



+6% gross profit growth in 2016

Voice Control with Amazon and SoundBox at Mobile World Congress

Paris-La Défense, February 24th, 2017

Consolidated gross profit, activity and outlook

In € million - consolidated	12 months 2016	12 months 2015	Change
Gross profit (unaudited)	27.4	25.8	+6%

For the year ended December 31, 2016, Netgem announces a consolidated gross profit (unaudited) of € 27.4 million, up 6% compared to 2015, confirming the positive trend of the first half of 2016 as announced previously. On a full year basis, Netgem expects a significant growth of its net results compared to 2015.

Gross profit for the last two months of the year of the Vitis Fiber-to-the-Home and content business is not consolidated in the reported figures. For illustrative purposes only, should the Vitis hive-down transaction have taken place before 2016, the Group estimates that its full year gross profit (B2B only) would have reached € 26.4 millions in 2016¹.

From now on, to better reflect the transition toward software and services, Netgem will communicate simultaneously on consolidated revenue and gross profit on a quarterly basis and has adjusted its financial communication calendar accordingly. Even though most of the new business is now software and services oriented, this transition is a multi-year process for the existing business, and variations of revenue and gross profit on a quarterly basis are still to be expected.

¹ Because of its nature, such pro forma financial information addresses a hypothetical situation and, therefore, does not represent the company's actual financial position or results.

Significant events and transactions

At Mobile World Congress starting in Barcelona on the 27th of February, Netgem will present two new innovations in its smart home roadmap:

- 1) **Voice Control with Amazon:** Netgem has been actively working with Amazon to integrate the Alexa® service in its platform, as a new way of enhancing the user experience by allowing consumers to simply control their entertainment with Amazon Echo® devices or directly with their Smartphones;
- 2) **SoundBox:** Netgem will present the first connected speakers to embed set-top-box technology, called **SoundBox**. By combining 2 devices into one, Netgem intends to simplify the consumer digital life and offer Service Providers new revenue opportunities. Service Providers will be able to source **SoundBox** from Netgem, or from consumer electronics partners under license.

These two innovations will contribute to Netgem strategy to extend the reach and value of its software platform at the heart of the Connected Home.

To support **SoundBox**, the Netgem Home Platform has been enhanced to offer multi-room, multi-source music services, through a software license agreement resulting from a strategic investment in a French Tech startup called Voxtok, which has been developing this technology over the last 3 years.

Speaking about the Voxtok investment, Christophe Aulnette said : *“The French Tech ecosystem is very dynamic in the Internet of Things space. Such targeted investments give us a sensible way to reinforce our product portfolio, while supporting the growth of these companies”*.

Joel Reboul, CEO of Voxtok added *“this investment from Netgem will give us an efficient access to the Telecom market, which has a very long and demanding sales cycle for startups”*.

The Group is continuing its share buyback program and now owns about 7.6% of its capital.

Calendar of Financial Communication

- Results 2016:	April 6, 2017, before market opening
- Revenue and gross profit Q1'2017:	May 3, 2017, before market opening
- Annual shareholders' meeting:	June 1st, 2017
- Revenue and results for H1 2017:	July 28, 2017, before market opening
- Revenue and gross profit Q3'2017:	October 13, 2017, before market opening

About Netgem

We offer a software platform to connect objects to improve the daily life of consumers and families.

Service Providers around the world use our Connected Solutions to deliver innovative digital services to their Customers.

Our #TelcoTV solution offers an intuitive multi-screen navigation to the content consumers love. It is used by more than 5 million active users, customers of more than 20 service providers in Europe, Asia and South America as part of *multi-play* service bundles.

Netgem is listed on NYSE Euronext Paris Compartment C (ISIN: FR0004154060, Reuters: [ETGM.PA](#), Bloomberg: NTG FP)

About Voxtok

Voxtok provides the best music experience to Audio and TV Markets. Voxtok designs from high-end to mass-market modern audio solutions based on its audio entertainment suite, Voxtok Music. It is available for operators and manufacturers, bringing a real audio ecosystem, which combines Content & Services, Products and technologies. Voxtok has been labelled as an innovative audio company in a tribute to french masters of High-Definition audio. See (in french) « Hommage aux Maîtres Français du son haute définition, De Georges CABASSE à Jean-Michel JARRE ». Voxtok has been named a 2015 CES Innovation Award Honoree for High Performance Home Audio/Video. Voxtok operates from France (R&D) and Asia (Taiwan).