

First half 2014–2015 revenues

- Percentage of new activities in products sold: 83%
- 5.7% growth in revenue from new activities
- Continued restructuring of the store base in France and Spain

Marseille, 13 November 2014. The Avenir Telecom Group, a key designer and distributor of accessories and connected devices, reported revenue of EUR 93.1 million for the first half of its financial year 2014–2015 (period from 1 April 2014 to 30 September 2014). This revenue does not take into account direct activity in Portugal and indirect distribution in the UK.

In June this year, the Group sold 11 stores operated on behalf of the operator TMN in Portugal to a partner distributor, bringing an end to its direct distribution business in Portugal, and also sold its indirect operator activity in the United Kingdom on behalf of the operator O2. These disposals are part of the Group's strategy of refocusing its activities on the sale of licensed and own-brand mobile and multimedia accessories and the distribution of alternative smartphones under the YEZZ brand. The consolidated revenue of the Avenir Telecom Group, on a like-for-like basis, stood at 93.1 million euros for the half year compared to 131.4 million euros in the previous year.

Revenue from new activities increased by 5.7% in the first half 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 the US brand YEZZ with which the Group has an exclusive contract for Europe, the Middle East, Africa and Russia;
- the addition of well-known new customers with a strong distribution capability in the countries they are established.

Sales of YEZZ smartphones, accessories, connected devices and electronic cigarettes represented more than 83% of total product sales in the first half of 2014–2015 compared to nearly 53% in the first half of 2013–2014. Developing these higher-profit products has made it possible to limit the drop in the Group's gross margin.

The Group's products are distributed in over 40 countries around the world. The Avenir Telecom Group generated 55,9% of its revenues outside France in the first half of 2014–2015, in steady progress.

(in millions of euros)	First half 2014–2015 ¹	First half 2013–2014 ¹	Var. %
Direct distribution	65,4	81,1	-19,4%
Indirect distribution	27,7	50,3	-44,9%
Total revenue	93,1	131,4	-29,1%

1. outside direct distribution in Portugal and indirect activity in the UK sold out on the period

Direct distribution: Continued refocusing of the store base

Excluding the negative structure effect associated with the sale of the 11 stores in Portugal, revenues from direct distribution decreased by 19.4% on the semester. This activity was impacted by strong pressure on sales in France and Spain associated with the decline in volumes on behalf of telecom operators and the restructuring plan for its store base in both of these countries.

The situation in East European countries in which the Group is present has improved with a 2,8% growth in revenue.

The sale of new products increased by 7,3% over the half year due in particular to the distribution of alternative phones under the YEZZ brand in stores, which were met with great enthusiasm by consumers.

Indirect distribution: Strong growth in revenue (+5,6%) and in volumes with new product ranges

Indirect distribution activity declined by 44.9% excluding the negative structure effect of the disposal of the indirect business in the United Kingdom, which took place in mid June 2014. The Group continued to reduce its sale volumes of low-profit mobile handsets in the first half of 2014–2015 and records the cessation of the subscriptions sold on behalf of operators.

As with the first quarter, the volumes sold of licensed and own-brand mobile and multimedia accessories, as well as of mobile phones under the YEZZ brand show a growth of 11,5%.

Avenir Telecom is pursuing its proactive strategy of distributing alternative mobile phones and accessories with high added value

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 the design, manufacture and distribution of products that meet consumer expectations, and from the upmarket shift of the BeeWi brand into innovative products with high technological content in the world of connected devices, with the recent worldwide launch of the new Smarthome product range.

In the alternative Smartphones market, the Group is benefiting from its exclusive contract to distribute smartphones under US brand YEZZ in Europe, the Middle East, Africa and Russia.

Avenir Telecom shall announce its half-year results on 27 November 2014 after the close of the market.

About Avenir Telecom

With revenues of 285 million euros 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 leading 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.

► **Second quarter revenues (from 1 July to 30 September 2014)**

(in millions of euros)	Second quarter 2014–2015 ¹	Second quarter 2013–2014 ¹	Var. %
Direct distribution	35,0	40,8	-14,3%
Indirect distribution	11,4	25,3	-55,0%
Total revenue	46,4	66,1	-29,8%

1. outside direct distribution in Portugal and indirect activity in the UK sold out on the period

► **Upcoming publications²**

Event	Date
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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² 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. 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.