2009 FIRST-HALF RESULTS

Contraction in the EBITDA margin to 16% of revenue

Net income at breakeven

Paris, 31st August 2009: Groupe Outremer Telecom (FR0010425587 – OMT), the leading alternative telecom operator in the French Overseas Regions (FOR), today publishes its 2009 half-year results.

Simplified income statement

(in €m IFRS)	**H1 2009**	**H1 2008**	***Δ (€m)***
Revenue	**85.1**	**88.2**	***- €3.1m***
Gross margin	**45.2**	**46.4**	***- €1.1m***
% of total revenue	*53.1%*	*52.5%*	
EBITDA	**13.6**	**16.2**	***- €2.6m***
% of total revenue	*16.0%*	*18.4%*	
Operating income	**0.6**	**3.2**	***- €2.6m***
Net income	**0.1**	**1.7**	***- €1.6m***

Revenue

Over the first half of 2009, Outremer Telecom's revenue totalled €85.1m, down 3.5% on the first half of 2008.

The significant reduction in call termination tariffs and the deterioration in the economic situation had a negative impact on the group's revenue in the two zones in which it is present. Hence, over the first half of 2009, Mobile ARPU fell 17% to €30.2 in the French West Indies and French Guiana zone. In the Indian Ocean zone, there was less of a fall with ARPU falling 10.6% to €26.3.

Despite these difficulties, the group's Mobile market share pursued its increase over the first half of 2009 with 30,000 new subscribers recruited (+10% compared to the first half of 2008). Everywhere that it is present, Outremer Telecom saw its number of Mobile subscribers grow at a faster pace than the market: in the French West Indies and French Guiana zone, the number of Mobile subscribers grew by 2.8% versus a market figure of 1.6%, according to ARCEP, whilst in the Indian Ocean zone the number of Mobile subscribers jumped 26.0% (versus 1.8% for the market).

At 30th June 2009, the group's Mobile market share was 14.9% in the French West Indies and French Guiana zone and 10.8% in the Indian Ocean zone.

Gross margin

For the first half of 2009, the gross margin reached 53.1% of revenue (versus 52.5% for the first half of 2008) following the reduction of 5% in network and technical costs. These savings were the result of a reduction in other operators' call termination tariffs on the one hand and the optimisation of broadband capacity in the Indian Ocean zone on the other hand.

Nevertheless, this improvement in the gross margin was not sufficient to offset the fall in revenue over the first half of 2009, with the margin totalling €45.2m over the half versus €46.4m a year earlier (-2.6%).

EBITDA

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation) came to €13.6m over the first half of 2009 (versus €16.2m for the first half of 2008), giving an EBITDA margin of 16.0% (versus 18.4% a year earlier).

Beyond the effect of the weaker absorption of fixed costs by the gross margin, three factors are behind this fall in the EBITDA margin over the period:

- The 14.7% increase in personnel costs, a consequence of the strengthening of the group's operational structures, of the agreements signed following the social unrest of the first quarter of 2009 and of the strengthening of the quality of service department, which consists of teams of home-assistance technicians.

- The increase in sales costs (+2.4% compared to the first half of 2008), which represented 14.4% of revenue over the first half of 2009 versus 13.6% over the same half of 2008 due to the good sales performance over the second quarter of 2009.

- The extending of payment deadlines and the increase in unpaid bills. Over the first six months of the year, the group wrote down €7.3m in provisions for impairment of client receivables, the collection of which deteriorated, notably in the French West Indies and French Guiana zone, compared to €2.7m in 2008.

These negative factors were only partly offset over the half by Other Operating Revenue, which totalled €6.9m, versus €1.2m in the first half of 2008, this increase being by its very nature non recurrent.

EBITDA split for the 1st half of 2009

(in €m IFRS)	30th June 2009	30th June 2008
Residential *% of revenue*	5.1 *22%*	6.6 *26%*
Mobile *% of revenue*	6.0 *12%*	7.5 *15%*
Professional *% of revenue*	3.6 *55%*	3.2 *43%*
Other activity *% of revenue*	0.7 20%	0.1 *2%*
Head office expenses	- 1.9	-1.2
TOTAL	**13.6**	**16.2**

Residential and Mobile activities were equally responsible for the fall in the group's EBITDA, which they represent over 80% of on a consolidated basis.

Operating profit and net income

Operating income recorded a similar decrease to that recorded by EBITDA, falling €2.6m to €0.6m. The first half of 2009 was marked by a stability in depreciation and other allowances (€13.0m over the half) and by a 4% reduction in the cost of debt associated with the cut in interest rates.

After the writing down of tax income of some €0.9m, net income for the first half of 2009 came to €0.1m, compared to €1.7m for the same half of 2008.

Other financial information

At 30th June 2009, total assets came to €203.9m, with net client receivables of €47.0m. The latter were depreciated by €20.6m, giving an increase of €7.4m over the half. From the second half of 2008, the group implemented new monitoring tools enabling an improvement in the analysis of client receivables and a more efficient estimate of the effective possibility of collecting these receivables depending on their age.

Shareholders equity came to €82.3 m at the end of the half, down €1.9m on the figure at 31st December 2008, essentially because of the cancelling of treasury shares.

Cash flow over the first half of 2009 was negative to the tune of €9.4m, essentially due to the acquisition of €14.3m in assets and to negative financial flows of €4.5m, of which €1.9m was associated with the acquisition of treasury shares.

At 30th June 2009, Outremer Telecom had a cash position of €2.6m and net debt of around €49.5m.

Outlook for the 2nd half of 2009

During the first half of 2009, the group faced unfavourable exogenous factors: a difficult economic environment, social unrest that took place over the first quarter of 2009 that disrupted commercial activity and led to an increase in the payroll of between 2 and 3%, and the significant reduction in call termination tariffs.

However, despite this difficult environment, Outremer Telecom still managed to balance its books over the first half of 2009. Visibility remains poor, particularly in the French West Indies and French Guiana zone, which is the main contributor to group revenue. Within this context, Outremer Telecom's management is paying close attention to the evolution of the group's activity and to the efficiency of its operational structure.

Moreover, the group has already set up a business continuity plan should there be a pandemic in any geographical areas in which it operates.

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 and buoyant 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 3rd quarter of 2009 will be published on 10th November 2009

OMT LISTED NYSE EURONEXT

Groupe Outremer Telecom
Vincent Fabre
Chief Financial and Administrative Officer
investisseurs@outremer-telecom.fr

*New***Cap.**
Financial Communications Agency
Simon-Laurent Zaks / Pierre Laurent
Tel.: +33 1 44 71 94 94
Fax: +33 1 44 71 94 90
outremer-telecom@newcap.fr