

Very strong revenue growth in 2010: +35,2% reaching €240.2 million

- **Distribution: a year of records**
- **Luxury mobiles: achievement of the first peak in growth**

ModeLabs Group ends 2010 with 4th quarter sales of €74.9 million, up 35.1% and enabling the Group to announce full year revenue growth of 35.2% to €240.2 million.

€m	Q4 2010	Q4 2009	Change	31-Dec-10	31-Dec-09	Change
Manufacture	4.7	6.8	-31.4 %	19.8	17.9	+ 10.8 %
• Of which: luxury mobiles	4.7	6.2	-25.0 %	19.8	15.4	+ 27.7 %
• Of which: Lifestyle mobiles	0.0	0.5	n.a.	0.0	2.5	n.a.
Distribution	70.2	48.7	+ 44.1 %	220.4	159.8	+ 37.9 %
Total	74.9	55.5	35.1 %	240.2	177.7	35.2 %

Unaudited figures

Manufacture: achievement of a first peak in growth prior to the launch of the new generation of luxury mobiles

Merely two years after its launch, the Group's luxury mobile business achieved revenue of €19.8 million in 2010, thereby consecrating ModeLabs' penetration of the emerging market for mobiles of exception.

Confronted by a market that has rapidly been transformed by the success of smartphones, sales of the Group's first generation luxury mobiles peaked at a record level during the 3rd quarter but then fell back during the 4th quarter of 2010. The launch of the new generation of mobiles of exception, planned for mid-2011, should enable ModeLabs Manufacture to begin a second phase of strong growth.

Distribution: a year of records

With three successive quarters of strong growth, ModeLabs Distribution continued to perform well in excess of its market. Its 4th quarter 2010 sales reached €70.2 million, up 44.1% compared with the same period of the previous year.

In 2010, the telecom products market continued to expand in response to the combined impact of convergence and the growing popularity of smartphones. Convergence broadened the mobile market to include both audio accessories (headphones, mini-loudspeakers and docking cradles) and data products (tablets, netbooks etc.); in parallel, the growing popularity of smartphones generated increasing demand for protection and customisation accessories.

Faced with these trends, ModeLabs Distribution has succeeded in both broadening and enriching its product offering: in 2010, the division has developed its leadership still further with sales of almost 9.8 million accessories compared with 7.9 million in 2009.

The Distribution division also accelerated its growth in sales of mobiles during 2010 by winning major new customers and proposing exclusive new offers.

Outlook: launch in the middle of 2011 of the first smartphone for a luxury brand

The excellent trend in its activity allows ModeLabs Group to anticipate recurring EBIT for 2010 at a level reflecting very strong growth over 2009.

Despite the recognition of exceptional provisions following the end of the business cycle for its first generation luxury mobiles, the Group's net income for 2010 should nevertheless show an increase over 2009.

In 2011, ModeLabs Manufacture expects the first half of the year to mark a pause pending the launch, in the second half, of new luxury mobiles including a smartphone using the Android operating system. The development of the second generation of mobiles for the Group's brand portfolio entails a new and particularly long process.

The new mobiles will have the benefit of an advanced technological environment opening up the luxury mobile market to reach new types of customer. They should allow ModeLabs Manufacture to achieve breakeven during the final months of 2011.

Following its record year in 2010, ModeLabs Distribution intends to continue to develop its activity by pursuing its strategy of innovation and value creation. The division will reinforce its licensing policy and accelerate the creation of new products marketed under its own brand.

Next dates in our calendar

- Publication of the Group's annual results for 2010 on Monday 21 March 2011 after closure of the day's trading

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*, historic leader in the distribution of mobile phones and accessories, specialist in creating and commercialising licensed accessories and telecom products, 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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