



Deconsolidation of Mobile phone distribution

The Bigben Interactive announces the removal of Mobile phone distribution from the scope of Continued operations retroactive as of 01 October 2012 through a spin-off transaction. With this transaction the Group aims at focussing on its high-value key businesses i.e. Design & Publishing of multimedia accessories (gaming, audio, telecoms) and the distribution of video games.

The Group will release interim accounts reclassifying Mobile phone distribution as a Discontinued operation during the presentation of its 2012/2013 interim results on 19 November 2012.

Mobile phone distribution : a non-strategic activity for the new Bigben Interactive Group

On its integration in the Bigben Interactive Group in August 2011, Mobile phone distribution was a complementary but non-strategic activity for the new Group positioned as pan-European leader of multimedia accessories (gaming and telecoms).

Thanks to market opportunities over the last year, Mobile phone distribution progressively moved towards trading generating very high sales volumes while offering little added value and visibility contrary to Bigben Interactive key businesses.

The extraordinary sales growth of Mobile phone distribution which reaches 364 €m for the 2012/2013 first half against 92 €m pro-forma in 2011/2012 first half actually disturbed the outlook of Group strategic sales and moreover generated very high working capital requirements to cover inventories.

The Bigben Interactive Group then considered necessary initiating a spin-off process of this operation followed by a partial divesture in favour of its management.

Details of considered transaction

The transaction initiated by Bigben Interactive comprises various phases:

- Spin-off of Mobile phone distribution through a partial asset contribution valued at 30 €m (36% premium when compared to the appraisal value) in favour of an ad-hoc structure (NewCo) fully owned (100%) by ModeLabs SA;



- Transfer of a 5% share to the management by 15 January 2013 at the latest for a 1.5 €m amount;
- Option given to the management for a further 46% of capital for 13.8 €m, over a 36 month period as from the implementation of the partial asset contribution;
- Reciprocal (call and put) options over a subsequent 6 month period for the same values;

The agreement for the partial asset contribution is available on Modelabs SA and Modelas Mobiles websites at the following addresses: www.modelabs-sa.com and www.modelabs-mobiles.com.

This transaction incurs the following:

- Removal of Mobile phone distribution from the consolidation scope of Continued operations for the Bigben Interactive Group as from 01 April 2012, in view of the given options allowing Bigben Interactive to put up Mobile Distribution for sale during 2012/2013 financial year.
- Reciprocal non-aggression commitments :
 - o Mobile phone management to refrain from setting up activities already carried out by Bigben Interactive,
 - o Bigben Interactive to refrain from competing and setting up a new mobile phone distribution business,
- Independence of parties through the resignation by Mobile phone Distribution management from all positions and directorships within Modelabs Group and ModeLabs SA at the sale date of the 5% of the share capital at the latest.
- Distribution of dividends unanimously approved until the exercise of the aforementioned options.

A key transaction for the future of the Group

This transaction impacts both the outlook of strategic activities and the optimisation of the balance sheet structure.

A better understanding of Group strategic activities

After reclassifying Mobile phone distribution as a Discontinued operation, Bigben Interactive consolidated sales in the first half of FY 2012/2013 now amount to 66.1 €m representing a 12.2 % growth when compared to pro-forma sales in the first half of FY 2011/2012.

This achievement is supported by the 13.9% growth of sales in Design businesses including Accessories for mobile phones further growing by 14.6% and Audio products soaring by 45%.



IFRS - €m Sales	2012/13 New Scope (1)	2011/2012 New scope (2)	Change	2011/2012 Pro-forma (3)	Change
1 st Quarter (01 April - 30 June)	31,5	11,8	168,1%	26,6	18,3%
2 nd Quarter (01 July – 30 September)	34,6	20,9	65,6%	32,3	7,1 %
1 st Half (01 April - 30 September)	66,1	32,6	102,5%	58,9	12,2%

- (1) Consolidated sales of Bigben Interactive Group excluding Mobile phone distribution reclassified as Discontinued operation as from 01 April 2012
- (2) Consolidated sales of Bigben Interactive Group including Design activities of ModeLabs as from 01 September 2011
- (3) Consolidated sales of Bigben Interactive Group excluding Mobile distribution and including Design activities of Modelabs as pro-forma figures as from 01 April 2011

Breakdown of turnover by territories, including domestic sales and export sales from these territories (like for like)

Quarterly in €m	Germany	Benelux	France	Hong Kong	Total
2 nd quarter 2011/12 Pro forma (2)	1.1	3.1	27.2	0.9	32.3
2 nd quarter 2012/13 (1)	2.3	3.3	28.0	1.0	34.6

- (1) Consolidated sales of Bigben Interactive Group excluding Mobile phone distribution reclassified as Discontinued operation as from 01 April 2012
- (2) Consolidated sales of Bigben Interactive Group excluding Mobile distribution and including Design activities of Modelabs as pro-forma figures as from 01 April 2011

Cumulative in €m	Germany	Benelux	France	Hong Kong	Total
1 st half 2011/12 pro forma (2)	2.4	5.0	48.9	2.7	58.9
1 st half 2012/13 (1)	5.1	5.2	54.0	1.8	66.1

- (1) Consolidated sales of Bigben Interactive Group excluding Mobile phone distribution reclassified as Discontinued operation as from 01 April 2012
- (2) Consolidated sales of Bigben Interactive Group excluding Mobile distribution and including Design activities of Modelabs as pro-forma figures as from 01 April 2011

The deconsolidation of Mobile phone distribution only impacts sales made by French entities and these now amount to 54.0 €m in first half of FY 2012/2013 against 48.9 €m in the same period of previous financial year. Pro-forma sales show a 10.6% growth pulled by resilient Design & Publishing operations and video game Distribution.

Outside France, sales grow by 20.0% in first half of FY 2012/2013 due in particular to the first contributions of mobile accessories sales, a priority line of development abroad after the takeover of ModeLabs.



The emphasis on Design & Publishing operations traditionally showing higher margins

In €m	1 st half 2012/13 New scope (1)	Relative share	1 st half 2011/12 Pro-forma (2)	Relative share	Change
Accessories (consoles+mobiles)	53.8	81.4%	47.5	80.6%	+13.2%
Audio	5.5	8.3%	4.0	6.7%	+38.9%
Publishing (retail+digital)	0.9	1.4%	1.4	2.3%	-34.8%
Design & Publishing	60.2	91.1%	52.9	89.7%	+13.9%
Exclusive Distribution (gaming)	4.0	6.0%	3.9	6.5%	+3.1%
Non exclusive (gaming)	1.9	2.9%	2.2	3.8%	-13.4%
Distribution	5.9	8.9%	6.1	10.3%	-2.9%
Total	66.1	100.0%	58.9	100.0%	+12.2%

1) Consolidated sales of Bigben Interactive Group excluding Mobile phone distribution reclassified as Discontinued operation as from 01 April 2012

2) Consolidated sales of Bigben Interactive Group excluding Mobile phone distribution and including Design activities of Modelabs as pro-forma figures as from 01 April 2011

The change in the scope of consolidation highlights the importance of Design & Publishing high value businesses with sales amounting to 60.2 €m in the first half of FY 2012/2013 and representing 91.1 % of Bigben Interactive consolidated sales against 14.0% before the spin-off of Mobile phone distribution.

This new presentation of sales breakdown thus fully reflects the business model of Bigben Interactive sales focussing on the Design & Publishing of multimedia accessories.

As a matter of record, the presentation of sales in the first half of FY 2012/2013 before the spin-off of Mobile phone distribution was as follows:

IFRS - €mSales	2012/13 Reported	2011/12 Reported (1)	Change	2011/12 Like for like (2)	Change
1 st Quarter	205.7	11.8	+1 650 %	70.6	+ 191%
2 nd Quarter	223.8	47.5	+ 371 %	78.2	+ 186%
Half year sales	429.6	59.2	+ 625 %	148.8	+ 189%

(1) The 2011/12 reported scope of consolidation includes figures of ModeLabs Group as from 01 September 2011.

(2) The 2011/12 like for like scope of consolidation includes figures of ModeLabs Group as from 01 April 2011.

An optimised balance sheet structure

The spin-off of Mobile phone distribution will enable a strong reduction of Group net financial debt which reached 73.8 €m as at 31 March 2012 i.e. 77% of shareholders' equity.



This debt level was affected by working capital requirements for inventories which reached a net value of 38.4 €m as at 31 March 2012 against 11.9 €m on the takeover of ModeLabs on 01 September 2011.

The balance structure of the Bigben Interactive Group as at 31 March 2012 excluding Mobile phone distribution shows net financial debt reduced to 35.4 €m i.e. 37 % of shareholders' equity (before computing the proceeds of the transaction).

Outlook: an annual sales target of 160 €m for full FY 2012/2013

As announced on 22 October 2012 on the release of sales figures for the first half of FY 2012/2013, the Bigben Interactive Group in its new scope of consolidation has an annual sales target of 160 €m for FY 2012/2013 i.e. a 14% growth when compared to pro-forma sales of 140 €m for the same period of previous FY 2011/2012.

Alain Falc, chairman & CEO of Bigben Interactive, declared: *"The gradual spin-off of Mobile phone distribution is an important stage in clarifying our business model giving priority to profitability. It represents a real opportunity for all shareholders with a clearer stock market profile on the one hand and a valuation of the spun-off business 36 % higher than the appraisal value on the other hand. This implies a cumulative income in excess of 15 €m by 2016 for the disposal of half of this structure, without taking into account possible dividend payouts which might be decided in the medium term"*

Next press release: Interim result for first Half of FY 2012/2013

: 19 November 2012 (after close of business)

About Bigben

*Market leader for both video gaming accessories and mobile phone accessories, the **BIGBEN INTERACTIVE** Group now implements a strategy of complementary know-how and product offers in order to meet the evolution of the multimedia world. Its ambition is to become a leader in converging multimedia accessories and a key player on the European multimedia market, relying on its size, its development capabilities and its commercial network.*

BIGBEN INTERACTIVE

Eurolist of Euronext Paris, C market segment – Indexes : CAC Small, ITCAC

ISIN : FR0000074072 ; Reuters : BIG.PA ; Bloomberg : BIG FP



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