

MODELABS

Press release

Paris, 20 March 2011, 18H00

Annual results for 2011:

+22.3% rise in operating profit to €16.1 million

- Record operating profit and strong cash flow generation in the 2nd half
- An annual net loss impacted by the disposal of ModeLabs Manufacture

A promising outlook for 2012

Audited consolidated IFRS financial statements <i>In millions of euro</i>	2011	2010 Restated*	2010 Published	Change against restated
Sales	292.1	220.4	240.2	+32.6%
Gross margin <i>Gross margin rate</i>	38.8 13.3%	34.6 15.7%	41.7 17.4%	+12.4% -2.4 pts
Operating costs	(22.7)	(21.0)	(33.2)	+7.9%
Current operating profit	16.1	13.5	8.6	+19.4%
Non-recurring items	0	(0.3)	(3.5)	n.a.
Operating profit	16.1	13.2	5.1	+22.3%
Net financial expense	(2.3)	(0.5)	(0.4)	n.a.
Corporate income tax	(5.7)	1.2	(2.0)	n.a.
Result for discontinued operations	(24.6)	(11.3)	0	n.a.
Net loss	(16.4)	2.7	2.7	n.a.
Net cash surplus / (net borrowing)	18.9	39.8	44.4	

*The income statement for 2010 has been restated in respect of the Manufacturing business deconsolidated with effect from 30 June 2011.

Record sales of €292.1 million in 2011

Sales for ModeLabs Group's Distribution business reached €292.1 million in 2011, up 32.6% over restated turnover for 2010. This performance, far superior to the growth in value of the French market for mobile phones estimated at +6% (source: Gfk 01/12), was supported by the success of our policy of enlarging our offering of accessories to encompass convergence products (music, games, video etc.) and by the very strong growth in Smartphone sales.

Operating profit up 22.3%

The increased turnover generated gross margin of €38.8 million, up €4.2 million compared with 2010 and reflecting a rate of 13.3% in turn reflecting the trend in product mix.

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Operating costs included the increase in our cost base decided during the 1st half of the year in order to reinforce the Group's operating structure and thus ensure the acceleration in the development of our business that became noticeable during the 2nd half.

The limited annual increase in those overhead costs still made it possible to generate operating profit of €16.1 million, up 22.3% over the €13.2 million (restated) recorded in 2010.

Impact of the disposal of ModeLabs Manufacture

Following the agreement between ModeLabs and Bigben Interactive signed on 20 May 2011, ModeLabs Manufacture was sold with effect from 30 June 2011, generating for 2011 a loss on discontinued operations of -€24.6 million and early repayment of €14.6 million of bonds whence a -€2.0 million impact on net financial expense.

After deduction of these items and €5.7 million of corporate income tax, ModeLabs recorded a net loss of -€16.4 million compared with a profit of €2.7 million in 2010.

Excluding the impact of the disposal of ModeLabs Manufacture, ModeLabs would have achieved a net profit of €8.2 million.

Strong cash flow generation

The acceleration in sales during the 2nd half of 2011, and tight control over working capital, enabled the Group to generate significantly increased cash flow amounting to €14.4 million for 2011 as a whole.

Outlook: a promising start to the year

The early months of 2012 saw ModeLabs continue to register two figure growth thanks to the continuing expansion of Smartphone sales, permanent enrichment of our product range and the success of products developed in conjunction with leading brands such as Eden Park, Le Tanneur, Quiksilver-Roxy, Kenzo etc.

New balance sheet date: 31 March

Following its linkup with Bigben Interactive, Modelabs has aligned its balance sheet date on that of Bigben Interactive, namely 31 March.

ModeLabs' forthcoming closure of the accounts on 31 March 2012 will thus reflect three months' activity.

Next dates in our calendar

Publication of sales for the 1st quarter of 2012 on 24 April 2012 after closing of the market

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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.

More than 94% of ModeLabs' share capital is held by Bigben Interactive (FR0000074072, BIG, NYSE Euronext C), whose objective is to create, based on a strategy of complementariness of product ranges and geographical presence, the leading European distributor of multimedia products and accessories.

ModeLabs is listed on the NYSE Euronext C – Paris Eurolist
Isin: FR 0010060665, Mnemo: MDL, Reuters: MDLB.PA, Bloomberg: MDL:FP
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