

## +78.2% increase in 4<sup>th</sup> quarter sales for 2011

Revenue (€m)	2011	2010 restated*	2010 published	% change/ restated
1 <sup>st</sup> quarter	45.2	42.2	46.9	+7.1%
2 <sup>nd</sup> quarter	58.8	51.9	56.9	+13.4%
3 <sup>rd</sup> quarter	63.0	56.0	61.3	+12.5%
4 <sup>th</sup> quarter	125.1	70.2	74.9	+78.2%
<b>Annual total</b>	<b>292.1</b>	<b>220.3</b>	<b>240.2</b>	<b>+32.6%</b>

\*adjusted for the revenue earned by ModeLabs Manufacture disposed of at 30 June 2011 following acquisition of the business by Bigben Interactive

During the 4<sup>th</sup> quarter of 2011 ModeLabs significantly accelerated its growth, recording sales up 78.2% to €125.1m. This performance was all the more remarkable that it was achieved in comparison with the 4<sup>th</sup> quarter of 2010 that had already bounded by 44.1% over 2009.

For 2011 as a whole ModeLabs' turnover was up 32.6%, far in excess of the growth in the French mobile phone market estimated at +6% (source: Gfk 01/12).

The record performance is a tribute to the Group's reactivity when confronted with rapid market change. By broadening its product offering and positioning itself on the wave of the Smartphones most in demand, ModeLabs succeeded in gaining significant extra market share in particular towards the end of the year which sees the peak of annual sales in the market.

Both product lines distributed – telecom accessories and mobiles – supported the sustained growth in quarterly activity:

Sales of **accessories** remained buoyant throughout the 4<sup>th</sup> quarter, bolstered by the growing success of our licensing business and our strategy of broadening our product offering as the trend of convergence continues. For example, both our "Colorblock" audio headphones and protective tablet and Smartphone accessories met with great commercial success. The Kenzo accessories designed by our Licensing department were particularly popular, alongside our Quiksilver and Roxy accessories, over all distribution channels and in the run-up to Christmas and the New Year.

Sales of **mobiles** rose steeply in response to special promotions using both branded mobiles (Zadig & Voltaire for Samsung) and the top of the range Smartphones which were often a "must" for Christmas. In the space of a few months, ModeLabs' penetration of the constantly expanding Smartphone market leaves no room for doubt. Smartphones now represent 85% of the Group's mobile sales, as against 22% for the 4<sup>th</sup> quarter of 2010, and as a result the average price per unit sold has increased significantly.

### Improved operating performance for the 2<sup>nd</sup> half of the year to be announced

As already reported, the investment destined to reinforce our sales forces made during the 1<sup>st</sup> half of 2011 has already borne fruit. The sharp increase in activity allows the Group to anticipate significant improvement in operating profitability during the 2<sup>nd</sup> half, such that operating profit for the year as a whole is expected to be in excess of that reported in 2010.

# MOD@LABS

## **Outlook for 2012**

The positive operating trend observed to date provides us with confidence for the current year.

The arrival in France of a 4<sup>th</sup> telecom operator should stimulate sales of mobiles outside the scope of the operators' own networks, i.e. within ModeLabs' own main market for mobile distribution.

Within an overall environment offering only limited visibility, to continue the trend of expanding activity for accessories ModeLabs can place reliance on its sales forces and policy of innovation. The Group also intends to develop new ranges, in conjunction with international brands, and to design more co-branded high-tech products such as the Morgan audio headphones launched at the start of the year.

Finally, our marketing and sales synergies with Bigben Interactive and more particularly, our access to Bigben's international distribution network, should become operational starting in the 2<sup>nd</sup> half of 2012.

## **Next dates in our calendar**

- Publication of our annual results for 2011 on Tuesday 20 March 2012 after closing of the market

## **About ModeLabs Group:**

ModeLabs Group, specialist and leader in France in the distribution of mobile phones (excluding the telecom operators) and accessories, is present in each distribution sector: networks, MVNO, mass merchandisers, hypermarkets/supermarkets, multi-specialists, telecom specialists, other retailers and e-business.

The Group designs, develops and distributes accessories and services for the benefit of operators, distributors and major brands.

**ModeLabs Group is listed on the NYSE Euronext-Paris Eurolist**  
**Isin: FR 0010060665, Mnemo: MDL, Reuters: MDLB.PA, Bloomberg: MDL:FP**  
**For more information: [www.modelabs.com](http://www.modelabs.com)**

## **Contacts:**

**MOD@LABS**

**Françoise Grand**  
**Tel: +33 1 43 12 12 12**  
**[finance@modelabs.com](mailto:finance@modelabs.com)**

**CV**  
**CAP VALUE**

COMMUNICATION FINANCIERE ET CORPORATE

**Edouard Miffre/Gilles Broquelet**  
**Tel: +33 1 80 81 5000**  
**[emiffre@capvalue.fr](mailto:emiffre@capvalue.fr)**  
**[gbroquelet@capvalue.fr](mailto:gbroquelet@capvalue.fr)**