

Full-year 2012-2013 results

- Operating income of €6.8 million before goodwill impairment
- Cash flow of €8.9 million
- Net financial debt representing 25% of shareholders' equity

Marseilles, 20 March 2013. The Avenir Telecom Group, a leading distributor of mobile telephony products and connected devices, recorded operating income of €6.8 million before goodwill impairment due to store disposals in Portugal in its 2012-2013 financial year (from 1 April 2012 to 31 March 2013).

The Group maintained a gross margin of almost 27% of revenues due to the increase in revenues from mobile phone accessories and connected devices (+15.8%) and active management of its in-store product mix, which raised the gross margin on direct distribution to 41.4%. The Group cut its operating expenses by over 11% during the 2012-2013 financial year, equivalent to full-year savings of €13 million, particularly in direct distribution, where the Group continued to refocus its store base.

The Group has stabilized its operating income at €5.0 million in the second semester of 2012-2013 compared to the second semester of 2011-2012.

The Group derecognised goodwill of €5.7 million following the disposal of part of its operations in Portugal in November 2012 (the amount of goodwill carried in the balance sheet is only €7.8 million as of 31 March 2013).

(€ millions)	2012-2013	2011-2012
Revenues	412.6	469.7
Gross margin ¹	109.8	128.7
<i>% of revenues</i>	26.6%	27.4%
Operating income before goodwill impairment	6.8	12.6
Goodwill impairment	(5.7)	-
Operating income	1.1	12.6
Net income attributable to shareholders	(2.9)	6.0

1. Taking into account the net change in impairments of current assets and other non-recurrent items (-€1.2 million in 2012-2013 and €1.0 million in 2011-2012)

Direct distribution: increase in operating income before goodwill impairment

(€ millions)	2012-2013	2011-2012
Revenues	196.2	237.9
Gross margin ¹	81.3	94.5
<i>% of revenues</i>	41.4%	39.7%
Operating income before goodwill impairment	4.0	3.3

1. Taking into account the net change in impairments of current assets and other non-recurrent items (-€0.3 million in 2012-2013 and -€0.8 million in 2011-2012)

Despite the pressure on revenues, the Group significantly improved its gross margin rate in direct distribution (gain of almost 2 points) thanks to active management of its product mix.

As a result of the refocusing of the store network, which decreased from 559 sales outlets as at 31 March 2012 to 470 as at 31 March 2013 (including 38 stores sold in November 2012 in Portugal), and cost savings (administration, logistics, etc.), operating income before goodwill impairment in direct distribution increased from €3.3 million in the 2011-2012 financial year to €4 million in 2012-2013.

Indirect distribution: operating income impacted by pressure on revenues of telecom operators

(€ millions)	2012-2013	2011-2012
Revenues	216.5	231.7
Gross margin ¹	28.5	34.2
<i>% of revenues</i>	13.2%	14.8%
Operating income	2.8	9.3

1. Taking into account the net change in impairments of current assets and other non-recurrent items (-€0.9 million in 2012-2013 and +€1.8 million in 2011-2012)

The gross margin rate in indirect distribution was negatively impacted by an unfavourable product mix effect due to the decline in volumes for telecom operators. That was partly offset by growth in sales of accessories and connected devices.

The decrease in the gross margin in indirect distribution impacted operating income, which decreased from €9.3 million in the 2011-2012 financial year to €2.8 million in 2012-2013.

A solid financial position

The Avenir Telecom Group generated cash flow of €8.9 million in full-year 2012-2013, enabling it to finance its working capital and investments.

Net financial debt amounted to €16.4 million as at 31 March 2013, including €22.6 million of available cash. Net financial debt represented 1.2x Group EBITDA, compared to an authorised maximum covenant of 2.5x. Net financial debt also amounted to 25% of shareholders equity, against an authorised maximum covenant of 100%.

Outlook

In a market for connected devices that is set to reach 500 billion devices on a global level by 2020, Avenir Telecom will pursue:

- the development of its ranges of accessories and connected devices, relying on its strong capacity for innovation and on a distribution network that now covers 37 countries around the world.
In particular, the Group should be able to leverage the potential of the Energizer brand (the world's number 1 in batteries), for which the licensing agreement has just been renewed for five years on a global basis excluding North America, and the upmarket shift of the Beewi brand into innovative products with high technological content in the universe of connected devices;
- the strengthening of its portfolio of value-added mobile phones;
- the development of new distribution concepts enabling it to offer operators integrated outsourcing for the management of their shelf space and BtoB commercial websites. This offering is underpinned by efficient IT and logistics and the Group's acknowledged expertise in the distribution. Avenir Telecom now has many customers in this field (Vodafone, Te abla, Mobistar, Orange Suisse, etc.);
- the optimisation of operators exclusive store networks and management of the product mix in its multi-brand store network.

About Avenir Telecom

With revenues of €412 million and a gross margin of €109 million as at 31 March 2013, the Avenir Telecom Group (ISIN: FR0000066052 / Reuters: AVOM.LN / Bloomberg: AVT:FP) is one of the leading European distributors of mobile telephony products and services. The Group partners with the leading handset manufacturers and telecom operators in Europe, distributing their mobile phones and subscription plans across all distribution channels (multi-brands and operators' stores, websites, food superstores, specialist superstores, independent resellers and affiliated stores). The Avenir Telecom Group also designs and distributes a comprehensive range of accessories and multimedia products under licensed and owned brands. As at 31 March 2013, Avenir Telecom employed almost 2,000 people, mainly in France, the UK, Spain, Romania, Portugal and Bulgaria.

Avenir Telecom is listed on NYSE EURONEXT – compartment C (Euronext Paris). The Avenir Telecom share is included in the CAC All Shares, CAC Mid & Small, CAC Small, CAC All-Tradable, CAC T.Hard & Eq. and CAC Technology indices.

► **Forthcoming publications¹**

Event	Date
First quarter 2013-2014 revenues	22 August 2013
First half 2013-2014 revenues	14 November 2013
First half 2013-2014 results	28 November 2013
Third quarter 2013-2014 revenues	6 February 2014
Full-year 2013-2014 revenues	14 May 2014
Full-year 2013-2014 results	19 June 2014

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The press release and presentation
of the full-year 2012-2013 results can be found at www.avenir-telecom.com

¹ These dates are provided for information purposes and are liable to change if the Company deems it necessary. Press releases will usually be distributed after the close of the market.