

Third Quarter 2011 Revenue

Neuilly-sur-Seine, October 13, 2011 – Netgem, a leader in connected home technologies and solutions, today announced revenue for the third quarter of 2011.

Revenue and activity

For the quarter ending September 30th, 2011, Netgem announces consolidated revenue of € 16.2 million, taking nine-month consolidated revenue to € 59.4 million, of which circa 51% from international sales.

In France, nine-month revenue amounted to € 29.0 million, down 61% year-on-year. As previously indicated, this decrease is partly due to the evolution of relationship with SFR which contract has been renewed for 3 years, evolving it towards a more software and service oriented business model, with a higher margin rate.

International revenue reached € 30.4 million over the first nine months of this year, a 7% decrease compared to 2010, partly explained by the postponing of some deliveries to the fourth quarter.

In €M IFRS datas	Q3 2011	Q3 2010	Change	9-month 2011	9-month 2010	Change
Revenue	16.2	32.,9	-51%	59.4	107.1	-45%
- France	5.2	12.6	-58%	29.0	74.6	-61%
- International	10.9	20.3	-46%	30.4	32.5	-7%

In accordance with its international growth strategy, Netgem showcased its latest innovations, including the nCloud software platform, last September at IBC 2011, the world's leading broadcast show.

Furthermore, Netgem today announces the launch of a new IPTV offering for P&T Luxembourg, the leading telecommunication operator in Luxembourg¹.

Strategy and Outlook

Revenue for the second half of 2011 will be close to first half revenue. Over the full year, and for the first time, international sales will represent more than half of consolidated revenue.

Financial situation and results

The Group continues to develop profitably, contributing to the growth of its net cash position.

Operations and key events

The Group's consolidated perimeter has not changed during the quarter.

¹ This contract was previously mentioned in press releases issued on 04/11/2011 and 07/12/2011.



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Financial Calendar (subject to possible changes)

- Q4 2011 Revenue: Week of January 16th, 2012
- FY 2011 Results: Week of March 19th 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.

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ISIN : **FR0004154060**, Reuters : **ETGM.PA**, Bloomberg : **NTG FP**

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