

2004-2005 FINANCIAL YEAR 1st HALF-YEAR GROUP RESULTS (July to December 2004 – 6 month period)

Net profit up 60%

(€millions)	2004/05 1 st HY	2003/04 1 st HY	% Growth
Consolidated sales	317.9	250.9	27%
Operating profit	12.9	9.7	33%
<i>Operating profit margin (% sales)</i>	4.1%	3.9%	
Net profit	9.2	5.7	60%
<i>Net profit margin (% sales)</i>	2.9%	2.3%	

Telecom Distribution business enjoys solid sales growth

Group 2004-2005 1st half-year sales increased to €317.9 million, up 27% over the same period last year.

Telecom Distribution business sales jumped 32% during this time, with Direct Distribution (own stores) and Indirect Distribution reporting sales increases of 56% and 22% respectively. The Group had 502 own and affiliate stores in operation at 31 December 2004, up 118 from 30 June 2004, of which 65 related to the Romanian acquisition announced last November.

France and international operations accounted for 45% and 47% of the Group's 2004-2005 financial year 1st half-year sales respectively, with mobile phone export sales accounting for the remaining 8%.

Major trends noted in preceding quarters were strengthened, in particular:

- ✂ In France, the launch of 3G had a reduced impact, which did not prevent the Internity network from seeing its sales rise by 30% on the previous year.
- ✂ The United Kingdom confirms its status as Europe's most competitive market, with all mobile phone network operators having launched their 3G offers. In this environment, Avenir Telecom UK posted a 67% increase in sales over the same period last year.
- ✂ Spain pursued its strong growth: 2004-2005 1st half-year sales jumped by more than 88% while the number of store outlets in operation increased 50% relative to the same period last year.
- ✂ Romania posted an outstanding 167% growth in sales, which does not take into account the November 2004 65-store acquisition, whose contribution will account more significantly in the 2^d half of the 2004-2005 financial year.

Consolidated net profit improves by 60%

Operating profit improved by 33% over the same period last year to €12.9 million. Consolidated net profit improved by 60% during this time to €9.2 million, yielding a 2.9% net profit margin and incorporating €3.7 million in non-operating expenses, mainly comprising €0.8 million in financial expenses (down 60%), €1.7 million in income tax (up 226%) and €0.9 million in acquisition goodwill amortisation charges.

The Group's operating activities generated €9.2 million in cash flow, which was used to finance working capital requirements arising from the growth of the business. €6.5 million in investments were realised, primarily in regard to outlets acquisitions and renovation. The Group had a gearing (debt-to-equity) ratio of 0.6 at 31 December 2004, unchanged from 30 June 2004.

Mobility distributor

In the words of Jean-Daniel BEURNIER, Chairman: *“Mobile handsets presented last week by the major manufacturers have crossed a new threshold in digital convergence, integrating into high definition digital cameras of up to 5 Megapixels, highly evolved MP3 functionalities, as well as TV reception. In a market where consumers are progressively adhering to multimedia services, operators have announced massive new promotion measures for 3G. As a result, we are now forecasting sales and net profit growth in excess of 20% and 50% respectively for the current financial year.”*

Shareholder's Agenda

16 May 2005: publication of 3rd quarter results

25 August 2005: publication of 2004-2005 full financial year sales

20 September 2005: publication of 2004-2005 full financial year results

About Avenir Telecom

AVENIR TELECOM SA (Euronext List, Next 150 index) is one of Europe's leading distributor of telephony products and services. The Group distributes telephones, subscriptions and accessories directly through a network of 502 own and affiliate stores under the Internity chain (Direct Distribution), to companies (Corporate Distribution) and to supermarket chains and independent retailers (Indirect Distribution).

AVENIR TELECOM SA employs a workforce of nearly 1,900, based in 7 countries: United Kingdom, France, Belgium, Spain, Poland, Romania and Morocco

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French residents may also avail themselves of our shareholder information phone line at 0826-888-666 (€0.15 per minute).