



A 1st half-year characterized by:

- **The completion of the restructuring efforts, and consequently, asset write-downs**
- **The successful launch of the mobile offer**
- **A comfortable cash position**

Business in the 1st half of 2008

The H1 2008 sales figure stands at €32,344,000, an increase of +5% relative to the same period of the previous fiscal year.

An analysis of this sales figure clearly indicates the quick growth of the telecom operator's business, which represents 55% of the sales, i.e. 17 points more than in H1 2007. This accelerated development is partly tied to the ramp-up of the mobile offer, launched in December 2007 in partnership with the Leclerc Group, which has proven to be a true success.

2008 half-yearly results: completion of the restructuring works and their presentation in the accounts

As announced in the press release on July 23rd of this year, caution prompted the company's General Management, advised by its auditors, to depreciate the goodwill established at the time of certain acquisitions, in the total amount of €11,248,000 as a result of the restructuring and of the current market conditions.

in €K	30.06.08	30.06.07
Sales figure	32,344	30,924
Current operating income	(3,534)	(1,928)
Operating income	(16,161)	(1,928)
Group share of net earnings	(15,133)	(1,186)

The main non-recurring elements that comprise this operating income are the following:

- Asset write-downs €11,248,000
- Redundancy programme affecting the electronic payment activity €1,378,000

Balance sheet elements in €K

Assets	30.06.08	31.12.07	Liabilities and shareholders equity	30.06.08	31.12.07
Non-current assets	43,643	56,055	Shareholders equity	35,106	50,218
including goodwill	13,056	24,305			
intangible assets	6,251	6,570	Non-current liabilities	9,373	9,899
tangible assets	16,354	17,361	including LT loans	4,831	3,654
Current assets	36,303	35,971			
Including stocks	2,505	2,221	Current liabilities	35,468	31,910
customers	20,822	19,508	including suppliers	23,010	21,623
cash	10,649	4,610			
Total	79,946	92,026	Total	79,946	92,026



Good level of cash

The Group's net cash on 30 June amounted to €10,649,000, compared with €4,606,000 at the start of the period. It notably includes the repayment of the advance provided to SFR at the time of the signing of the MVNO contract, in the amount of €6.5 million, as a result of the annual commitments for the number of line openings, reached after only 4 months.

2008/2009 prospects

In view of the information currently in our possession, we can confirm the positive growth of the sales figure level, which will exceed the €62 million generated in 2007.

The second half of the year will not see any other entries for write-downs and provisions, barring unforeseeable external events.

Commercial developments

At present, 40 salespeople are operational in the field in order to optimise sales, notably of payment terminals and boxes. This recruiting level is still insufficient, however.

Regarding the mobile offer, the number of line openings is a source of great satisfaction, and this success has prompted AFONE to consider the marketing of a calibrated offer for the largest consumers of communication hours. It should be launched in the 4th quarter of 2008.

Finally, AFONE will be very much on hand for the IP Convergence trade fair coming up on 21/22/23 October of this year, where it will unveil its Centrex IP offer, for which it intends to quickly become a major player in the market.

2009 objectives

For 2009, the objective for AFONE will be to continue developing its sales figure, while returning to profitability.

Next time

3rd quarter sales figure: Thursday 23 October 2008
Annual sales figure: Wednesday 21 January 2009

CODES

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