

First quarter 2013-2014 revenues

- Direct distribution holding up well thanks to stabilisation of activity in Spain
- Decrease in indirect distribution due to decline in volumes of low-margin mobile handsets

Marseilles, 29 August 2013. The Avenir Telecom Group, a leading distributor of telecommunication products and services, recorded revenues of €72.4 million in the first quarter of its 2013-2014 financial year (from 1 April 2013 to 30 June 2013).

(€ millions)	First quarter 2013-2014	First quarter 2012-2013	Change %	Change % excl. mobile handset sales and Ensitel
Total revenues	72.4	104.6	-30.8%	-10.3%
Direct distribution	41.0	46.4	-11.6%	-5.3%
Indirect distribution	31.3	58.2	-46.2%	-16.8%

In order to restore its gross margin, the Avenir Telecom Group greatly reduced its mobile phone trading activity in the first quarter of 2013-2014 and is focusing on products generating higher contributions. In the first quarter of 2013-2014, the consolidated revenues of the Avenir Telecom Group decreased by 10.3% excluding sales of mobile handsets and the Ensitel store network in Portugal, which was sold in the third quarter of the previous year.

Mobile and multimedia accessories, particularly products sold under licence from Energizer and under the OXO and BeeWi brands, continued to slow the decrease in the Group's revenues in the first quarter of 2013-2014. They are enabling the Group to move upmarket into distinctive added-value products with high technological content.

After winning the tender to manage mobile accessory shelf space on a consignment basis across all Mobistar stores and on the Belgian operator's website, Avenir Telecom now provides outsourced management of accessory shelf space at 1,500 sales outlets, mainly in the networks of telecom operators across Europe.

The Group's products are distributed in 37 countries around the world. The Avenir Telecom Group generated 57% of its revenues outside France in the first quarter of 2013-2014.

Direct distribution: revenues hold up well in first quarter of 2013-2014

Excluding the negative structure effect associated with the sale of Ensitel in Portugal, revenues showed a degree of resistance in the first quarter of 2013-2014, with the decline limited to 5.3% as a result of the active policy, pursued for over a year, of refocusing the Internity store base.

In terms of country performances, while revenues remain under pressure in France, the situation in the other European countries in which the Group is present has improved markedly, particularly in Spain, where Avenir Telecom succeeded in stabilising its revenues in the first quarter of 2013-2014.

Indirect distribution: decrease in revenues due to decline in volumes of low-margin mobile handsets

The Group greatly reduced its sale volumes of low-margin mobile handsets in the first quarter of 2013-2014 to concentrate on products making a bigger contribution to its gross margin. Excluding sales of mobile handsets, revenues consequently fell by 16.8% in the first quarter of 2013-2014. The gross margin of indirect distribution, expressed as a percentage of revenues, increased by five points in the first quarter of 2013-2014.

Sales of licensed and own-brand mobile and multimedia accessories made up almost 70% of the total volumes in indirect distribution in the first quarter.

Avenir Telecom – well positioned to take advantage of digital convergence around mobile telephony and evolving distribution concepts

In a connected devices market that is expected to total 500 billion devices on a global level in 2020 compared to five billion today, Avenir Telecom will pursue:

- the development of its ranges of accessories and connected devices by relying on its strong capacity for innovation and its global distribution network.
The Group should benefit in particular from the potential offered by the Energizer brand (the world's number one in batteries), for which the licence contract covers the whole world except North America for five years, and from the upmarket shift of the Beewi brand into innovative products with high technological content in the world of connected devices;
- the strengthening of the portfolio of mobile phones with high added value;
- the development of new distribution concepts enabling it to offer operators integrated outsourcing of the management of their shelf space and BtoB commercial websites. This offering is based on an efficient logistics and IT tool and on the Group's acknowledged expertise in distribution. Avenir Telecom has many customers in this field (Vodafone, Te Abla, Mobistar, Orange Suisse, etc.);
- the optimisation of exclusive operator networks and active 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-brand and multi-operator 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 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

► Press and investor contacts

Agnès Tixier
Financial Director
Tel.: +33 4 88 00 63 21
Fax: +33 4 88 00 60 30
E-mail: atixier@avenir-telecom.fr

Vincent Gouley
Tel.: +33 1 47 64 78 20
Mob.: +33 6 74 79 61 87
E-mail: vincent.gouley@watchowah.com

All our financial information is available 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.