

## First quarter 2014-2015 revenues

- 13% growth in revenue from new activities
- Good performance in YEZZ mobile handsets and Energizer accessories
- Drop in subscription taking for operators
- Continued restructuring in progress for the Internity store network

*Marseilles, 27 August 2014.* The Avenir Telecom Group, a key designer and distributor of accessories and connected devices, reported revenue of €50.8 million euros for the first quarter of its financial year 2014 – 2015 (period from the 1<sup>st</sup> April 2014 to 30 June 2014).

Revenue from new activities increased 13.2% in the first quarter of 2014 – 2015 and as such has partially offset the marked downturn in the sale of low-profit mobile handsets. These new activities were in particular driven by:

- the good performance in accessories for mobile telephones under the Energizer brand, of which the Group holds an exclusive worldwide licence outside of the USA and Canada;
- the good start in sales of smartphones under US brand YEZZ with which the Group has an exclusive contract for Europe, the Middle East, Africa and Russia;
- the increase in the sales of electronic cigarettes under the own brand L@clope and of its L@rôme refills made in France in particular in direct distribution.

Sales of YEZZ smartphones, accessories, connected devices and electronic cigarettes represented more than 75% of total product sales in the first quarter of 2014 – 2015 compared to nearly 46% in the first quarter of 2013 – 2014. Developing these higher-profit products has made it possible to limit the drop in the Group's gross margin.

(€ millions)	First quarter 2014 – 2015	First quarter 2013 – 2014	Change %
Direct distribution	30.8	41.0	-24.9%
Indirect distribution	20.0	31.3	-36.1%
<b>Total revenue</b>	<b>50.8</b>	<b>72.3</b>	<b>-29.7%</b>

In direct distribution, the Group continued its refocusing and restructuring plan for its store base in France and in Spain. As such, the 24.9% drop in direct distribution revenue in the first quarter of 2014 – 2015 is linked in part to the restructuring of its store base. From a geographic standpoint, business remained favourable in Eastern Europe and is still difficult in France and Spain.

In indirect distribution, the decrease in revenues due to the stoppage of sales of low-margin mobile handsets and the disposal of the subscription activity for operators in the United Kingdom in June 2014 was partially offset by the development of products that contribute

more to its gross margin and that are more promising such as accessories, connected devices and electronic cigarettes.

Avenir Telecom Group is present in more than 40 countries around the world. It generated 57.5% of its revenue outside France during the first quarter of 2014-2015.

### **Financial position**

As at 30 June 2014, Avenir Telecom Group's net financial debt amounted to 23.4 million euros, and its available cash (cash flow – bank overdrafts) was 7.0 million euros (unaudited figures).

### **Outlook**

Avenir Telecom Group will continue deploying alternative phones in Europe and in Africa under the YEZZ brand, developing of its licensed accessories and connected devices in the United States under its own brand Beewi and outsourced shelf space and shop management offerings for telecom operators.

### **About Avenir Telecom**

*With revenue 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. Avenir Telecom Group in particular distributes smartphones with the YEZZ licensed brand, a comprehensive range of accessories under the licensed Energizer brand and designs and distributes connected devices under its own brand Beewi. 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.*

► **Upcoming publications<sup>1</sup>**

Event	Date
First half 2014-2015 revenues	13 November 2014
First half 2014-2015 results	27 November 2014
Third quarter 2014-2015 revenues	05 February 2015
Full-year 2014-2015 revenues	13 May 2015
Full-year 2014-2015 results	18 June 2015

► **Press and investor contacts**

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All our financial information is available at [www.avenir-telecom.com](http://www.avenir-telecom.com)

<sup>1</sup> 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.