

Full-year consolidated results 2007/2008

Net income from continuing operations up 14.7%

Marseilles, 2 June 2008 - The Avenir Telecom Group, a leading distributor of telecommunication products and services, has published its full-year consolidated results for the 2007-2008 financial year.

€ thousands IFRS	Full year 2007-2008 ¹	Full year 2006-2007 ¹ Proforma ²	% change	2006-2007 9 months
Sales	734,408	683,133	+7.5%	519,844
Gross profit	143,708	129,374	+11.1%	101,536
% gross margin	19.6%	18.9%		19.5%
Operating profit	19,981	22,185	-9.9%	19,408
% operating margin	2.7%	3.2%		3.7%
Net income from continuing operations after tax	18,685	16,288	+14.7%	12,271
Net attributable income	12,224	13,264	-7.8%	8,880

Sales growth of +7.5%

Full-year consolidated sales in the 2007-2008 financial year amounted to €734.4 million, a rise of 7.5% compared to 2006-2007 proforma, reflecting the good performance in both retail and wholesale distribution:

- 11% sales growth in retail distribution through the development of the store base in Europe (613 active stores including 151 openings during the year);
- 10% sales growth in wholesale distribution through the operation of wholesale distribution networks and new customer recruitment.

Retail distribution: gross profit growth outstrips sales growth: +18.8%

The gross profit generated by retail distribution amounted to €102.2 million, reflecting the trend towards sales of subscriptions linked to operator packs in Western European markets and consumption focused on postpaid subscriptions in Eastern European markets. The gross margin improved by 2.2 points due to cross-selling of accessories and services in Western Europe. The operating profit of the retail distribution segment amounted to €7.6 million, compared to €10.7 million at 2006-2007 proforma. The 95 stores opened in the second half of the year only made a limited contribution to the network's activity, notably over the Christmas period.

Wholesale distribution: very strong contribution to the Group's operating profit: 62%

The gross profit generated by wholesale distribution amounted to €41.4 million, compared to €43.3 million in the same period of the previous year. The gross profit and the margin rate were affected by the subscription mix focused on renewals and prepaid products, which predominated over the year. The very effective control of operating expenses, down 8.8%, and the good profit contributions from France and the UK generated a 7.6% rise in operating profit to €12.4 million, with an operating margin amounting to 3.0% of sales, i.e. 62% of the Group's operating profit.

¹ Figures adjusted to take account of operations in Belgium

² Rolling 12-month period from 1 April 2006 to 31 March 2007

Net income from continuing operations rose 14.7% to €18.7 million after taking into account a financial result of €-3.8 million and the capitalisation of deferred tax.

Net attributable income amounted to €12.2 million, taking into account the losses from discontinued operations.

€20.7 million of cash flow from ongoing activities

Operating activities generated €20.7 million of cash flow and €0.6 million of improvement in working capital requirement. Investment flows represented a requirement of €20.0 million, principally taking into account €21.5 million of gross investments associated with the store opening programme. Financing flows represented a requirement of €9.4 million.

The net debt ratio amounted to 35.4% of shareholders' equity, confirming our healthy financial structure and our ability to finance our store development plan.

Trends in 2008

2008 will be the year of multimedia fixed-mobile convergence:

- In Western Europe, with consumers adopting a wait-and-see stance, telecom operators are steering consumption towards data and multimedia fixed-mobile solutions (services, data, ADSL, media boxes, 3G modems etc.);
- In Eastern Europe, sales of high-value subscriptions are continuing in an inflationary environment.

In this context, Avenir Telecom is

- pursuing its store opening programme as site opportunities arise,
- increasing its close partnerships with operators and manufacturers through the promotion of relevant offers (mobile PCs, etc.),
- actively developing additional sales of services (insurance, energy etc.) and accessories, in line with consumers' requirements.

"Our 2007-2008 results confirm the synergies between our retail and wholesale distribution segments and reflect the continuing efforts made by all our subsidiaries in Western and Eastern Europe to contribute to the growth of the Group," said Jean-Daniel Beurnier, Chairman and Chief Executive Officer of the Avenir Telecom Group. *"We intend to continue our development by capitalising on our business line know-how and our fundamentals."*

**The press release and the presentation on the
full-year consolidated results for 2007-2008 can be found at www.avenir-telecom.com**

About Avenir Telecom

Avenir Telecom is one of the leading European distributors of telephony products and services. The Group distributes mobile telephones, subscriptions and accessories directly through its own network of more than 600 outlets under the Internity name (retail distribution) and via hypermarkets and independent stockists (wholesale distribution).

Avenir Telecom employs 3,000 persons in six countries: France, UK, Spain, Portugal, Romania and Bulgaria.

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

The Avenir Telecom share is quoted on the following indices: CAC All shares, CAC Mid & Small 190, CAC Small 90, IT CAC, Next 150, and SBF 250.

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Reuters: AVOM.LN

Bloomberg: AVT:FP

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