

Fourth Quarter 2011 Revenue

Neuilly-sur-Seine, January 20, 2012 – Netgem, provider of technologies and solutions for the connected home, today announced its revenue for the fourth quarter of 2011.

Revenue and activity

For the quarter ended December 31, 2011, Netgem reported €25.2 million in consolidated revenue, bringing consolidated revenue for the full year 2011 to €84.6 million, with 55% coming from international customers.

Full year 2011 revenue in France amounted to €38.3 million, representing a 60% decrease on the previous year, being, as previously explained, the consequence of the evolution of the relationship with SFR.

Full year 2011 international revenue totalled €46.2 million, representing a 20% increase on the previous year and confirming Netgem's international development.

In €M, IFRS basis	Q4 2011	Q4 2010	Change	Year 2011	Year 2010	Change
Revenue	25.2	27.7	-10%	84.6	134.9	-37%
- France	9.3	21.4	-58%	38.3	95.9	-60%
- International	15.9	6.3	+155%	46.2	39.0	+20%

Outlook, financial situation and results

In early November, Netgem announced that the operator Netia had chosen Netgem's solution to launch its IPTV offering in Poland. To date, Netgem enjoys a total 15 active customers, of which six launched in 2011 that should ramp up in 2012. Netgem intends to pursue its development and the diversification of its customer base.

To this end, Netgem attended the 2012 Consumer Electronics Show in Las Vegas in early January where it demonstrated to existing customers and prospects its nCloud platform for the connected home. nCloud is a complete solution that allows the distribution of multimedia content across multiple screens within the home (TV, tablets, smartphones, etc.) and the use of social networks for interacting and sharing recommendations.

Netgem estimates the shortage of hard disk drives following the floods in Thailand to have had a negative impact of around €3 million on its 2011 revenue. It expects a similar impact on its revenue for the beginning of 2012.

Netgem continues to develop as a profitable business, consolidating its investment capacity



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Netgem bought back 534,000 of its own shares since the end of November 2011, in accordance with its share buy-back program, at an average price of € 2.18 per share.

Operations and significant events

Netgem's consolidation perimeter did not change during the quarter.

Financial calendar (subject to possible changes):

- SFAF meeting (2011 full year results presentation): March 29, 2012
- Q1 2012 Revenue: Week of April 16, 2012
- General Shareholders Meeting: June 7, 2012

About Netgem: Netgem is a leader in technology solutions for digital convergence. Netgem provides its technology and solutions to telecom operators enabling them to add value and services to their broadband offerings in a challenging multimedia and multi-screens environment. Based upon Netgem's hardware and software technologies, operators are able to develop innovative convergent services and a unique broadcast TV experience, enriched by the power of Internet. Netgem is present in more than ten countries around the world with an install base of more than 3 million. Netgem is listed on Compartment C of Euronext Paris Eurolist.

Website : www.netgem.com Twitter <http://www.twitter.com/netgem/>

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