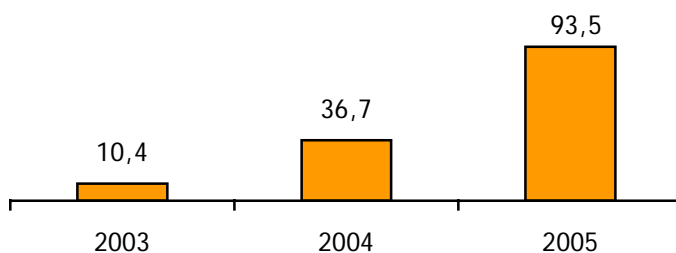




A first half-year in preparation for 2007: continuing to create a "pure player" telecoms service operator group

As a high added value telecoms services operator, Afone group was rapidly formed to deliver competitive services to its mainly small retailer and multi-point retail outlet customers from a platform of high-quality network and telecoms services, implementing technology tailored to their needs in line with technical developments.

Rise in consolidated turnover



To develop this pertinent and comprehensive offer able to meet the needs of its target customer bases, Afone designed a genuine industrial project in which its role of telecoms operators is highly specific, and proceeded with a series of well-planned external acquisition operations.

Today, these acquisitions allow it to meet the specific needs of its customers in the electronic payment and security businesses in particular. With the Afonebox designed by Afone, consumer telecoms equipment is hooked up to the point of sale and the telecoms interface is managed over an unbundled link offering priority flow management using Complete!s DSL network, which will eventually be rolled out across 110 metropolitan areas in France.

This creation process, based on the successive acquisition of bricks, required basic ground work to give the core businesses greater visibility within the Group. This was one of the reasons for spinning off the "field" activity at the end of June as it no longer corresponded to these core businesses. Easy Field Services was thus created under the management of Laurent Brauner, and will be able to form its own industrial partnerships in its specific area of business. It has 390 employees and generates full-year turnover of €22 million.

In the core business of electronic payment on the other hand, adjustments were needed at Carte & Services to shape the company for the challenges it will face in the future. A downsizing operation was thus deemed necessary in anticipation of the PCI (Payment Card Industry) PED standard which does not allow electronic payment terminals to be repaired on site. Carte & Services is of course PCI PED-approved and has PCI PED equipment repaired at its registered facility. Following the Carte & Services adjustment plan, Group staff levels stand at 850, with the cost of this plan not exceeding €2m, fully offset by short-term structural savings.

We are hoping that these combined initiatives will offer more clarity with respect to the Group and a clearer understanding of its strategy so as to enhance shareholders' confidence.

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