

PRESS RELEASE

– Marseille, 16 May 2005 –

2004-2005 FINANCIAL YEAR 9-MONTH GROUP RESULTS (July 2004 to March 2005)

Net profit increased by 44%

| (€millions) | 2004/05: 9-months | 2003/04: 9-months | % growth |
|----------------------------------|-------------------|-------------------|---------------|
| Consolidated sales | 471.2 | 367.0 | +28% |
| Operating profit | 15.3 | 12.6 | +21.5% |
| <i>% operating profit margin</i> | <i>3.2%</i> | <i>3.4%</i> | |
| Net profit | 10.1 | 7.0 | +44% |
| <i>% net profit margin</i> | <i>2.1%</i> | <i>1.9%</i> | |

Business activity progresses in all countries

Group 2004-2005 financial year 9 month sales increased by 28% over the same period last year to €471.2 million, rising 25% on a like-for-like basis.

This growth is attributable to the constant development of the Group's core Telecom Distribution business, which posted a 33% jump in sales over the same period last year, with Direct Distribution (own stores) and Indirect Distribution sales up 54% and 24% respectively. The Group had 519 own and affiliate stores in operation at 31 March 2005, up by 135 units or 35% from 30 June 2004 (a 38% growth from 31 March 2004).

Geographically, France accounted for 44% of Group sales in the period, while international subsidiaries and mobile export sales accounting for 48% and 8% respectively, with all areas progressing:

- ✂ In France, sales for the period remained stable, with a 24% rise in Internity store network sales offset by lower sales from its discontinued After-Sales-Service and Internet businesses, which were € 0.8 million compared to €11.6 million for the same period last year.
- ✂ In the British market where competition between mobile phone network operators has lessened notably as a result of seasonality, Avenir Telecom UK confirmed its leadership status in contracts indirect distribution, with a 56% increase in sales, both on an actual and constant exchange rate basis.
- ✂ Spain posted sales growth of 73% during this period, with the number of stores increasing by 58% compared to 31 March 2004.
- ✂ Romania continued to post strong growth, with a 212% increase in sales, up 193% on a like-for-like basis.
- ✂ Poland still benefits from the dynamism of the local market and the integration of 20 stores from May 2004, reflected in a 68% increase in 9-month sales, up 24% on a like-for-like basis.

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Consolidated net profit jumped by 44%

Operating profit improved to €15.3 million, up 21.5% over the same period last year. Consolidated net profit improved by 44% during this time to €10.1 million, amounting to 2.1% of Group sales and incorporating €1.3 million in net financial expenses (down 52%), €2.6 million in income tax (up 148%) and €1.3 million in acquisition goodwill amortisation charges.

The Group's operating activities generated €5.2 million in cash flow, which contributed to the funding of €8.8 million in investments, primarily the acquisition and fitting out of stores. Group net borrowings at 31 March 2005 amounted to €32.9 million, resulting in a gearing (debt-to-equity) ratio of 0.6 at this date.

Commenting these results, Jean-Daniel BEURNIER, Chairman of Avenir Telecom issued the following statement: "We are very satisfied with our 9-month results, which confirm the rise in importance of our two growth drivers, European expansion and development of the Internity chain, which we have been developing over the last few years. Avenir Telecom's strategy is increasingly focused on the attraction of European consumers for multimedia mobile products and services, as proven in the latest statistics on mobile multimedia terminal and mobile content sales."

Shareholders' agenda

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 519 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 1,700, 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).