

First half 2013-2014 revenues

- Decline in volumes of low-margin mobile handsets
- Double-digit growth in volumes of accessories and connected devices

Marseilles, 14 November 2013. The Avenir Telecom Group, a key distributor of telecommunication products and services, recorded revenues of €144.6 million in the first half of its 2013-2014 financial year (from 1 April 2013 to 30 September 2013).

The trend seen in the first quarter of the year continued in the second quarter. The consolidated revenues of the Avenir Telecom Group was impacted by the decrease of sales of mobile handsets and by the sale of 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, the global leader in batteries and bulbs present in 160 countries, and under the OXO and BeeWi brands, which have a strong presence in the in-home connected devices segment, maintained their growth in terms of volume and revenues in the first half of 2013-2014. They are enabling the Group to move upmarket into distinctive added-value products with high technological content.

Drawing on its acknowledged expertise in accessories and connected devices, 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 over 40 countries around the world. The Avenir Telecom Group generated 56% of its revenues outside France in the first half of 2013-2014.

(€ millions)	First half 2013-2014	First half 2012-2013	Change %	Change % excl. mobile handset sales and Ensitel
Direct distribution	(83.0)	(95.4)	-13.1%	-6.7%
Indirect distribution	(61.7)	(115.7)	-46.7%	-20.7%
Total revenues	(144.6)	(211.2)	-31.5%	-12.9%

Direct distribution: revenues holding up well particularly in Spain

Excluding the negative structure effect associated with the sale of Ensitel in Portugal, revenues from direct distribution declined by 6.7% 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 improved, particularly in Spain, as in the first quarter.

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

The Group continued to reduce its sale volumes of low-margin mobile handsets in the first half of 2013-2014 to concentrate on products making a bigger contribution to its gross margin. Excluding sales of mobile handsets, revenues fell by 20.7% in the first half of 2013-2014. The gross margin of indirect distribution, expressed as a percentage of revenues, increased by around five points in the first half of 2013-2014.

As in the first quarter, sales of licensed and own-brand mobile and multimedia accessories made up almost 70% of the total volumes in indirect distribution in the first half of 2013-2014.

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, 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.

Avenir Telecom will announce its half year results on 28 November 2013 after market close.

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.

► **Second quarter revenues (from 1 July to 30 September 2013)**

(€ millions)	Second quarter 2013-2014	Second quarter 2012-2013	Change %	Change % excl. mobile handset sales and Ensitel
Direct distribution	(41.9)	(49.0)	-14.5%	-8.1%
Indirect distribution	(30.4)	(57.6)	-47.3%	-24.2%
Total revenues	(72.3)	(106.6)	-32.2%	-15.3%

► **Forthcoming publications¹**

Event	Date
First half 2013-2014 results	28 November 2013
Third quarter 2013-2014 revenues	06 February 2014
Full-year 2013-2014 revenues	14 May 2014
Full-year 2013-2014 results	19 June 2014

► **Press and investor contacts**

Agnès Tixier Tel.: +33 4 88 00 63 21
Financial Director 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.