



# **AVENIR**

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# TELECOM

**Consolidated Annual Sales Figures  
2008-2009**

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**from 1<sup>st</sup> april 2008 to 31<sup>st</sup> march 2009**

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## Mobile market trend

### April 2008 - March 2009

- **Decline confirmed by the worldwide mobile phone sales considering the deterioration of the economic environment**
  - **The fall of the worldwide mobile phone sales on Q4 2008 (10 %), deteriorated on Q1 2009 in 15.8 %**
    - **Western Europe pursues the same bear tendency**
    - **Eastern Europe is battling against the fast devaluation of the currencies**
  - **The worldwide smartphone sales grew both over the year 2008 (22.5%) and Q1 2009 (4%)**
- **Manufacturers : Decline of the sales volumes and war on market shares**
  - **Mobile phone prices under pressure, product portfolio not suitable to consumers' demand**
  - **Strong competition on the smartphones market to fight against Iphone**
- **Operators: Decline of voices incomes and competitive pressures**
  - **Competitive pressures on the mature markets (subscriber base oriented to postpaid)**
  - **Unlimited offers data+voice associated with a subsidized product**
- **Consumers are careful but turn nevertheless to the mobile internet**
  - **Deferred renewal of mobile phone, control of telecommunications spending, well-identified needs**
  - **Demand directed to packaged mobile multimedia offers and smartphones environment mid/high range with advanced features**

## Key features over the financial year

### Proximity and innovation at the heart of our skills

- **Creation of personalized offers adapted to the economic context in every country**
  - ▶ **Multimedia offers and 3G data cards**
  - ▶ **Offers of smartphones associated with subscriptions unlimited and services +**
  
- **Partnerships for a diversified portfolio of services in the universe of the digital convergence**
  - ▶ **Agreement with Zaoza (Vivendi Mobile Entertainment)  
For the distribution of online and mobile content (music, games...)**
  - ▶ **European agreement for the saving of mobile phones data**
  - ▶ **European agreement of exchange and removal of mobiles**
  - ▶ **Multimedia insurance**
  - ▶ **Commercial agreements with IT partners (Acer, Toshiba, Dell)**

## Consolidated Activity

Good resistance of the turnover in a difficult economic context

€ million	2008-2009	2007-2008	Var. %
1 <sup>st</sup> half year	356,9	337,1	+5,9%
2 <sup>nd</sup> half year	355,0	397,4	-10,7%
<b>Total Annual</b>	<b>711,9</b>	<b>734,5</b>	<b>-3,1%</b>
Total Annual at comparable scope and excluding exchange rate differences	725,6	734,5	-1,2%

- Volumes achieved over the FY through the two distribution channels

Commercial telephony operations

2,400,000

Handsets

2,700,000

Accessories

2,200,000

**internity**  
TELEPHONIE - MULTIMEDIA

664 stores

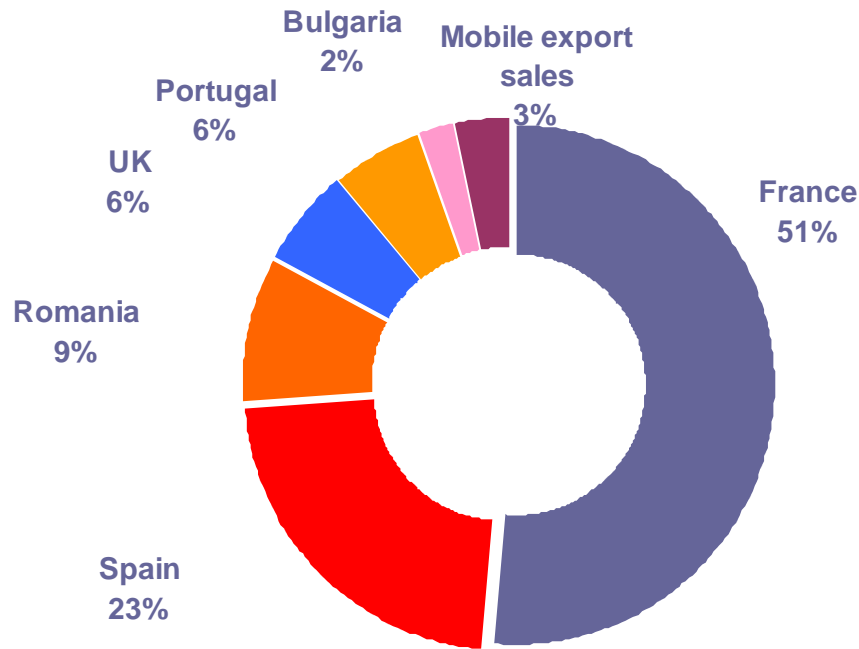
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2 000 professional partners

O/w 120 franchised « Mobile Hut »

# Geographic Mix

- ▶ Annual sales breakdown FY 2008/2009



- ▶ **France** benefits from the good performance of the Internity shops network
- ▶ **Spain** is continuing to grow despite a current unfavourable economic context
- ▶ **Romania** has to face a strong depreciation of the LEU, stopping partially the trade dynamism of our network's partner
- ▶ **United Kingdom** is still suffering from market saturation in a Pound Sterling depreciation context
- ▶ **Portugal's** activity has still gone down in a depressed and very competitive market
- ▶ **Bulgaria** has sharply increased its turnover thanks to a large stores' openings over the period

## Retail Distribution

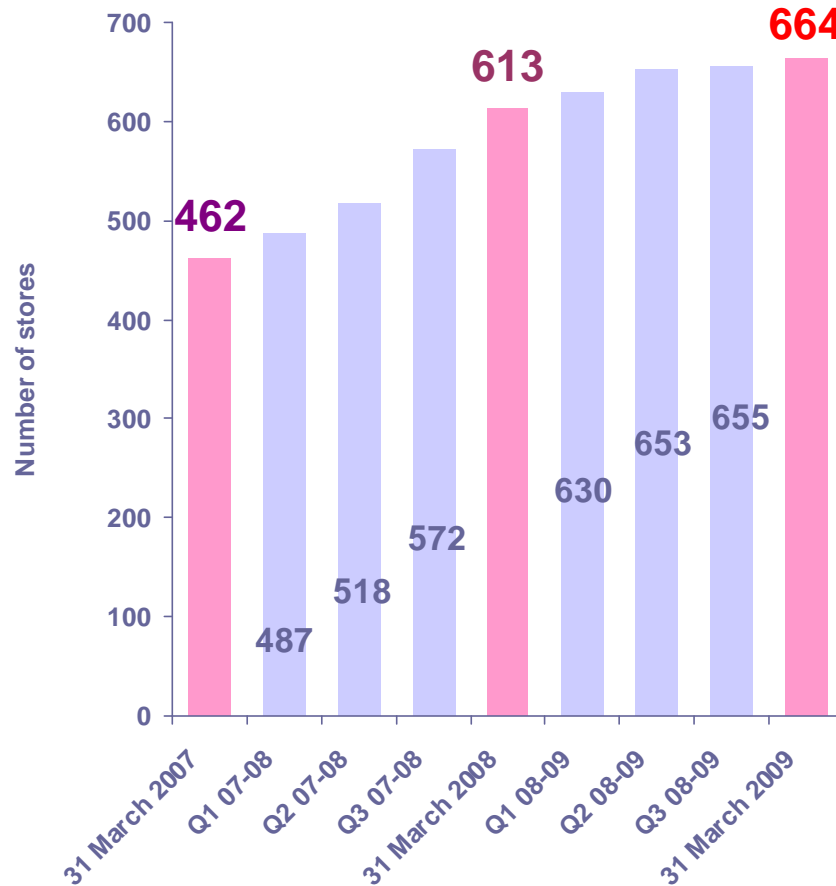
Retail activity has withstood the economic crisis

€ million	2008-2009	2007-2008	%
4 <sup>th</sup> quarter	74.7	76.3	-2.1%
<b>Total Annual</b>	<b>329.4</b>	<b>319.6</b>	<b>+3.1%</b>

- **3.1% growth registered on the whole retail distribution network, due to :**
- **Our ability to build**
  - **Some 24 months high-value commercial operations**
  - **Original promoting offers**
  - **Loyalty program for our customers**
- **Resulting in an increase of our market shares in all the countries where we are located**

# Very selective new stores opening

Stores portfolio roll out



- 664 active stores as at 31 March 2009
- A careful development of the stores portfolio considering the economic slowdown
  - 51 net openings over the FY
- Geographic breakdown of the active stores portfolio as at 31 March 2009
  - 34.6% Eastern Europe
  - 65.4% Western Europe

## Wholesale Distribution (including mobile export sales)

### Activity penalised by the economic slowdown

€ million	2008-2009	2007-2008	%
4 <sup>th</sup> quarter	87.0	99.9	-12.9%
<b>Total Annual</b>	<b>382.5</b>	<b>414.8</b>	<b>-7.8%</b>

- Wholesale activity suffered from of the degradation of the economic context in Europe
  - Inventories purged at the end of 2008 with moderate mobile phones restocking on the 4th quarter of the FY
  - Drop in Sim Free sales volumes
- Operators commercial policy oriented in favour of the integrated channels

## Operators

- The operators' strategic axis are based on the renewal of high added value products linked to subscriptions and services generating additional revenues to offset the voice ARPU decrease
- They are actively developing multimedia convergent products for mobile phones but also for houses with the DSL Quadruple play

## Manufacturers

- The manufacturers are increasing the number of new products with touch-sensitive screen. They are developing new economic models based on services and revenues linked to data downloading platform Appstore (Apple), OVI (Nokia), Mobile Applications (Samsung), Marketplace (Microsoft), Android Market (Google), Application Center (RIM), App Catalog (Palm)...
- Development of the OS mobiles handsets ((Apple, Windows Mobile 7.0, Android, Symbian, Blackberry) accelerating the range of offers

## Jean-Daniel Beurnier says :

- « The implementation by the manufacturers and the operators of friendly and personalized platforms of services open finally the age of the mobile 2.0.

The craze of the consumers for smartphones over these last 6 months make promising the distribution of these products and services generating strong added value for our whole ecosystem »

# Financial Communications Agenda

- **FY 2008/2009**
- **Annual consolidated Results** **15 june 2009**
- **SFAF meeting** **16 june 2009**