

## Sales grow by 41.5% in 2006

- 45.4% growth in Q4
- On Demand<sup>(1)</sup> business up by 103.8%

*Paris, January 25, 2007 (code "MDL", ISIN code FR0010060665, SBF 250)* – Customized Design Manufacturer (CDM), ModeLabs Group, posted consolidated sales of €213.5 million in 2006, representing an increase of 41.5% over 2005. On the basis of a constant scope, annual sales increased by 22.9%.

€ millions	Q4 2006*	Q4 2005	% var.	2006*	2005	% var.
Mobiles	42.5	34.4	23.6	152.9	116.5	31.2
Accessories	21.6	9.5	127.0	57.6	31.4	83.6
Services	0.9	0.8	8.9	3.1	3.0	2.4
<b>Total</b>	<b>65.0</b>	<b>44.7</b>	<b>45.4</b>	<b>213.5</b>	<b>150.9</b>	<b>41.5</b>
On Demand products	18.9	9.3	103.8	52.5	28.2	86.2
Custom products	19.1	10.9	75.2	69.9	44.0	58.9
Standard products	27.0	24.5	10.0	91.1	78.7	15.7
<b>Total</b>	<b>65.0</b>	<b>44.7</b>	<b>45.4</b>	<b>213.5</b>	<b>150.9</b>	<b>41.5</b>
Total for constant scope*	65.0	53.5	21.5	213.5	173.7	22.9

\* Including ModeLabs, ModeLabs Group, ModeLabs UK, Phonix, World GSM six months and Innovi Technologies Ltd nine months.

The strong growth in the fourth quarter again resulted in an increase in sales of 45.4%, or 21.5% on the basis of a constant scope, and continued the trend already set in the first half of the year. Consolidated sales in Q4 2006 totalled €65 million.

This performance confirms the favourable trend that has emerged since the beginning of the year on segmented markets. The 103.8% growth in "On Demand" business illustrates ModeLabs Group's strong position on these markets.

The Custom business also progressed (+75.2%).

### **Strong growth in Q4 2006**

#### ***Mobiles: +23.6%***

The Mobile phone business continued to progress thanks to sales of Custom products, in cooperation with leading manufacturers (Motorola, Nokia, Samsung, Sony Ericsson, etc.), and the continued development of "On Demand" products (launch of four new models: MyWAY Slim, Virgin VSlide, MTV 3.0 and Elite EML2).

(1) mobiles, accessories and services developed by ModeLabs Group in order to create exclusive premium products for brands and MVNOs.

**FINANCE**

***Accessories: +127%***

Organic growth (+27.4%) was achieved essentially on the French and UK markets, drawn from the development of sales in technological products, such as Bluetooth headsets, multimedia devices, and provision of development services (+4.7%)

External growth (+99.6%) followed the takeover of Phonix (an accessories wholesaler for the Italian market) and Innovi Technologies Ltd. (a company specialised in the design and manufacturing of Bluetooth solutions, based in Hong Kong).

**The On Demand business speeds up**

The acceleration in the progress of the "On Demand" business was confirmed in Q4 2006 by growth of 103.8%, boosted by the successful launches of "On Demand" mobiles and the strong sales of Bluetooth accessories.

ModeLabs Group supported both brands (Elite, MTV, AIRNESS) and the MVNOs (Virgin Mobile and Auchan Mobile) in their distinctive strategies by launching the "Mobile On Demand™" offering. ModeLabs Group offers an exclusive service by developing premium tailor-made products for each of these partners.

**Analysis of business in 2006**

At the publication of the annual sales figures, Stéphane Bohbot, CEO of ModeLabs Group, stated: *"In a highly competitive market, ModeLabs Group confirmed in 2006 the significance of its economic model. ModeLabs Group's major outperformance, in terms of organic growth, encourages us to pursue our development strategy, which is centred on "On Demand" products with high added-value. Presenting our results on March 22 next will offer us the opportunity to ratify the significance of our model for the shareholders who have had confidence in us since we entered the Stock Exchange"*.

**Next appointment**

March 22, 2007

2006 results

**ABOUT MODELABS GROUP**

ModeLabs Group, the creator of the "Mobile On Demand™" offer, is a customized design manufacturer (CDM) specialized in mobiles phones using new generation technology. The company designs, develops and markets mobile phone handsets, accessories and services in an integrated and flexible manner for mobile phone operators, retailers and mass market brands.

Thanks to the combination of its marketing expertise, its cutting-edge technological know-how and its flexible "fables" organisation, ModeLabs Group is meeting the growing demand for Telecom market segmentation by giving mass market brands, operators/MVNO or distributors the opportunity to create their own range of mobile phones, accessories and services.

ModeLabs Group is listed on the Euronext Eurolist – Paris (code "MDL", ISIN code: FR0010060665, SFB 250).

**[www.modelabs.com](http://www.modelabs.com)**

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**Glossary:**

**On-Demand:**

Tailor-made handsets, accessories and services developed by ModeLabs Group in order to create exclusive premium products for brands and MVNOs.

**Custom:**

OEM mobiles and accessories that are packaged, marketed, promoted and/or sold by ModeLabs Group.

**Standard:**

OEM mobiles and accessories sold by ModeLabs Group through its distribution network.