

Strong performance in direct distribution

+40% full-year growth

Millions of euros	Year		Change
	2005/06	2004/05	%
IFRS			
Direct distribution	253.0	180.8	+40%
Indirect distribution	492.6	459.9	+7%
Total revenues	745.6	640.7	+16%
Like-for-like basis at constant exchange rates	704.8	581.8	+21%

The consolidated full-year revenues of the Avenir Telecom Group for 2005-2006 totalled €745.6 million, a rise of 16%, or 21% on a like-for-like basis at constant exchange rates.

As at 30 June 2006, Avenir Telecom operated a network of 554 sales outlets, 415 of which were wholly owned.

107 wholly owned stores opened during the year

Direct distribution generated revenues of €253.0 million compared to €180.8 million in the previous year, a rise of 40%.

This activity, which represented 34% of full-year revenues compared to 28% in the previous year, has confirmed its strong growth due to the expansion of the network of Internity stores in Europe and the increasing contribution from existing stores.

Indirect distribution stays on course

Indirect distribution, which is the Group's historical activity and represented 66% of full-year revenues, generated a 7% increase in revenues, to €492.6 million compared to €459.9 million in the previous year.

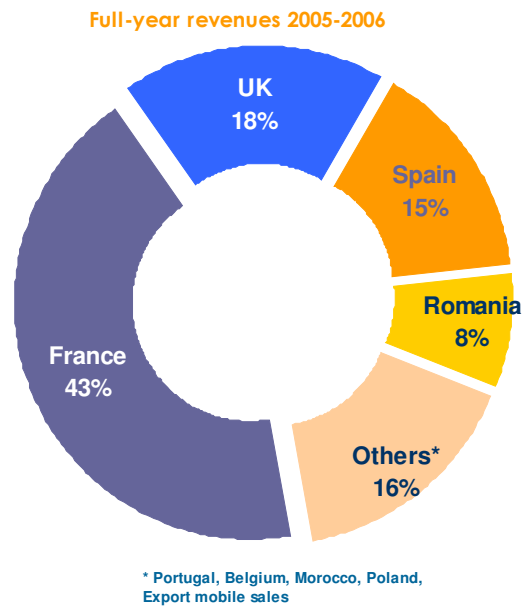
Export mobile sales, which are included in revenues from indirect distribution, represented 10% of the consolidated revenues for the year compared to 9% in the previous year.

Strong springboards for growth in Europe

The Avenir Telecom Group pursued its growth over the year in European markets characterised by continued strong performances and constantly rising penetration rates.

International operations generated revenues of €350.0 million, a rise of 16% compared to the previous year. They represented 47% of full-year consolidated revenues compared to 43% for France.

- **In France**, full-year revenues rose 14% in a market which recorded 8% annual subscriber growth compared to the year to 30 June 2005 and a penetration rate of 81% as at 30 June 2006 (Source: Arcep – figures as at 30 June 2006).
- **In the UK**, the subsidiary represented 18% of consolidated revenues and posted a 5% increase in revenues (same percentage at constant exchange rates) in a market with one of the highest penetration rates in Europe.
- **In Spain**, the subsidiary representing 15% of the Group's revenues generated a 77% increase in revenues in its exclusive partnership with Vodafone and operated a total of 139 Internity stores as at 30 June 2006. The Spanish market continues to perform well, with a penetration rate of 110% and annual subscriber growth of 11% (Source: Global Mobile – figures as at 30 June 2006). The arrival of a fourth operator and the entry of the MVNOs is expected to further increase competitiveness in this market in the months ahead.
- **In Romania**, the subsidiary representing 8% of consolidated revenues posted a rise of 42% (+32% at constant exchange rates) in a market with strong growth potential and a penetration rate of almost 65% on 30 June 2006 compared to 51% as at 30 June 2005 and in which there is very fierce competition between the three main operators.



“Direct distribution confirmed its strong growth over the full year and accounted for a significant share of the Group's sales. In addition, the successful integration of the Portuguese leader in telecom distribution has strengthened our positions in Western Europe,” said Jean-Daniel Beurnier, Chairman of the Avenir Telecom Group. “With the recent acquisition in Bulgaria, the Group has expanded its store network in markets with very high potential.”

▶ **Forthcoming events**

- The full-year results will be published on 11 September 2006 at the close of the markets.
- The information meeting for analysts and institutions will take place at 8.30am on 12 September in the salons of the Hotel Ritz, Place Vendôme, Paris.
- Avenir Telecom will participate in 'Midcap Events®' on 28 and 29 September 2006 at Palais Brongniart, Paris.
- Avenir Telecom will be present at the Actionaria shareholder fair on 17 and 18 November 2006 at the Palais des Congrès, Paris.

About Avenir Telecom

Avenir Telecom is one of Europe's leading distributors of telephony products and services. The Group distributes telephones, subscriptions and accessories directly through its network of over 400 fully owned stores operating under the Internity brand (direct distribution) and through a customer base comprising hypermarkets and independent resellers (indirect distribution).

Avenir Telecom employs more than 2,000 people in nine countries: France, Belgium, United Kingdom, Spain, Portugal, Poland, Romania, Bulgaria and Morocco.

Avenir Telecom is listed on Euronext – compartment B (Euronext Paris).

The Avenir Telecom share forms part of the following indices: 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

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