



AVENIR

TELECOM

Quarterly consolidated sales
FY 2009-2010

1st quarter
from 1st april 2009 to 30 june 2009

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Mobile market trend April 2009-june 2009

- **Worldwide mobile phone sales drop by 6.1% at 2nd quarter 2009**
 - **Western Europe pursues the same bear tendency**
 - **Eastern Europe sharply impacted considering the deterioration of the economic environment**

- **The worldwide smartphone sales grew by 27% vs Q2 2008**
 - **Touch screen and keyboard are crucial elements to renew his mobile**
 - **Essential tool for downloading applications and surf on the mobile internet**

- **The mix mobile subscriptions has focused over the period to the low-value package, prepaid accounts given to the economic environment on the purchasing power**

- **Operators wanted to preserve their customer base (retention and loyalty) instead of an acquisition strategy**

Consolidated activity

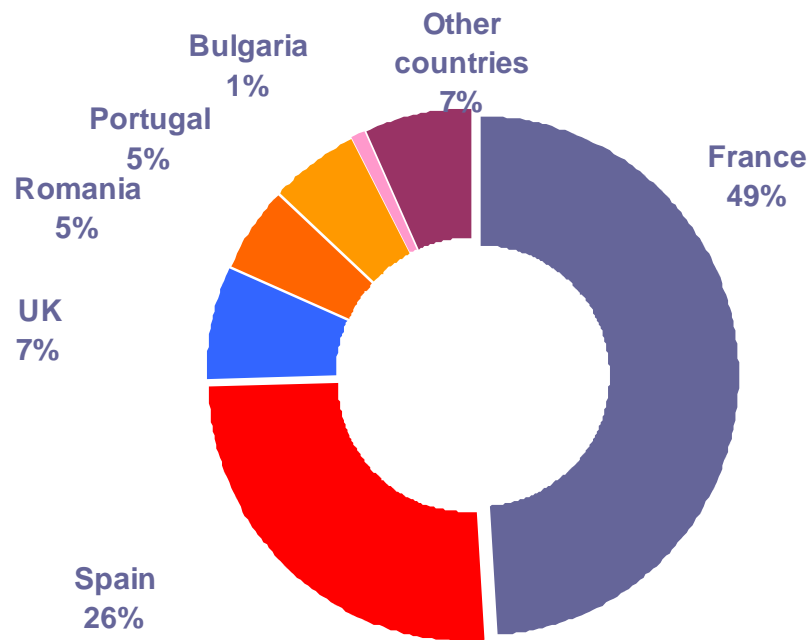
Retail distribution is resisting well in a context of tense consumption

€ million	2009-2010	2008-2009	Var. %
1 st quarter	150.4	166.6	-9.8%
On a comparable scope and excluding exchange rate differences	152.5	166.6	-8.5%

- **Global activity down 9.8%**
 - Retail distribution resisting well (670 active stores) : -1%
 - Sharp decrease of Wholesale distribution : -16.5%
- **On a comparable scope and excluding exchange rate differences, sales are down 8.5%**
 - Retail stable
 - Wholesale decreased by 15.7%
- **Retail distribution's stake in consolidated activity gains 3.2 points compared to the same period last year**
 - Retail distribution : 47.6% of total sales
 - Wholesale distribution : 52.4% of total sales

Geographic mix

- ▶ **Geographic breakdown**
1st quarter
Exercice 2009/2010



- ▶ **France** enjoyed good performance in terms of direct distribution, in light of the growth in its store portfolio and the quality of its offers
- ▶ **Spain** benefited from the good commercial dynamics of the Vodafone operator combined with the quality of its store locations
- ▶ **Romania** is now feeling the effect of the economic crisis, which has resulted in a drop in activity volume and a change in the mix towards renewals
- ▶ **UK** is still affected by the difficult economic context
- ▶ **Portugal**, also affected by the drop in purchasing power, has stabilised the drop in volume compared to Q4 n-1
- ▶ **La Bulgarie** has noted a slowdown in its activity in indirect distribution

Retail Distribution

L'activité se maintient grâce à la notoriété du réseau

€ million	2009-2010	2008-2009	Var. %
1 st quarter	71.6	72.3	-1.0%
On a comparable scope and excluding exchange rate differences	72.0	72.3	-0.4%

- Sales are stable thanks to
 - the value added of the Internity network in France and in Spain,
 - the price/product mix adapted to the economic context, especially through the multimedia offers (3G internet keys) and accessories/mobile telephones/insurance cross-selling.
- The Eastern European countries (Romania, Bulgaria) are feeling the effects of the degradation in household purchasing power
 - drop in sales volume
 - change in the mix favouring prepaid and renewals.
 - Electronic phone recharge sales in Romania are negatively affecting sales by 2.8 million euros over the period, due to the change in the accounting method compared to physical recharges
- Portugal has stabilised the drop in volume compared to Q4 n-1 and launched the multimedia activity

Wholesale Distribution

Volume affected by the economic context

€ million	2009-2010	2008-2009	Var. %
1 st quarter	78.7	94.3	-16.5%
On a comparable scope and excluding exchange rate differences	79.5	94.3	-15.7%

- Wholesale activity continues to feel the effects of the degradation of the economic context in Europe
 - Sharp drops in volume, particularly in France and in Romania, linked to the low rotation in inventories at dealer customers
 - The Group is applying drastic controls on the credit granted to this clientele in order to minimise the risk of shortfalls in payments
- Portugal has developed its activity pertaining to Key Account customers
- The UK has reorganised its commercial policy directed to the two operators O2 and Orange
- Spain has deployed accessories sales

Market trend

- Operators and manufacturers, thanks to the democratisation of smartphone, notebook, smartbook, etc. products, are going to continue developing the use of mobile data and internet in order to offset the drop in voice ARPU
- Internet is going to become entirely mobile thanks to the adapting of website to the mobile nature of telephones, their screens, and their browsing, and as such accelerate the convergence between fixed line (ADSL) and the mobile

Annual General Meeting

18 September 2009

- **Avenir Telecom's Annual General Meeting will take place on 18 September 2009 at 9 am at the company's headquarters in Marseilles**
- **Among the resolutions put to the vote will be: the distribution of a repayment of the share premium of €0.066 euro per share**
- **If this resolution is approved by the shareholders, the sums will be paid out on 9 October 2009**
- **Notice for this meaning was published on the BALO on 5 August 2009 and will be available on the company's internet site at:**
www.avenir-telecom.com

Financial communications agenda

- **2009-2010 FY**
- **Half-year consolidated sales and results** **26 November 2009**
- **3rd quarter sales** **15 February 2010**
- **Annual sales** **14 May 2010**
- **Annual Results** **24 June 2010**

- **Forthcoming events**
- **Annual General Meeting** **18 September 2009**
Headquarter of the company in Marseille
- **MidCap Events** **21 et 22 September 2009**
Palais Brongniart - Paris