



## RETURN TO A PROFITABLE GROWTH MOMENTUM SUBSTANTIAL INCREASE IN RESULTS IN H1 2010

**EBITDA: €21.3m (+57%) / EBITDA margin: 23.5% (+7.5 pp)**

**Sharp increase in operating cash flow: €20.4m (+116.5%)**

Paris, 31<sup>st</sup> August 2010: Groupe Outremer Telecom (FR0010425587 - OMT), the leading alternative telecom operator in the French Overseas Regions (FOR), today publishes its consolidated and audited\* results for the first half of 2010.

Simplified income statement				
(in €m IFRS)	H1 2010	H1 2009	Δ (€m)	Δ (%)
Revenue	90.9	85.1	+€5.8m	+6.8%
Gross margin % of total revenue	53.6 59.0 %	45.2 53.1%	+€8.4m	+18.5%
EBITDA % of total revenue	21.3 23.5%	13.6 16.0%	+€7.7m	+57.0%
Operating income	7.7	0.6	+€7.1m	N/A
Net income	4.8	0.1	+€4.7m	N/A

Jean-Michel Hégésippe, Outremer Telecom's Chairman and CEO, said: "The first half of 2010 saw a return to profitable growth for our Group, after a particularly difficult year in 2009. We were able to react efficiently and to implement major organisational measures that have enabled us to successfully adapt our structure and our strategy and which have allowed us to improve the quality of our subscriber base.

Last half saw the French West Indies and French Guiana zone achieve an EBITDA margin of some 28%, close to the sectorial average, whilst the Indian Ocean zone is closing in with an EBITDA margin of 19% already. We are firmly intent on pursuing this growth momentum in order to ensure that the Group's margins are in line with the sectorial average."

### Revenue

Groupe Outremer Telecom recorded revenue of €90.9m over the 1<sup>st</sup> half of 2010, an increase of 6.8% compared to the 1<sup>st</sup> half of 2009.

The growth in the Group's activities observed over the final quarter of 2009 accelerated throughout the first half of 2010, with 1<sup>st</sup> quarter revenue growing at an annual rate of 3.4% and 2<sup>nd</sup> quarter revenue growing at an annual rate of 10.1%.



Revenue from the French West Indies and French Guiana zone came to €54.6m, an increase of 2.0% on the 1<sup>st</sup> half of 2009, whilst the Indian Ocean zone continued to record a strong performance with an increase of 15.1% to €34.3m.

Mobile revenue for the first half of 2010 grew by 6.5%, totalling €55.2m with a significant acceleration over the second quarter (+9.6%), and this despite the substantial reductions in call termination tariffs implemented at the start of 2010.

Likewise, Residential activity recorded significant growth over the 1<sup>st</sup> half of 2010, increasing by 9.5% on the 1<sup>st</sup> half of 2009 (+4.2% in the 1<sup>st</sup> quarter of 2010 and +15.0% in the 2<sup>nd</sup> quarter of 2010), and totalled €25.4m.

### Subscribers at 30<sup>th</sup> June 2010

At 30<sup>th</sup> June 2010, the Group had 524,571 subscribers to its offers, 368,094 of whom were Mobile subscribers (an increase of 21,058 Mobile subscribers compared to 31<sup>st</sup> December 2009).

According to data published by ARCEP (mobile indicator monitor - June 2010) Outremer Telecom's Mobile market share continued to grow across both of the zones in which it operates, reaching 16.5% in the French West Indies and French Guiana zone (versus 16.1% at 31<sup>st</sup> December 2009) and 13.9% in the Indian Ocean zone (versus 12.8% at 31<sup>st</sup> December 2009).

Subsequently, Mobile ARPU (Average Revenue Per User) was €24.6 in the French West Indies and French Guiana zone and €21.7 in the Indian Ocean zone at 30<sup>th</sup> June 2010.

	Gross base 30/06/2010	Gross base 31/12/2009
Mobile	368,094	347,036
Fixed	87,560	96,352
Internet	68,917	77,981
<i>of which: Broadband</i>	<i>57,087</i>	<i>65,511</i>
<b>TOTAL</b>	<b>524,571</b>	<b>521,369</b>

Following the events of 2009 and their impact on customer risks, Outremer Telecom implemented procedures enabling it to better know its subscriber base at 30<sup>th</sup> June 2010. The Group has thus decided to henceforth publish details of its active subscriber base in order to provide a clearer appraisal of its activity.

The active base is defined as the difference between the gross base (524,571 at 30<sup>th</sup> June 2010) and the number of subscribers whose lines have been suspended because, in particular, of payment issues. These partially or totally suspended subscribers generate non-recurrent revenue, and therefore remain Group subscribers who are liable to reincorporate the active subscriber base.

At 30<sup>th</sup> June 2010, Outremer Telecom had 417,900 active subscribers split as follows:

	Active base 30/06/2010 <sup>1</sup>
Mobile	272,558
Fixed	80,170
Internet	65,172
<i>of which: Broadband</i>	<i>54,487</i>
<b>TOTAL</b>	<b>417,900</b>

<sup>1</sup> Historical data relating to the active base is not available



### Gross margin: €53.6m, up €8.4m (+18.5%)

The gross margin came to €53.6m over the half, an increase of €8.4m (+18.5%) on the 1<sup>st</sup> half of 2009. The gross margin rate thus improved to 59.0%, versus 53.1% over the 1<sup>st</sup> half of 2009. This increase was essentially the result of the growth in revenue and the reduction in interconnection and local loop costs following the optimisation measures implemented by the Group's management during the half.

### Sharp increase in EBITDA: +57%, and upramping of the Indian Ocean zone

The Group's EBITDA increased sharply by 57% compared to the first half of 2009, but was also up 31% compared to the first half of 2008.

The EBITDA margin thus came to 23.5%, the highest level it has ever reached since the launch of the Group's Mobile activity in 2005. The EBITDA margin in the French West Indies and French Guiana zone was 28%, close to the average profitability level within the sector, whilst the Indian Ocean zone is also closing in on the sectorial average, with EBITDA soaring +251%. This is due to the solid revenue growth within this zone, which is now enabling fixed costs to be absorbed and buoyant profitability growth to be generated.

Expenses have been closely monitored. Personnel costs totalled €14.6m over the 1<sup>st</sup> half of 2010, an increase of 12.5% on the 1<sup>st</sup> half of 2009 but an increase of less than 1% compared to the 2<sup>nd</sup> half of 2009. This increase was the result of the strengthening of the Group's structure carried out in 2009, notably with the deployment of teams devoted specifically to quality of service.

Furthermore, sales costs were down 26.4% compared to the 1<sup>st</sup> half of 2009, at €9.1m, as a result of the increasingly selective subscriber recruitment process that has led to a reduction in variable costs and efforts to rationalise spending. Lastly, provisions for impairment of client receivables net of write-backs were divided by almost three (€2.6m in the 1<sup>st</sup> half of 2010 versus €7.4m in the 1<sup>st</sup> half of 2009).

### EBITDA split

(in €m IFRS)	30/06/10	30/06/09	Δ
Residential % of revenue	7.0 27%	5.1 22%	+36%
Mobile % of revenue	11.4 21%	6.0 12%	+88%
Professional % of revenue	3.6 50%	3.6 55%	-
Other % of revenue	1.0 37%	0.7 20%	+41%
Head office % of revenue	-1.7 -2%	-1.9 -2%	-13%
<b>TOTAL</b> % of revenue	<b>21.3</b> 23.5%	<b>13.6</b> 16.0%	<b>+57%</b>

(in €m IFRS)	30/06/10	30/06/09	Δ
FWI / Guiana % of revenue	15.5 28%	12.5 23%	+24%
Indian Ocean % of revenue	6.5 19%	1.8 6%	+251%
Other % of revenue	1.1 58%	1.2 59%	-9%
Head office % of revenue	-1.7 -2%	-1.9 -2%	-13%
<b>TOTAL</b> % of revenue	<b>21.3</b> 23.5%	<b>13.6</b> 16.0%	<b>+57%</b>

Following a particularly difficult year in 2009, the Group's Residential and Mobile activities generated substantial increases in EBITDA over the first half of 2010, with figures of +36% and +88% respectively.



### Operating profit and net income

Over the 1<sup>st</sup> half of 2010, depreciations and other allowances totalled €13.6m, a slight increase of 4.6% on the 1<sup>st</sup> half of 2009.

Operating income for the 1<sup>st</sup> half of 2010 was therefore up sharply on the first half of 2009, increasing from €0.6m to €7.7m.

After the writing down of a financial charge of €1.8m and a tax charge of €1.1m, net income for the 1<sup>st</sup> half of 2010 came to €4.8m, versus €0.1m a year earlier.

### Cash flow and financial structure

The 1<sup>st</sup> half of 2010 also saw a substantial strengthening of the Group's financial structure.

As was already the case in the 2<sup>nd</sup> half of 2009, Outremer Telecom was able to generate substantial operating cash flow. This cash flow totalled €20.4m over the 1<sup>st</sup> half of 2010, and thus more than doubled compared to the 1<sup>st</sup> half of 2009 (€9.4m).

At the same time, CAPEX was substantially reduced because of the completion of network densification and 2G network replacements, and now simply corresponds to maintenance and subscriber-connection costs. CAPEX totalled €6.4m over the 1<sup>st</sup> half of 2010, down 55.1% on the 1<sup>st</sup> half of 2009 (€14.2m).

The Group's cash position increased by €9.8m over the 1<sup>st</sup> half of 2010, reaching €34.6m, after the repayment of €4.4m in bank loans.

Net debt was thus cut to €34.5m, compared to €47.3m at 31<sup>st</sup> December 2009.

Lastly, Outremer Telecom's total assets came to €227.4m at 30<sup>th</sup> June 2010, with shareholders' equity of €81.5m versus €76.6m at 31<sup>st</sup> December 2009, due to the net income recorded over the 1<sup>st</sup> half of 2010.

### Strategy and outlook for the 2<sup>nd</sup> half of 2010

Outremer Telecom's return to profitable growth was confirmed over the 1<sup>st</sup> half of 2010.

This performance was achieved through a combination of growth in the Group's key activities, which accelerated over the 2<sup>nd</sup> quarter of 2010, and a reduction in the breakeven point.

There has been an acceleration in the generating of operating cash flow, notably in the Indian Ocean zone, and CAPEX has been substantially reduced following the completion of network projects in 2009.

The Group intends to pursue its sales development by attracting new subscribers thanks to its policy of providing offers with attractive tariffs and high quality of service, and will continue to closely manage its costs.

Having purged its subscriber base and strengthened its procedures for acquiring new subscribers, the Group is now aiming to accelerate its profitable growth policy.

\* Following the favourable opinion issued by the Audit Committee at its meeting of 30<sup>th</sup> August 2010, the Board of Directors approved accounts for the Group's first half to 30<sup>th</sup> June 2010 at its meeting of 31<sup>st</sup> August 2010, which was chaired by Mr Jean-Michel Hégésippe. Audit procedures have been carried out. The auditors have completed their audit and are preparing to issue their reports.



### About Outremer Telecom

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. Groupe Outremer Telecom has developed its own telecom network and has a single brand; Only. The group intends to develop the convergence of its various offers, its business customers and pursue its innovative and competitive services.

### Next press release

Revenue for the 3<sup>rd</sup> quarter of 2010: Tuesday 2<sup>nd</sup> November 2010



Groupe Outremer Telecom  
Vincent Fabre  
Chief Financial and Administrative Officer  
[investisseurs@outremer-telecom.fr](mailto:investisseurs@outremer-telecom.fr)

*NewCap.*  
Financial Communications Agency  
Simon-Laurent Zaks / Pierre Laurent  
Tel.: +33 (0)1 44 71 94 94  
Fax: +33 (0)1 44 71 94 90  
[outremer-telecom@newcap.fr](mailto:outremer-telecom@newcap.fr)

## APPENDICES: half-year accounts in French

### CONSOLIDATED BALANCE SHEET

<i>(en milliers d'euros)</i>	Note	30 juin 2010	31 décembre 2009
Goodwill	8.1	40 948	40 948
Autres immobilisations incorporelles	8.1	24 080	25 953
Immobilisations corporelles	8.2	68 762	77 578
Actifs financiers non courants		1 205	1 279
Impôts différés		13 099	14 208
<b>Total des actifs non courants</b>		<b>148 094</b>	<b>159 966</b>
Stocks	8.3	2 816	3 029
Créances clients	8.4	32 953	33 107
Créances d'impôt exigible		39	92
Autres actifs courants		7 817	10 847
Trésorerie et équivalents de trésorerie	8.5	35 640	25 510
<b>Total des actifs courants</b>		<b>79 264</b>	<b>72 585</b>
<b>TOTAL ACTIF</b>		<b>227 358</b>	<b>232 551</b>
<i>(en milliers d'euros)</i>	Note	30 juin 2010	31 décembre 2009
Capital	8.6	2 756	2 756
Prime d'émission		108 721	108 721
Réserves consolidées		(34 951)	(29 144)
Réserve de conversion		77	(60)
Résultat de l'exercice		4 701	(5 973)
<b>Capitaux propres - part du Groupe</b>		<b>81 304</b>	<b>76 299</b>
Intérêts minoritaires		235	266
<b>Total des capitaux propres</b>		<b>81 539</b>	<b>76 566</b>
Emprunts et dettes financières	8.7	45 862	13 020
Avantages au personnel		1 666	1 545
Provisions	8.8	3 097	3 025
Impôts différés		301	329
Autres passifs non courants		2 991	5 033
<b>Total des passifs non courants</b>		<b>53 918</b>	<b>22 952</b>
Emprunts et dettes financières	8.7	23 764	59 808
Provisions	8.8	1 844	1 668
Dettes fournisseurs et comptes rattachés		42 563	49 718
Autres passifs courants		23 686	21 644
Dettes d'impôt exigible		44	195
<b>Total des passifs courants</b>		<b>91 901</b>	<b>133 033</b>
<b>TOTAL PASSIF</b>		<b>227 358</b>	<b>232 551</b>



## CONSOLIDATED INCOME STATEMENT

*(en milliers d'euros)*

	Note	30 juin 2010	31 décembre 2009	30 juin 2009
<b>Chiffre d'affaires</b>		<b>90 874</b>	<b>175 546</b>	<b>85117</b>
Achats externes		(50 841)	(114 477)	(56 097)
Charges de personnel		(14 565)	(27 382)	(12 950)
Impôts et taxes		(1 472)	(3 277)	(1 402)
Dotations aux provisions		(260)	(1 195)	(93)
Autres charges opérationnelles		(3 200)	(23 086)	(7 885)
Autres produits opérationnels		785	9 968	6 892
<b>Résultat opérationnel avant dotations aux amortissements</b>		<b>21 321</b>	<b>16 096</b>	<b>13 581</b>
Dotations aux amortissements		(13 606)	(27 819)	(13 009)
<b>Résultat opérationnel</b>		<b>7 715</b>	<b>(11 723)</b>	<b>573</b>
Coût de l'endettement financier net		(1 420)	(2 397)	(1 292)
Autres produits et charges financiers		(419)	66	(145)
Variation de juste valeur des instruments hybrides sur la dette				
<b>Résultat avant impôt</b>		<b>5 876</b>	<b>(14 053)</b>	<b>(865)</b>
Impôt sur les bénéfices	8.11	(1 107)	8 151	948
<b>Résultat net de l'exercice</b>		<b>4 769</b>	<b>(5 902)</b>	<b>83</b>
Résultat net - Part du groupe		4 701	(5 973)	30
Résultat net - Part des intérêts minoritaires		69	71	53
<b>Résultat par action</b>				
Résultat par action	8.12	0,23	(0,28)	0,00
Résultat dilué par action	8.12	0,23	(0,28)	0,00

## CONSOLIDATED STATEMENT

*(en milliers d'euros)*

	Note	30 juin 2010	31 décembre 2009	30 juin 2009
<b>Résultat net de l'exercice</b>		<b>4 769</b>	<b>(5 902)</b>	<b>83</b>
Autres éléments du résultat global :				
Écarts de conversion		137	24	-25
Total		137	24	-25
<b>Résultat global de l'exercice</b>		<b>4 906</b>	<b>(5 878)</b>	<b>58</b>
Dont résultat Groupe		4 838	(5 949)	5
Dont intérêts des minoritaires		69	71	53





## CASH FLOW STATEMENT

*(en milliers d'euros)*

	Note	30 juin 2010	31 décembre 2009	30 juin 2009
Résultat net total consolidé		4 769	(5 902)	83
Elimination des incidences de :				
- Résultats latents sur instruments financiers		418	174	187
- Dotations nettes aux amortissements et provisions		13 871	28 306	13 004
- Autres produits et charges		119	(79)	(73)
- Résultats de cession		(42)	582	5
- Produit d'impôt	8.11	1 107	(8 151)	(947)
- Charge d'intérêt		1 454	3 051	1 337
Incidence de la variation des stocks		214	667	(109)
Incidence de la variation des créances clients et autres débiteurs		2 047	10 482	2 017
Incidence de la variation des dettes fournisseurs et autres créditeurs		(2 065)	4 351	(4 568)
<b>Flux de trésorerie liés aux activités opérationnelles avant impôts et intérêts</b>		<b>21 893</b>	<b>33 481</b>	<b>10 936</b>
Impôts payés		(133)	(106)	(81)
Intérêts payés		(1 404)	(3 158)	(1 455)
Intérêts encaissés			3	1
<b>Flux de trésorerie liés aux activités opérationnelles</b>		<b>20 356</b>	<b>30 220</b>	<b>9 402</b>
Incidences des variations de périmètre		-	-	-
Acquisitions d'immobilisations corporelles et incorporelles	8.1 et 8.2	(6 753)	(16 491)	(11 854)
Subventions d'investissement reçues			3 531	
Variation des prêts et avances consentis		189	(11)	30
Cessions d'immobilisations corporelles et incorporelles		169	157	66
<b>Flux de trésorerie liés aux activités d'investissement</b>		<b>(6 395)</b>	<b>(12 814)</b>	<b>(11 758)</b>
Emission d'emprunts		395	18 236	79
Remboursement d'emprunts		(4 410)	(20 719)	(5 089)
Dividendes versés aux actionnaires minoritaires		(98)	(61)	(60)
Cession (acquisition) nette actions propres		(96)	(1 975)	(1 946)
<b>Flux de trésorerie liés aux activités de financement</b>		<b>(4 209)</b>	<b>(4 519)</b>	<b>(7 016)</b>
<b>Variation nette de la trésorerie</b>		<b>9 752</b>	<b>12 887</b>	<b>(9 372)</b>
Trésorerie d'ouverture		24 857	11 964	11 964
Incidence de la variation des taux de change		28	6	(25)
<b>Trésorerie de clôture</b>	<b>8.5</b>	<b>34 637</b>	<b>24 857</b>	<b>2 567</b>