

Enabling the Future of TV

January 2014



Enter Netgem's Connected Home



- Netgem is a provider of innovative video entertainment solutions for the connected home market.*

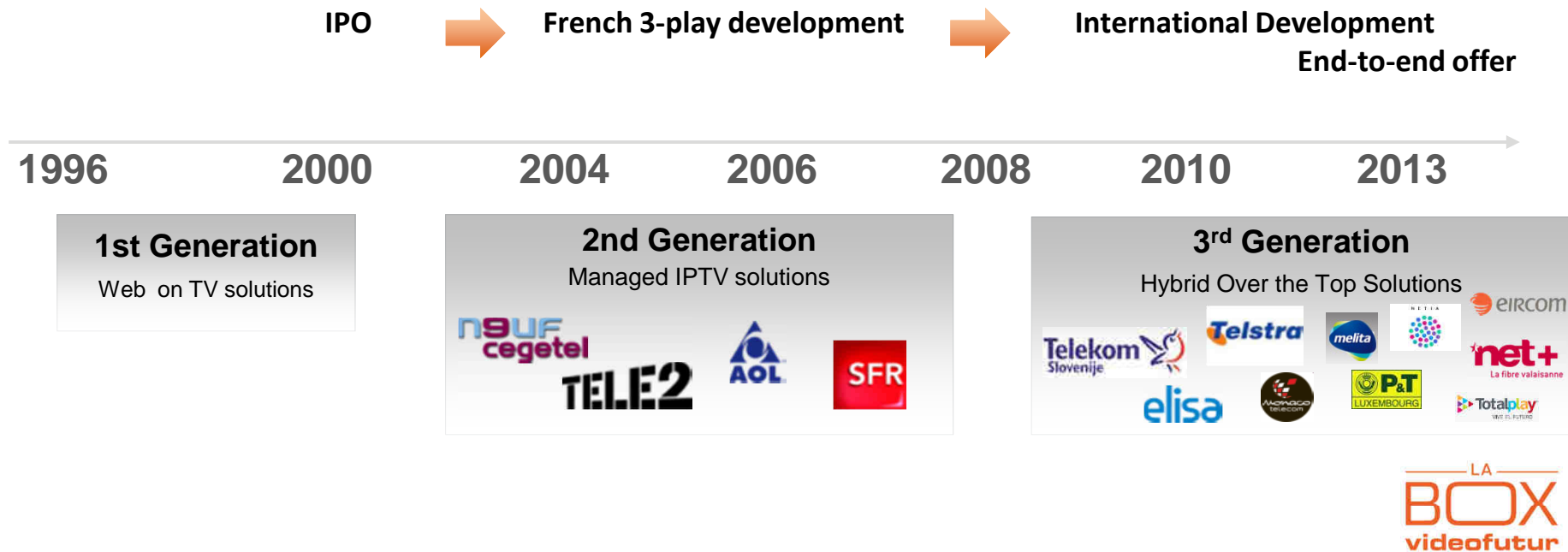
Netgem supports internet television services in 15 countries in Europe, Asia Pacific and South America for more than 4 million households through its local multi-service operator partners.

Key facts 2013

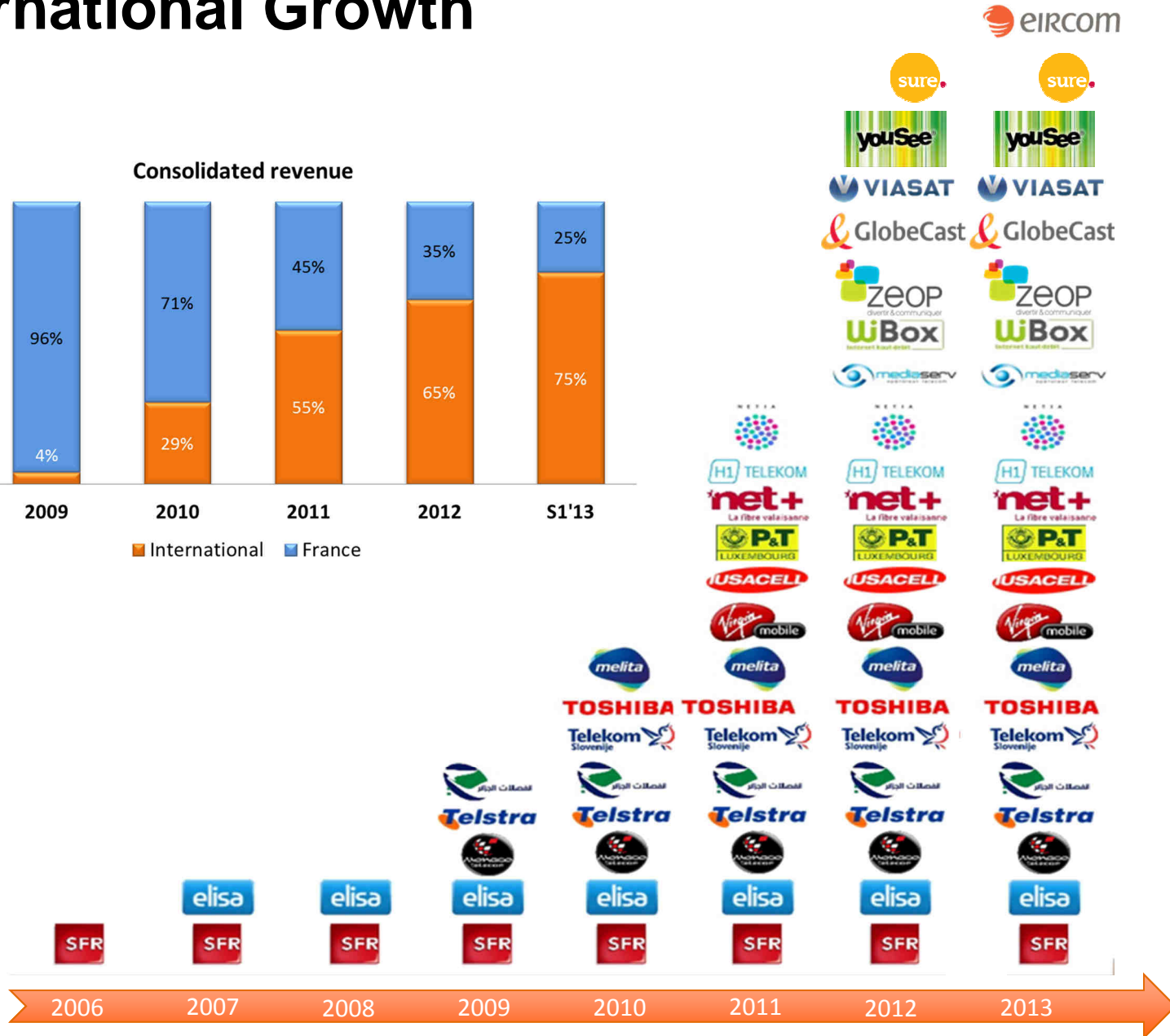
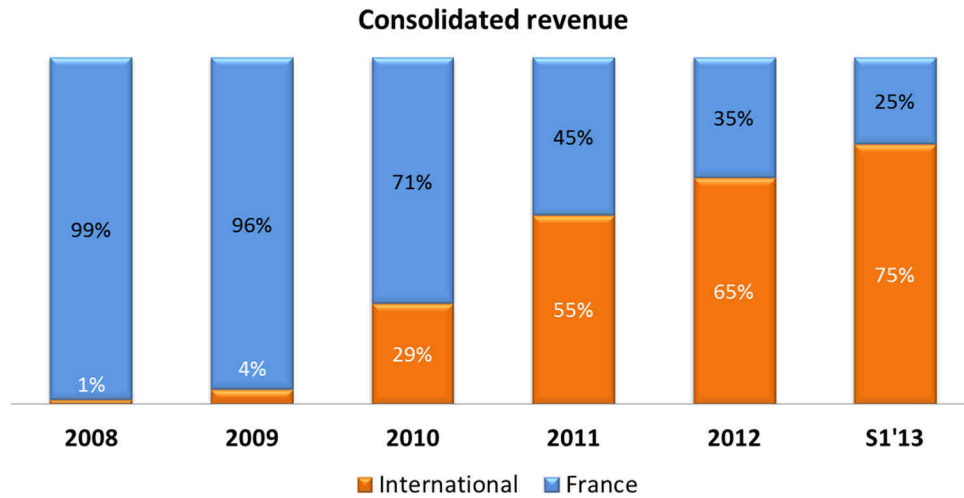
- 17 years of IPTV expertise
- #4 million IP STB in 15 countries
- Recent merger with Videofutur
 - Targeted to return to growth in France
 - Integrate multi-screen Cloud TV platform / innovation showcase
 - Launch of La Box Videofutur
- Listed on NYSE Euronext Paris
- 200 employees worldwide
- Attractive and steady dividend policy, financial strength



Netgem's history milestones



International Growth



SEEMS SO OLD !



The video entertainment industry is a **2.2 trillion\$** industry.

The Internet is just beginning to impact it.

THE WORLD OF MEDIA CONSUMPTION IS CHANGING



Ubiquitous broadband

- Larger bandwidth
- Larger quotas / unlimited access
- Mobile broadband



Availability of a Universe of Content

- Content drives usage
- Fast growing OTT offerings
- Fast growing non linear usage
- Live TV is still dominant (3h~4h/d/p)



Multiscreen

- New habits: people play content on their connected devices, anywhere and anytime.
 - Expect same services for the “big screen”

(*) 10.9 screens per household in the USA, 9.7 in the UK, 8 in France

CONSUMER EXPECTATIONS AHEAD OF THE MARKET !



Expectations from future TV



ACATAWAD NOW !: Any Content, Any Time, Any Where, Any Device

Consumers ahead of :

- Infrastructure
- Regulation
- Technology
- Services



Consolidated Financials 2012

IFRS data, in M€	2012	2011	Var.
Revenue	81.2	84.7	-4%
International revenue	53.1	46.4	14%
France revenue	28.1	38.3	-27%
<i>International revenue in % of revenue</i>	<i>65%</i>	<i>55%</i>	
Gross margin	30.2	32.4	-7%
<i>in % of revenue</i>	<i>37.2%</i>	<i>38.2%</i>	
Operating expenses	17.9	19.8	-9%
Sales & Marketing	10.3	11.3	-9%
Research & Development	4.2	4.4	-3%
General & Administrative	3.4	4.1	-17%
Current Operating Profit	12.3	12.6	-3%
<i>in % of revenue</i>	<i>15.2%</i>	<i>14.9%</i>	

Consolidated Financials 2012

IFRS data, in M€	2012	2011	Var.
Current Operating Profit	12.3	12.6	-3%
Other operating profit (expenses)	- 0.8	1.5	-155%
Operating Profit	11.5	14.1	-19%
<i>in % of revenue</i>	<i>14.1%</i>	<i>16.7%</i>	
Financial result	0.6	- 0.0	-1684%
Income tax	- 2.8	- 3.4	-19%
Net profit, group share	9.3	10.7	-13%
<i>in % of revenue</i>	<i>11.5%</i>	<i>12.6%</i>	

Consolidated Financials 2012

IFRS data, in M€	2012	2011
Cash flow (A)	13.4	11.3
Cash flow before tax and WCR	13.7	17.3
Income tax paid	0.4	- 8.7
decrease (increase) in WCR	- 0.7	2.7
Cash flow linked to investments (B)	- 1.3	- 0.0
Operating cash flow (A+B)	12.1	11.2
Cash flow linked to financing operations	- 6.9	- 4.5
Net change to cash position	5.2	7.2

Consolidated Financials 2012

IFRS data, in M€	2012	2011
Assets	78.1	72.7
Non current assets	2.5	2.0
Cash & cash equivalents	55.2	50.0
Other current assets	20.4	20.7
Liabilities	78.1	72.7
Equity	56.2	54.0
Non current liabilities	0.2	0.3
Current liabilities	21.6	18.4

Consolidated financials 2013

IFRS data, in M€	S1'13 conso.	S1'12 conso.	Var.
Revenue	33.8	38.2	-12%
International revenue	23.4	22.3	5%
France revenue	10.4	15.9	-34%
<i>in % of revenue</i>	69%	58%	
Current Operating Profit	4.1	5.0	-18%
<i>in % of revenue</i>	12%	13%	
Operating Profit	4.1	5.0	-18%
Financial result	0.2	0.2	-196%
Associate result	-	-	na
Income tax	- 0.6	1.2	-54%
Net profit, group share	3.8	3.5	7%
<i>in % of revenue</i>	11%	9%	

IFRS in M€ - consolidated	Q3'13	Q3'12	Variation	9-month 2013	9-month 2012	Variation
Revenue	24.1	20.1	4.1 20%	57.9	58.2	- 0.4 -1%
- France	3.9	6.8	-3.0 -44%	14.2	22.6	- 8.4 -37%
- International	20.3	13.2	7.1 53%	43.6	35.6	8.0 22%



Strategy & Perspectives

- Our market : Connected TV / Pay TV
- Our route to market : help MSO value and extend their customer base with our competitive and innovative end-to-end TV solutions
- Our focus : innovation, operational quality and scalability
 - R&D and HW purchase are mutualized between clients
- 2 lines of products
 - Multi-screens premium TV offer : TotalTV
 - Value MSO's investment in high speed networks (VDSL, 4G, fibre), Next generation STB
 - Low cost end-to-end connected TV offer : DuoTV (2nd screen)
- Targets :
 - 2011-2014 target maintained : X2 international revenue
 - Development of French market
 - Back to topline growth at consolidated level



Update business

- Update Business :
 - Successful launch of the new T-Box in Australia
 - Target of 1M subs by 2016
 - Development of our clients' subscribers base in Europe and Latin America
 - IBC Fair in 09/13, CES Las Vegas in 01/14
 - DuoTV launched in France through Videofutur's network and partners MSO (Virgin Mobile, Ozone, Cityplay) at fall 2013
 - 10€ per month for an enriched connected TV and SVOD offering
 - Whatever the access provider (OTT) and internet speed
 - TVaaS mode : improve recurring business
 - Merge with Videofutur on 01/08/2013
- Netgem has been awarded with **bpi**france “entreprise innovante” label for FCPI investment

Current shareholding structure

Shareholding structure - net voting rights	Shares	%	Voting Rights	%
J2H, Joseph Haddad and family	11 762 161	28.5%	14 667 924	30.3%
Fast Forward, Olivier Guillaumin and family	4 200 000	10.2%	8 400 000	17.4%
Other board members	167 277	0.4%	262 277	0.5%
Net IPTV Management and employees	1 427 204	3.5%	2 028 364	4.2%
Treasury shares	1 179 799	2.9%	-	0.0%
Mousse Partners Funds (estimate)	2 899 006	7.0%	2 899 006	6.0%
Eximium (estimate)	4 629 245	11.2%	4 629 245	9.6%
Free float	14 947 530	36.3%	15 526 404	32.1%
Total	41 212 222	100.0%	48 413 220	100.0%

- Consolidation of shareholding structure with strategic investors
 - Mousse entered Netgem and Videofutur capital in 2008
 - Eximium joined Netgem's board of directors in 2013