

Marseilles, 17 November 2005

Avenir Telecom's acquisition of Ensitel makes it Portugal's top telecom distributor

Ensitel, Portugal's leading specialised telecom distributor

Avenir Telecom, an international mobile phone product and services distribution specialist, finalised its acquisition of Portugal's Ensitel SGPS group on November 17.

Ensitel's 65 outlets operating under its own name make it Portugal's leading mobile telephony chain. The shops, most of which are located in shopping malls and centres, have an average floor area of 45 sq.m. Ensitel sells products offered by the market's three operators: TMN (Portugal Telecom), Vodafone and Optimus (Sonae/France Telecom). It is also Nokia's longstanding partner on the Portuguese market.

In the last financial year for which data was published, which ended on 31 December 2004, Ensitel posted 38.8 million euros in consolidated turnover with an EBITDA of 28.8 million euros, increasing of 17% (Portuguese accounting standards).

A relative acquisition

With this operation, Avenir Telecom has acquired a profitable market leader, without engaging debt in the medium or long term, with strong growth potential. Its know-how and purchasing power will help Ensitel strengthen its positions by winning market shares and improving profitability. To successfully absorb the company, Avenir Telecom will rely on its current management, headed by its founder, Henrique Telhado, and staffed by top-notch professionals.

The acquisition, which is likely to significantly contribute to the group's profits as soon as the integration process ends, is financed by equity capital and a medium-term ad hoc loan from Avenir Telecom's longstanding banking partners.

Portugal: a buoyant market

Portugal, which has 10.1 million mobile phone customers (100% penetration rate), is mainly geared towards prepaid offers (80% of customers), even though average revenue per unit (ARPU) falls within the norm of Western European countries. The market is very dynamic (the number of subscribers is growing at a brisk 8% a year). The first 3G offers were launched in 2004 and the penetration rate has already reached 2.5% (compared to less than 1% in France).

A message from Ensitel Chairman and CEO Henrique Telhado:

“This operation helps Ensitel strengthen its financial structure and look at growth opportunities in a new way. Ensitel has managed to keep its leadership position and strong profitability despite severe financial pressure. Its integration into a European group gives us the means to strengthen that leadership and implement a genuine growth strategy.”

A message from Avenir Telecom Group Chairman Jean-Daniel BEURNIER:

“This acquisition is part of our growth strategy involving the network of our own outlets in Europe. We’ve been tracking Ensitel for a long time. We’re very familiar with the company and know that it has a lot in common with Avenir Telecom. The purchase of a leading, profitable network of outlets gives us a foothold in a major new Western European market. The growth outlook in Portugal is excellent and this operation will benefit Avenir Telecom and all its shareholders very soon.”

About Avenir Telecom

Avenir Telecom ranks among Europe's leading telephony product and service distributors. The group sells phones, subscriptions and accessories directly through its 308-outlet network under the Internity name (direct retail sales) as well as in hypermarkets and independent stockists (indirect retail).

Avenir Telecom has 1,600 employees in seven countries: France, Belgium, the United Kingdom, Spain, Poland, Romania and Morocco.

It is listed on Euronext List – compartment B (Euronext Paris).

Avenir Telecom shares are included in the following indexes: CAC All shares, CAC Mid & Small 190, CAC Small 90, IT CAC, Next 150, Next Economy and SBF 250.

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Reuters: AVOM.LN

Bloomberg: AVT:FP

□ **Press contacts: Gaëlle GILLE**

Tel: +33 4 88 00 61 22

Fax: +33 4 88 00 61 20

e-mail: gaelle.gille@avenir-telecom.fr

□ **Investor and shareholder contacts: Céline Bouquerel/Carole Alexandre**

Tel: +33 4 88 00 61 28/32

Fax: +33 4 88 00 60 30

e-mail: actionnaire@avenir-telecom.com

□ **Internet site: www.avenir-telecom.com**

About Ensitel

The Ensitel retail chain, Portugal's leading telecom distributor, operates over 60 outlets nationwide and employs more than 400 people. Ensitel outlets sell products and services offered by the three mobile operators, cell phones, a wide range of accessories from Ensitel or other brands, fixed telephony products, communication solutions for companies and independent professionals, Internet products and services, and a wide range of communication and entertainment products and services. Ensitel is also active as a retailer (Ensiteil Distribuição) for other customers specialising in telecom distribution.

□ **Press contacts: Lift – Salvador da Cunha**

Tel: 21.466.65.00 or 93.758.34.13