

Bigben Interactive and ModeLabs Group disclose their agreement for creating the specialist for products and accessories meeting the requirements of multimedia convergence

- Bigben Interactive launches an alternative takeover bid on 100 % of the share capital of ModeLabs Group through :
 - A main exchange offer for 7 ModeLabs Group shares against 2 Bigben Interactive shares and a 9.30 € cash complement,
 - A secondary cash offer for MLB shares at a 4.40 € cash price per share, this offer being limited to 5,850,000 ModeLabs Group shares.
- The main shareholders of the MLB Group including the founders and the top management have committed themselves to bring their shares to the Bigben Interactive offer, these commitments totaling more than 46 % of ModeLabs Group share capital.
- Financial figures of both entities combined over a 12 month period show that the new group has sales in excess of 320 €m and a current operating result in excess of 29 €m.

Bigben Interactive (FR0000074072) and ModeLabs Group (FR0010060665) disclose the signing of an agreement aimed at the creation of the European leader for multimedia peripherals which will, in particular, cater for the video game and the mobile phone markets.

Strong complementarities in product offers and commercial franchises for creating the pan-European leader of multimedia accessories

Bigben Interactive, the pan-European leader for the manufacturing and distribution of console accessories and the Distribution segment of the ModeLabs Group, the leading designer and distributor of mobile phone accessories and the number one distributor of mobile phones in France, propose to create a new entity dedicated to products and accessories meeting the requirements of a « multimedia convergence » between the video game market and the mobile phone worlds. The convergence of these worlds, in terms of uses and distribution networks, convinced the managers of both groups of the relevance of such a project and of the resulting creation of value.

Bigben Interactive intends to focus its industrial project only on the distribution of mobile phones and the development of mobile phone accessories carried out by the ModeLabs Group. Therefore the scope of the offer is restricted to the Distribution side of ModeLabs Group, a business segment representing 92 % of 2010 consolidated sales i.e. 220 €m, while the Manufacturing segment (i.e. the segment covering the design and manufacturing of mobiles on demand for luxury brands) is to be disposed of beforehand.

Mr. Stéphane Bohbot, the co-founder of the ModeLabs Group in charge of Manufacturing pledged to take over this business segment.

The new entity will be in a position to offer a complete range of accessories meeting the requirements of multimedia convergence, banking on an obvious expertise in innovation and the development of new products as well as relying on its own brands and a portfolio of trademark licenses.

In addition, the Distribution business of Modelabs will benefit from the commercial franchise of Bigben Interactive in Europe in order to accelerate its development abroad, especially in Germany and in the Benelux.

The activities of Modelabs Distribution will give Bigben Interactive high quality listings in the mobile phone market and in particular a market leadership in France for the thriving accessory business. Lastly, bringing together these businesses will enable the resulting entity to weather the impact of cycle and seasonality on the historic business of Bigben Interactive, two aspects which both characterize the video game market.

This partnership between Bigben Interactive and the Distribution segment of the ModeLabs Group entails strong commercial and operating synergies. It will enable the setting up of a group with a significant size at the European level with combined sales in excess of 320 €m, positioning the new entity as a leading provider of products meeting multimedia convergence requirements across Europe.

« Our ambition consists in creating the pan-European leader for products and accessories meeting the requirements of multimedia convergence, banking on our joint expertise and our leaderships in France in the design and the distribution of accessories for mobile phones and video game consoles.

We share a common expertise, the creation process and the added value distribution as well as a joint vision of the market and we propose to unite our forces in order to create a top ranking new entity, with an innovation capacity and a financial strength which will allow us to anticipate the new expectations of our customers. » stated Alain Falc, CEO of Bigben Interactive and Alain Zagury, CEO of ModeLabs SA.

Terms and conditions of the transaction

The transaction initiated by Bigben Interactive, subject to the approval of both *Autorité des Marchés Financiers* (the French financial regulator) and *Autorité de la Concurrence* (the French competition regulator), will be structured as a combined public offer. Bigben Interactive offers to acquire all the shares of the ModeLabs Group share capital as follows :

- A main exchange offer for 7 ModeLabs Group shares against 2 Bigben Interactive shares and a 9.30 € balancing cash adjustment ;
- A secondary cash offer for ModeLabs Group shares at a 4.40 € cash price per share, this offer being limited to 5,850,000 ModeLabs Group shares.

An agreement was signed on 20 May 2011 between Bigben Interactive, ModeLabs Group and its main managers and shareholders i.e. Alain Zagury and Stéphane Bohbot, after receiving the approval of the board of directors of both groups .

With respect to the disposal of the Manufacturing segment of ModeLabs Group, a part of the Modelabs Group not included in the Offer initiated by Bigben Interactive, and in consideration of its significant needs for short term funding, ModeLabs Group pledged to recapitalise the Manufacturing segment for 15 €m before any disposal. The terms and conditions for selling Modelabs Manufacture to its manager Mr. Stéphane Bohbot, have been reviewed by *Bellot Mullenbach & Associés* which as an independent appraiser confirmed in particular that the carving up of the Manufacturing segment and its disposal are not likely to damage minority interests in ModeLabs Group.

Further to Stéphane Bohbot's commitment to take over the Manufacturing segment, Bigben Interactive pledged to acquire part of his ModeLabs Group shares in cash under the same terms and conditions as the secondary cash offer i.e. paying a 4.40 € cash price per Modelabs Group share, but limited to 4.6 % of the group share capital.

For information, ModeLabs Group issued 1,000 bonds on 17 December 2009 with 6,346,000 equity warrants (bon de souscription d'action) attached to these bonds, these securities being currently held by three investors. ModeLabs Group and the bearers of the bonds and the equity warrants have signed an agreement on 20 May 2011 which stipulates that these equity warrants will be bought back by ModeLabs Group and the bonds redeemed in advance. These investors have agreed not to bring

their equity warrants to the offer nor to exercise said warrants as ModeLabs Group has pledged to buy them back for a total amount of 14.6 €m. The related bonds will be redeemed for 16.2 €m according to the terms of the issuing contract.

The transaction is supported by the reference shareholders of the ModeLabs Group including the founders, the top management and the OTC investment fund, which have agreed to contribute all their shareholdings to the Bigben Interactive offer. All these commitments total more than 46 % of ModeLabs Group share capital.

At the end of this transaction, Bigben Interactive will review among other alternatives the interest and feasibility of a possible merger with ModeLabs Group.

Prospective timetable for the transaction, subject to the approval of *Autorité des Marchés Financiers (AMF)* :

- 23 May 2001: Filing the project of a combined offer with AMF
- 7 June 2011: Declaration of conformity of the combined offer by AMF
- 9 June 2011: Opening of the period of Offering
- 13 July 2011: Closing of the period of Offering
- 5 August 2011: Settlement and delivery

Bigben Interactive was advised on this transaction by Genesta (financial advisor), Alerion (legal advisor) while Natixis sponsored the transaction and guaranteed the Offer. ModeLabs Group was advised by Bryan, Garnier & Co (financial advisor) and Latham & Watkins (legal advisor).

About Bigben Interactive

A leading independent distributor and manufacturer of video game console peripherals, Bigben Interactive is a software publisher as well, mainly for video game console formats. It offers a complete distribution solution across Europe with its subsidiaries in Germany and Benelux and agreements with distribution partners in other territories.

Bigben Interactive, a public company listed on the Eurolist of Nyse Euronext Paris, C market segment, posted 101 €m sales for its 2010/2011 financial year.

About ModeLabs Group

ModeLabs Group, designer of on-demand mobile phones and distribution specialist for telecom products, is a new generation player in the mobile phone market. It designs, develops and distributes in a flexible manner and integrated way mobile phones, accessories and services for telecom providers, retailers and well-known brands. Its business is organised around two strategic segments:

- *ModeLabs manufacture which uses its expertise in creation & design and a technological know-how allowing luxury brands such as TAG Heuer, Dior and Versace to create their own ranges of mobile phones and implements a qualitative and selective distribution on the 3 continents through department stores, fashion stores and the watchmakers/jewellers network.*
- *ModeLabs Distribution which aside from being the historic leader in the distribution of mobile phone accessories and mobile phones, is a specialist in the design and distribution of accessories and telecom products under licensed trademarks, and enjoys a presence in all distribution channels: mobile operators, mobile virtual network operators (MVNO), food retailers and specialist retailers, telecom specialists, independent retailers and e-commerce.*

ModeLabs Group, a public company listed on the Eurolist of Nyse Euronext Paris, C market segment, posted 240 €m sales including 220 €m by Modelabs Distribution and 20 €m by Modelabs Manufacture for its last financial year ending on 31 December 2010.