

Revenues for the first 9 months of 2013 – 2014

- Significant changes to the product mix
- Winning new accessory and connected device markets
- On-going negotiations with the Group's financial partners to adapt the financing structure

Marseilles, 6 February 2014. The Avenir Telecom Group, a leading designer and distributor of accessories and connected devices, reported revenues of €223.2 million euros for the first 9 months of its financial year 2013 – 2014 (period from the 1st April 2013 to 31 December 2013).

The Avenir Telecom Group continued its strategy to win over new markets in the third quarter of its 2013 – 2014 financial year. It continued international development of accessories under the Energizer brand for which it has an exclusive worldwide license (excluding USA and Canada), while continuing to expand the ranges of its exclusive products with in particular the global launch of its own L@clope range of electronic cigarettes and L@rôme refills produced in France. The Group has also greatly strengthened the position of Beewi on the booming connected device market with a whole new highly innovative range that won the "Best innovative product CES 2014" award at the *Consumer Electronics Show* in Las Vegas. Finally the Group has expanded its portfolio of smartphones and tablets with the signing of an exclusive contract for the distribution of the US brand YEZZ in Europe, to complement its Outdoor (CAT) and senior ranges. These new markets allow Avenir Telecom to develop its product mix.

With the opening of new countries in Asia (Singapore, Vietnam, and Philippines), LATAM and Russia, where it has won a first contract, the Avenir Telecom Group is now present in over 40 countries worldwide. The Group generated 54% of its revenues outside France in the first nine months of 2013-2014.

(€ millions)	First 9 months 2013 - 2014	First 9 months 2012 – 2013	Change %	Change % excl. mobile handset sales and Ensitel
Direct distribution	128.6	151.2	-14.9%	-9.4%
Indirect distribution	94.6	174.2	-45.7%	-21.1%
Total revenues	223.2	325.4	-31.4%	-14.5%

Direct distribution: repositioning on new product ranges

Excluding the negative structure effect associated with the sale of Ensitel in Portugal, the revenues from direct distribution fell by 9.4% as a result of efforts to refocus the store base in France and Spain. The Group also continued its active management of the product mix for its network of multi-brand stores.

In terms of country performances, the situation substantially improved in Eastern Europe while revenues remain under pressure in France and the business is relatively flat in Spain.

Indirect distribution: repositioning on new product ranges

The Group continued to develop its product mix by replacing low profit mobile handsets with products that make a greater contribution to the gross margin and that have a brighter future such as accessories, connected devices and electronic cigarettes which now account for 20% of revenues and over 45% of the indirect distribution gross margin and the volumes of which have increased by over 15% over the first 9 months of the financial year 2013 – 2014.

Sales of licensed and own-brand mobile and multimedia accessories accounted for 68% of total volumes of indirect distribution over the first 9 months of the financial year 2013 – 2014 compared to 54% a year earlier.

Financial position

Avenir Telecom continued the negotiations initiated with all its financial partners at the beginning of October 2013 with a view to adjusting its financing structure.

Although Avenir Telecom was in compliance with the ratios specified in its loan agreement as of 30 September 2013, it is offering the pool banks the power to request the company to effect early repayment of all the remaining capital due (€28.8 million as of 30 September 2013), in accordance with the terms of the loan agreement.

The Company believes it will be able to implement solutions enabling it to continue its operations and finance its development plans in the framework of the current discussions with its partners.

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

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 on a connected devices market that is expected to total 500 billion connected devices on a global level in 2020 compared to five billion today.

Avenir Telecom is drawing on its distribution expertise and mass-market knowledge to develop sales of its own brand of electronic cigarettes and dedicated accessories under the L@clope brand and refills produced in France under the L@rôme brand. The Group will benefit therefore from the strong growth in these products that will enrich the product range available in Internity stores and the mass-distribution product range.

In response to the mobile phone market coming to maturity, with multi-device, multi-screen consumption and more budget-sensitive consumers, Avenir Telecom is to develop on the low cost smartphone and tablets market with the YEZZ licensed brand.

The new ranges of mobile phones as well as the accessories and connected devices, together with electronic cigarettes, should contribute to substantial development of

the Avenir Telecom Group's product mix, profitability level and growth profile in the years ahead.

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.

► **Next publications¹**

Event	Date
Full-year 2013-2014 revenues	14 May 2014
Full-year 2013-2014 results	19 June 2014

► **Press and investor contacts**

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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.