented a requirement of €15.2 million and mainly take account of €11.1 million of gross investment associated with the store-opening programme. The financing flows represent a resource of €11.2 million.

The net debt ratio was 52.9% of equity for a net financial debt of €39.7 million against €29.2 million for the previous financial year, confirming a financial structure that is still in good health in order to finance the WCR and the strategic lines of development.

### Evolution of the market for mobiles towards the mobile 2.0

In a mature market and in a context of economic recession, all the players are developing their own business model.

The manufacturers are bringing out various new products with tactile screens and are developing new economic models based on the services and income associated with platforms for downloading applications (Appstore (*Apple*), OVI (*Nokia*), Mobile Applications (*Samsung*), Marketplace (*Microsoft*), Android Market (*Google*), Application Center (*RIM*), App Catalog (*Palm*), etc.). The range of products is coming down to the two segments of basic models and smartphones.

The operators are positioning themselves on a strategic axis based on the renewal of products with higher added value and associated with all-inclusive packages and services generating new income streams to make up for the decline of the voice revenues.

They are actively developing mobile multimedia/home convergent products with the DSL *Quadruple play*.

In parallel, they are following a policy of cost reduction in order to limit the impact of the worsening economic context on their sales and are rationalising their partner networks.

Avenir Telecom confirms the relevance of its multi-channel strategy, via its "in store" Distribution through the Internity retail network with 664 stores in up-market locations and the wholesale network which numbers over 2,000 partners in Europe, completed by its "on line" Distribution that is seeing rapid growth with the deployment of marketing sites in all the countries where we have a presence.

Avenir Telecom sets itself apart through its sales performance in providing high added value products that include both mobile services (downloading, GPS, payment, etc.) combined with a broad portfolio of mobile products (smartphones, netbooks, smartbooks), promoted by merchandising that sparks customer interest.

Avenir Telecom is continuing with its strong client relationship programme through an ongoing digital link (Advertising, CRM, viral marketing, etc.) allowing it build its customer base and win loyalty and to offer its partners marketing ideas with high added value.

*"The multi-channel strategy deployed for 20 years has proved its relevance in the face of the maturity of our market and the economic recession" declared Jean-Daniel Beurnier, CEO of Avenir Telecom. "The settlement by the manufacturers and operators of platforms of user-friendly and personalised services finally open the era of the mobile 2.0. Despite the crisis, the consumer craze for smartphones and mobile multimedia/home convergent solutions makes the future distribution of products and services that generate high added value for all our business partners most promising."*

You can find the press release and the presentation  
 of the annual consolidated results for 2008-2009 at [www.avenir-telecom.com](http://www.avenir-telecom.com)

#### **About Avenir Telecom**

Avenir Telecom is one of the leading European distributors of mobile telephone products and services. The Group distributes mobile telephones, subscriptions and accessories directly through its network of over 650 own-branded Internity stores (retail distribution) and to a client base in hypermarkets and independent resellers (wholesale distribution).

Avenir Telecom employs over 3,000 individuals in six countries: France, UK, Spain, Romania, Portugal and Bulgaria.

Avenir Telecom is listed on NYSE EURONEXT– Compartment C (Euronext Paris).

The Avenir Telecom share is a constituent of the CAC All Shares, CAC Mid & Small 190, CAC Small 90, IT CAC, Next 150, and SBF 250 indices.

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