

Paris, 16 July 2009, at 18H00

Strong growth in revenue for the 2nd quarter of 2009, resulting in growth for the half-year of +9.1%

- Significant contribution from luxury mobiles
- Strong distribution performance

ModeLabs Group announces consolidated 2nd quarter 2009 revenue of €41.5 million compared with €32.8 million on a like for like basis for the 2nd quarter of 2008, an increase of 26.7%. This growth has been fuelled by both the Group's divisions: ModeLabs manufacture and ModeLabs distribution.

As a result, ModeLabs' like for like revenue for the half-year reached €78.3 million in 2009 compared with €71.8 million in 2008, an increase of 9.1%.

in millions of euro	Q2 2009			Q2 2008			Change %
	Q2 2009	Q2 2008	Change %	S1 09	S1 08	Change %	
Manufacture	4.3	3.5	+23.0 %	6.0	7.8	-22.9%	
Distribution	37.2	29.3	+27.1%	72.3	63.9	+13.0%	
Like for like total	41.5	32.8⁽¹⁾	+26.7%	78.3	71.8⁽¹⁾	9.1%	
ModeLabs Technologies	0	1.7 ⁽²⁾	NA	0	3.5 ⁽²⁾	NA	
Total	41.5	34.5	+20.3%	78.3	75.3	+6.1%	

(1) Restated to reflect the sale of ModeLabs Technologies during the 4th quarter of 2008

(2) Third party sales of ModeLabs Technologies

Figures not audited

Manufacture: Significant contribution from luxury products

The increasing production volume of luxury mobiles enabled ModeLabs manufacture to recognise a corresponding increase in revenue, amounting to €4.3 million for the 2nd quarter of 2009 compared with €1.7 million for the 1st quarter. In line with the Group's strategy, growth in this business was thus above all attributable to its luxury mobiles and would have been greater still had production capacity not remained occasionally inadequate.

To accompany the development of its manufacturing activity, the Group has reinforced its management team by recruiting two new key executives in the areas of product marketing and industrial management. In parallel, ModeLabs continued to deploy its selective distribution network for luxury products which had reached 104 outlets worldwide by the end of June 2009 compared with a three year target of 500 in three years.

Distribution: Strong growth in sales despite a difficult market environment

The market for mobiles has become a difficult one, but despite a worldwide fall in sales of 8.6% during the 1st half of 2009 (source: Gartner) ModeLabs distribution reinforced its leadership and consolidated its market share with, for the 2nd quarter of 2009, revenue up by 27.1% at €37.2 million compared with €29.3 million for the 2nd quarter of 2008.

This performance was also fuelled by the Group's innovative marketing strategy including the three following development focuses:

- The reinforcement of its partnerships with manufacturers with in particular exclusive distribution agreements for new models;
- The exploitation of distributor customers' sales potential via marketing innovations designed to optimise shelf use (interactive terminals, specific packaging etc.);
- The development of licensing involving the creation of accessories for manufacturer brands.

Outlook

On 15 June, the Group announced the signature of a worldwide licensing agreement with LACOSTE S.A. for the development of a range of LifeStyle mobile telephones to be launched during the course of 2010.

Given the buoyancy of its activity during the 2nd quarter of 2009, and despite the difficult economic environment, ModeLabs Group expects to achieve a significant reduction in its operational losses for the 1st half of 2009 and to approach breakeven for the net result.

"Today, ModeLabs has all it takes to cope with the global crisis. Its manufacturing division has entered a new phase and achieved tangible results in the luxury segment even though the difficult environment has slowed down the development of its sales network. Its distribution division, bolstered by its leadership position and capacity for innovation, has displayed excellent resistance in harsh times", declared Stéphane Bohbot, chairman of ModeLabs Group's executive board.

Next dates in our calendar

- Publication of the half-yearly results for 2009 on Tuesday 1st September 2009

About ModeLabs Group:

ModeLabs Group, creator of tailor-made handsets and telecom distributor, is a new generation player in the mobile phone sector. The company designs, develops and markets mobile phone handsets, accessories and services in an integrated and flexible manner for mobile phone operators, retailers and major brands.

The Group integrates marketing expertise and technological know-how to respond to the increasing requirement for segmentation of the telecom market by giving brands, operators and distributors the opportunity to create their own range of mobile phones, accessories and services.

Its activity is structured within two businesses:

- *ModeLabs Conception*, designer and developer of tailor-made handsets,
- *ModeLabs Distribution*, specialist in the distribution of mobile telephones and accessories and the number one in France.

ModeLabs Group is listed on the NYSE Euronext-Paris Eurolist

Isin: FR 0010060665, Mnemo: MDL, Reuters: MDLB.PA, Bloomberg: MDL:FP

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