Press release
May 15, 2007

2006/2007 half-year results

Growth in revenue and current EBIT

Revenue for the first half of fiscal year 2006/2007 totalled 164.2 M€, an 11% increase over the corresponding period in 2005/2006 (+10% and 147.3 M€ on a constant scope basis). Core businesses (i.e., excluding the remaining assembly business in Malaga and Mediacall, which was divested) posted growth of 15%.

Revenue based on the new segmentation* is shown in the table below:

M€	*1H 2006/2007*	*1H 2005/2006*	*Change*
Mobility	80.0	68.1	+ 17%
Access	59.5	52.8	+ 13%
Displays	20.4	18.3	+ 11%
Total core	**159.9**	**139.2**	**+ 15%**
"Non core"	4.3	8.1	- 47%
Total	164.2	147.3	+ 11%

Growth in core businesses was driven by technology convergence, client development in the triple-play area and a surge in new business (Displays in particular).

Going forward, operating earnings will be presented on two separate lines, so that the operational recovery is visible:

- Current EBIT, which measures the operating performance of the business area;
- EBIT, which includes non-recurring costs.

* In order to maintain the economic pertinence of its financial reporting in light of the build-up of the IT Equipment/Flat screen business, henceforth the company will present its financial reporting according to three Strategic Business Areas (SBA's): SBA ***"Mobility"*** includes cell phones and "Smart Phones", SBA ***"Access"*** includes decoders and network access, SBA *"**Displays**"* includes PCs, monitors and flat screens.

Current EBIT per Strategic Business Area ("SBA") is shown below:

M€	*1H 2006/2007*	*1H 2005/2006*	*Change*
Mobility	2.4	0.0	
Access	4.4	6.7	
Displays	(1.2)	(3.4)	
Total core business	**5.6**	**3.3**	**+70%**
	3.5%	*2.4%*	
Non core	(1.3)	(1.0)	
Total current EBIT	**4.3**	**2.3**	**+87%**
%	*2.6%*	*1.5%*	

The "**Mobility**" SBA posted positive current EBIT for the first half, due to significant improvements in Spanish operations and dynamic market conditions in the UK and the Nordic countries.

Operating earnings declined for the "**Access**" SBA, largely due to the merger of satellite platforms in France, together with the cost incurred to secure business in the UK.

Losses from the "**Displays**" SBA were reduced by more than 2 M€ versus the first half of last year, reflecting a significant increase in new business and improved productivity. In particular, the Malaga (Displays and Mobility) and Västerås (Displays) sites are expected to break even in the fourth quarter of this year.

Furthermore, it has been decided to discontinue the remaining assembly business in Malaga next June. The restructuring programme that was put in place in September 2006 with the Junta de Andalucia includes severance for the 16 employees remaining for a cost 900 K€ spread over more than 5 years. This expense will be offset by the capital gain of 1.5 M€ and cash flow of 3.0 M€ generated by the sale of the AMS** subsidiary in UK.

These items will be accounted for in H2. EBIT was 2.4 M€ (after deduction of (1.9 M€) in non-recurring costs that included a severance settlement of 0.7 M€ for the former chief financial officer and a debt provision of 1.2 M€ following the failure of Vitelcom). Since no non-recurring items were recorded in the preceding half year, this figure should be compared with 2.3 M€ for the first half of 2005/2006.

Net interest was an expense of 2.9 M€, up from an expense of 2.1 M€ in the first half of 2005/2006 due to a rise in EURIBOR and foreign exchange impacts. After capitalisation of taxes (0.5 M€), the Group posted a net loss (Group share) of (0.8 M€), compared with net income of 0.7 M€ for the first half of 2005/2006.

Operating cash flow before net investments (i.e., EBITDA – tax payments +/- WCR – interest expense) was 5 M€, up from net cash outflows of 0.4 M€ for the first half of 2005/2006. This improvement is largely attributable to WCR of +1.2 M€ in 2007, versus WCR of (4.0 M€) in the first half of 2005/2006.

After deducting net investments (less disposals) of 5 M€, operating cash flow was break even for the half, down from positive operating cash flow of 4.5 M€ for the first half of 2005/2006, which was boosted by positive net investments of 4.9 M€.

** AMS has developed a hands-free kit business for vehicles and posted 2005/2006 revenue of 7.0 M€. AMS, considered to be a non-strategic business, was sold to other shareholders, who previously held a 25% stake.

Net debt was 73 M€, stable versus 30 September 2006.

Finally, based on current market conditions, annual revenue forecast, are confirmed, i.e growth up more than 10%, totalling 320 M€ to 330 M€ for the full year.

The forecast for current EBIT is 9 M€ to 10 M€, i.e 3% of revenues, which is a significant improvement over 2005/2006 current EBIT of 4.0 M€.

Non-recurring items for the year are expected to be an expense of (1.9 M€), down from a net gain of 2.2 M€ in 2005/2006, resulting in EBIT range of 7.0 M€ to 8.0 M€, up from 6.0 M€ in 2005/2006.

The net income forecast for 2006/2007 is 1.0 M€ to 2.0 M€, up from 0.5 M€ for 2005/2006.

About A NOVO

With revenue of €293.8 million and 4,700 employees, A NOVO is the leading pan-European provider of maintenance and customisation services for the digital technologies used by major Telecommunications and Multimedia companies to deliver Triple Play (Voice/Data/Image) solutions. A NOVO runs 16 American and European Centres of Excellence, and handles a high product turnover with an acknowledged level of quality. For more information, please visit our website: www.a-novo.com.

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Appendix:

As a reminder, the EBIT presented below is based on the previous segmentation:

	1H 2006/2007	*1H 2005/2006*	*Change*
Multimedia	***3.3***	***+2.9***	***+7%***
Northern Region	0.2	(0.3)	/
Southern Region	3.1	3.2	/
Telecommunications	***2.3***	***+0.4***	***/***
Northern Region	1.0	0.6	/
Southern Region	1.3	(0.2)	/
Total Core	***5.6***	***3.3***	***+70%***
Non Core	(1.3)	(1.0)	/
TOTAL	***4.3***	***2.3***	***+87%***