

Marseille, 19 September 2005

## 2004-2005 FULL FINANCIAL YEAR GROUP RESULTS CONSOLIDATED NET PROFIT DOUBLES TO €17 MILLION

(€ millions)	2004-2005	2003-2004	% Change
Consolidated sales	642.8	495,4	+30%
Consolidated operating profit	16.2	14.9	+9%
Profit before tax and goodwill amortisation	14.6	11.3	+29%
Net profit before goodwill amortisation	18.8	10.3	+83%
Consolidated net profit	17.0	8.0	+111%
<i>Net profit margin (% sales)</i>	2.6%	1.5%	
Group equity at 30 June	65.9	48.4	+36%
<i>Group net borrowings to Group equity ratio (gearing ratio)</i>	30%	60%	

### Strong growth in sales and profitability

**Group consolidated sales** for the 2004-2005 financial year ending 30 June 2005 amounted to € 642.8 million, up 30% over the same period last year, rising 26% on a constant exchange rate and group structure basis. All of the Group's distribution networks contributed to this growth.

**Direct Distribution** (own stores), the Group's growth driver, posted a 52% increase in sales, reflecting the opening of 120 new stores during the 2004-2005 financial year. Gross profit margin improved in line with sales activity.

**Indirect Distribution** (sales to businesses), the Group's traditional activity, saw its sales grow by 28%, powered by a 66% increase in mobiles export sales. This business activity adversely impacted gross profit margin, as did the product and country mix evolution.

**Consolidated operating profit improved by 9%** to € 16.2 million, supporting an 13% increase in operating expenses. This is mainly related with the store network development costs whose full sales potential has yet to be realised

**Consolidated net profit doubled** to € 17 million, after taking into account € 1.6 million in net financial expenses, down 50%, € 4.2 million in income tax credits reflecting the capitalisation of all of the parent company's tax losses arising from the application of currently applied accounting standards, and € 1.8 million in acquisition goodwill amortisation charges.

**Group equity at 30 June 2005 increased by 36%** over the same time last year to € 65.9 million, reflecting the realisation of the above excellent results. The Group had total assets of € 233 million on this date.

**Cash flow from operating activities amounted to € 20.4 million**, enabling the Group to finance € 10.7 million in investments in it stores and pursue its debt reduction.

**The Group's gearing ratio accordingly improved to 30%**, compared to 60% at 30 June 2004.

## 2005-2006, another year of growth

Avenir Telecom has set itself as its objectives for its current 2005-2006 financial year sales growth of 12% to 15% on a constant group structure basis, with 60 to 80 new own stores expected to be opened during this time. The Group anticipates achieving an even better growth in operating profit, in the range of 20% to 25%, thanks to the leverage achieved from the aforementioned store openings.

Avenir Telecom plans to realise € 6 million in investments, and has the necessary financial resources to finance its growth and pursue its financial debt reduction. Development project in Bulgaria, announced in July, has yet to be finalised. The Group anticipates equity financing this acquisition and does not exclude any other such acquisitions in Europe in order to gain market share and increase its critical mass.

In the words of Jean-Daniel BEURNIER, Chairman of Avenir Telecom Group: *"These good results are due to the Internity stores development strategy and the internationalisation of the group. Our customers are increasingly becoming consumers of mobile multimedia services, which we see daily in our stores. This growing interest for photo, music and, in the near future, television applications encourage the customers to change their telephone and switch to 3G.*

*Again this year, we expect to continue to grow at a sustained pace and outperform the market, thanks to our distribution know-how."*

## Transition to IFRS standards

Avenir Telecom will prepare its accounts using IFRS standards as from 1 July 2005, the start date of its 2005-2006 financial year. The Group intends to communicate in the month of October 2005 the forecast impacts of this transition.

Avenir Telecom will publish its first financial statements in IFRS for its 2005-2006 interim results, with the Group having decided to temporarily suspend the publication of quarterly financial results.

## Coming events

✂ Avenir Telecom will participate at the 'Midcap Events®' that will be held on 19 and 20 September 2005 at the Palais Brongniart in Paris, France, where it will meet a number of French and international institutional investors.

✂ Avenir Telecom will also be present at the Salon Actionaria that will be held on 18 and 19 November 2005 at the Palais des Congrès in Paris, France, where it will meet individual shareholders and investors.

## Shareholders' 2005-2006 financial year agenda

✂ Publication of 2005-2006 1 <sup>st</sup> Quarter sales	15 November 2005
✂ Holding of Annual General Meeting	15 December 2005
✂ Publication of 2005-2006 interim sales	7 February 2006
✂ Publication of 2005-2006 interim results	6 March 2006
✂ Publication of 2005-2006 3 <sup>rd</sup> Quarter sales	15 May 2006
✂ Publication of 2005-2006 financial year sales	24 August 2006
✂ Publication of 2005-2006 financial year results	18 September 2006

**About Avenir Telecom**

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

AVENIR TELECOM SA employs a workforce of 1,600 people, based in 7 countries: France, Belgium, United Kingdom, 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).