

Record revenue growth of 40% for the 3rd quarter of 2010

- **Luxury mobiles: + 31%**
- **Distribution: + 44%**

ModeLabs Group has registered a record 40% increase in its quarterly revenue, which attained €61.3 million for the 3rd quarter of 2010 compared with €43.9 million for the 3rd quarter of 2009. The strength of the Group's growth was the fruit of:

- The continuing development in sales of luxury mobiles (+ 31% for the 3rd quarter of 2010). Overall growth for ModeLabs Manufacture, including the division's sales of lifestyle mobiles in 2009, amounted to 4%.
- The excellent performance of the Distribution division with continued strong growth of + 44%.

<i>in €m</i>	Q3 2010	Q3 2009	Change	Sept-30-10	Sept-30-09	Change
Manufacture	5.3	5.1	4%	15.1	11.1	36%
• <i>Of which: luxury mobiles</i>	5.3	4.0	31.0%	15.1	9.1	65%
• <i>Of which: lifestyle mobiles</i>	0.0	1.0	n.a.	0.0	2.0	n.a.
Distribution	56.0	38.8	44%	150.1	111.1	35%
Total	61.3	43.9	40%	165.2	122.2	35%

Non-audited figures

Manufacture: new progress in sales of luxury mobiles

Sales of luxury mobiles rose by 31% during the 3rd quarter of 2010, reaching €5.3 million. ModeLabs Manufacture thus pursued its regular growth, despite the August closure for vacation of one of our partners' manufacturing locations, following the figures of €4.7 and €5.1 million recorded for the 1st and 2nd quarters of 2010.

The increase in sales reflected both the first contribution of the new Versace Unique mobiles and the increased average selling price of the division's mobiles following the strategy of product enrichment applied to the new collections launched.

In parallel, the Group devoted the period to the continuing deployment of its selective distribution network which reached 330 sales outlets at the end of September 2010 compared with 302 at the end of June 2010.

Distribution: a new sales record

ModeLabs Distribution continued gaining market share with growth very much in excess of the total market for mobiles and telecom accessories. Its 3rd quarter 2010 revenue amounted to €56.0 million, up 44% compared with the same period of the previous year.

The performance in sales of mobiles was helped by the exclusive offers negotiated by ModeLabs with the telecom manufacturers. Sales of accessories pursued their development thanks in particular to the success of items designed for protection and personalisation.

A favourable outlook

ModeLabs Manufacture should experience a key new stage in the growth of its luxury activity with the launch in 2011 of two new models for its existing brand portfolio that will extend the current product ranges.

ModeLabs Distribution intends to use the strengths of its mobile and accessory product offerings, and high service levels, to pursue its sustained growth to the end of the year and reinforce its market leadership.

Next dates in our calendar

- Publication of the Group's annual revenue for 2010 on Wednesday 20 January 2011

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.

Its activities are structured within two strategic divisions:

- *ModeLabs Manufacture* integrates conception and design expertise and technological know-how to give luxury (TAG Heuer, Dior, Versace) brands the opportunity to create their own range of mobile phones, and ensures qualitative and selective distribution over three continents in department stores, fashion stores and watch and jewellery stores;
- *ModeLabs Distribution*, specialist in creating and commercialising licensed accessories and telecom products, **and** historic leader in the distribution of mobile phones, present in each distribution sector: networks, MVNO, mass merchandisers, multi-specialists, telecom specialists, other retailers and e-business.

ModeLabs Group is listed on the NYSE Euronext-Paris Eurolist
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