

Full-year 2013-2014 turnover

- Favourable changes to the product mix
- Development of the range of accessories and connected devices
- Promising start for sales of YEZZ mobile handsets

Marseilles, 14 May 2014. Avenir Telecom Group, a key player in the design and distribution of accessories and connected devices, recorded turnover of €285.0 millions in the 2013 – 2014 financial year (period from 1 April 2013 to 31 March 2014), of which €147.1 million in product sales (mobile handsets, multimedia and mobile accessories, connected devices and electronic cigarettes) and €137.9 million in services for operators (sales of subscription, insurance and related services)

Backed with its strengthened financial structure, Avenir Telecom Group continued in the fourth quarter 2013 – 2014 its redeployment strategy towards new markets and buoyant market segments which has partially offset the withdrawal of the historical activities.

The smartphones from US brand YEZZ with which the Group has just signed an exclusive contract for Europe, the Middle East and Africa seem to have found their public with an encouraging start. This high-performance range allows the Group to position itself in the most buoyant market segments in mobile telephony.

Sales of accessories, connected devices and electronic cigarettes represented 22% of total product sales in 2013 – 2014 compared to 14% in 2012 – 2013.

Sales of accessories for mobile telephones under the Energizer brand, of which it holds an exclusive worldwide licence outside of the USA and Canada, grew sharply. Likewise, the new highly-innovative range of connected devices under the own brand of Beewi was warmly welcomed by the market.

Sales of electronic cigarettes under the own brand L@clope and of its L@rôme refills made in France continued to take off in direct and indirect distribution in the fourth quarter of 2013 – 2014.

Avenir Telecom Group is now present in more than 40 countries around the world. It generated 54% of its turnover outside France during financial year 2013-2014.

(€ millions)	Full year 2013 - 2014	Full year 2012 – 2013	Change %	Change % excl. mobile handset sales and Ensitel
Direct distribution	170.6	196.1	-13.0%	-8.8%
Indirect distribution	114.4	216.6	-47.2%	-22.3%
Total turnover	285.0	412.7	-30.9%	-14.5%

Direct distribution: sharp growth in volumes with the new product ranges

Excluding the negative structure effect associated with the sale of Ensitel in Portugal, the turnover from direct distribution fell by 8.8% 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 in 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 in Spain.

Indirect distribution: ongoing repositioning in the new product ranges

The Group continued to change its product mix through replacing low-profit mobile handsets with products that contribute more to its gross margin and that are more promising such as accessories, connected devices and electronic cigarettes which represented nearly one-third of the gross margin before provisions in indirect distribution.

Sales of multimedia and mobile accessories under licence and own brand represented over three-quarters of the volumes for indirect distribution over the whole of the 2013 – 2014 financial year.

Financial position

Avenir Telecom Group reached an agreement in March 2014 with its financial partners in order to adapt its financing structure to its new challenges.

The successful renegotiation sets new methods for amortising the current loans, with deferred repayment for middle-term loans and a prorogation of short-term loans until January 2016. The company's bank covenants are lifted for a period of 24 months, which allows Avenir Telecom Group to continue its activity in conditions that are better suited to the change in its economic model and to have the financial resources available for its operational projects of repositioning in the buoyant markets for smartphones, accessories and connected devices.

Outlook

In June, the Group will be launching the first Windows phone in Europe under the YEZZ brand, which will contribute to strengthening its mobile telephone portfolio.

The Group will also continue developing its accessories and connected devices, especially thanks to the launching of a range of comfort connected solutions for the home (connected LED bulbs, weather stations, on/off electrical outlets, etc.).

The Group will continue deploying outsourced shelf space and shop management offerings for telecom operators.

The new ranges of mobile phones as well as the accessories and connected devices 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 turnover of €285 million as at 31 March 2014, the Avenir Telecom Group (ISIN: FR0000066052 / Reuters: AVOM.LN / Bloomberg: AVT:FP) is a key player in the design and distribution of accessories and connected devices and is one of the main European distributors of mobile telephony products and services. The Avenir Telecom Group designs and distributes a comprehensive range of accessories, connected devices and electronic cigarettes under licensed and own brands. Avenir Telecom employs nearly 2,000 people, is present in more than 40 countries and generates more than half of its sales outside of France.

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 publication¹**

Event	Date
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.