

PRESS RELEASE

VERY STRONG GROWTH IN 2006

- **2006 revenue: up 58% to €124m**
- **EBITDA (before listing expenses): up 145% to €21.5m**
- **Positive free cash flow in 2006**

Paris, 10 April 2007: Outremer Telecom (**FR0010425587 – OMT**), the leading alternative operator in French overseas departments and regions, has today announced its annual results for the year ended 31 December 2006.

€ m, IFRS	2006	2005	Change (%)
Revenue	124.0	78.4	+58%
EBITDA before IPO expenses*	21.5	8.8	+145%
<i>EBITDA margin before IPO expenses</i>	<i>17.3%</i>	<i>11.2%</i>	
Listing expenses	(3.3)		
EBITDA	18.2	8.8	+108%
Depreciation and amortisation	(17.2)	(11.9)	
Operating income	1.1	(3.2)	
Net cost of debt	(9.3)	(5.6)	
Other financial income and expense	0.6	-	
Change in fair value of hybrid debt instruments	(25.8)	(4.1)	
Income before tax	(33.6)	(12.9)	
Net income	(31.2)	(7.9)	
Free cash flow**	3.5	(9.6)	

*Operating income before depreciation and listing expenses

**Free cash flow after financial result and tax

Very strong revenue growth

Group revenue grew very strongly, increasing 58% or €45.6m. This was mainly due to very fast growth in the mobile business, which reported revenue of €53.5m in 2006, a 509% or €44.7m increase year on year. As a result, the mobile telephony business accounts for 43% of Group revenue, even though it was only launched very recently in the West Indies, Guyana and Mayotte, and is still to be launched on Reunion.

The Group had 127,469 subscribers to its mobile phone services at 31 December 2006, up from 40,396 at 31 December 2005 and 37,186 Residential subscribers to its broadband internet services, up from 23,117 at 31 December 2005.

Very strong EBITDA growth

EBITDA before listing expenses amounted to €21.5m in 2006, a very strong 145% increase on the 2005 level of €8.8m. This strong growth was achieved despite an increase in operating expenses due to the launch of new mobile phone networks and the acquisition of a very large number of new subscribers.

This EBITDA growth was due to a very rapid build-up by the mobile business and good operating cost control, made possible by substantial synergy between the various Group businesses and networks.

EBITDA before listing costs amounted to 17.3% of revenue in 2006, up from 11.2% in 2005.

Operating and net income were in line with expectations

Depreciation charges increased from €11.9m in 2005 to €17.2m in 2006. This was due to substantial investment in constructing new networks.

2006 brought a net loss of €31.2m in 2006, compared with €7.9m in 2005. Two non-recurring items had a major impact:

- €25.8m from changes in the fair value of hybrid financial instruments put in place in 2004. These hybrid instruments were exercised in March 2007, prior to the Group's stock market listing, so no material impact is expected in 2007.
- €9.3m of net debt expense. Group net debt is no longer material in the wake of the listing, so this financial expense will be significantly reduced from 2007.

Positive free cash flow

In 2006, free cash flow (after financial result and tax) amounted to €3.5m, compared with -€9.6m in 2005. As a result, the Group has achieved a year early the 2007 target of positive free cash flow.

This is the result of a sharp increase in operating cash flow by virtue of income growth and control over spending on investment (mainly on new networks).

Cash flow from financing transactions has added €3.8m to cash thanks to the introduction of new lines, particularly for roll out of the mobile network in the Indian Ocean.

As a result, Group cash increased by €7.3m in 2006, rising to €13.8m at end December 2006.

Strategy and outlook

The operating and financial performance is expected to show further strong growth in 2007.

The GSM businesses launched in new regions (Mayotte and Reunion) are expected to add to growth in Guyana and the West Indies. For example, given the strong start of the business launched in Mayotte in December 2006, the Group anticipates that it will have more than 10% market share on the island before the end of the first half of 2007, only six months from the start of operations. The Group has also confirmed its target calling for the GSM network on Reunion to be launched in the second quarter of 2007.

Jean-Michel Hégésippe, CEO, concludes: "2006 brought very strong growth for the Group, in terms of both revenue and earnings. The financial resources raised when we listed on the stock market will enable us to capitalise on successful recent launches in new overseas regions and duplicate that success in the Indian Ocean, where we currently have no presence. The Group's momentum means we can reconfirm the financial targets for 2008 announced when we listed on the market."

An integrated operator present in all of the French overseas departments. Founded in 1986, Groupe Outremer Telecom has established itself in the French overseas departments (Martinique, Guadeloupe, French Guiana and Reunion) as the leading alternative telecoms 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 proprietary network and single well known brand, Only. Groupe Outremer Telecom has developed its own telecoms network, enabling it to adopt an aggressive and innovative position as a challenger in a strong growth market. The company also has a single brand, Only, which has an excellent reputation in all of the overseas departments 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 departments 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 the French Guiana and the French Antilles, the company extended its mobile activities to Mayotte at the end of last year and has confirmed the forthcoming launch of its services in Reunion. 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.

Strong growth. Revenue amounted to €78.4m in 2005. For 2006, the Group has reported a 58% year-on-year increase in revenue to €124m, and a 145% increase in EBITDA before listing expenses to €21.5m. This strong revenue growth is due in particular to success in the mobile business, which had 128,000 subscribers at the end of 2006 (up 216% from end 2005).

First quarter 2007 revenue: 9 May 2007

Groupe Outremer Telecom

Vincent Fabre
Finance Director
investisseurs@outremer-telecom.fr

NewCap.

Financial communication agency
Pierre Laurent / Emmanuel Huynh
Tel: 01 44 71 94 94
Fax: 01 44 71 94 90
outremer-telecom@newcap.fr