

Growth of 11% for Q4 2009

ARCHOS recorded revenues of 16.2 M€ for the last quarter of 2009, compared to 14.6 M€ for the same period in 2008, an 11 % increase. The revenues for the year 2009 amount to 58 M€, compared to 73.9 M€ for 2008, a 22 % decrease. The last quarter is the first one that benefits from the impact of the new strategy of the Group, an encouraging sign..

In M€ unaudited	Q4 2009	Q4 2008	Var° in M€	Var° %
Europe	11.4	9.7	1.7	17%
United States	4.2	3.9	0.2	6%
Asia	0.6	1.0	-0.3	-34%
TOTAL	16.2	14.6	1.6	11%

Over the fourth quarter, all regions except Asia showed growth. Europe progressed by 17% with a clear return to growth in France and Germany. The US area advanced by 6 % even though RadioShack and Best Buy suffered from product shortages consequent to the ARCHOS production financing difficulties.

On the whole, due to the closing of the capital increase at the end of the quarter (December 18th 2009), the Group was not yet able to fully benefit in terms of sales from the positive reception to the new range products. The shortages in inventory made it impossible to book all the sales and to deliver all the backlog for the end of year period. The month of January 2010 was also impacted by product shortages as the production ramp up only began at the end of December.

Main events of the last quarter 2009

On December the 18th 2009 ARCHOS finalized the capital increase launched on November the 26th 2009. This operation raised a gross amount of € 19.4 million which will give the Group the necessary means to conduct its strategic plan. Since the end of December all efforts are concentrated on boosting production, the deployment of the new range in the network and the establishment of a lean organization.

The ARCHOS 5 Internet Tablet launched in the fourth quarter was very well received by the public and constitutes a real alternative to the iPod Touch, with a screen size of 5 inches against 3.5 for the Ipod Touch combined with the free and open environment of Android.

ARCHOS has now been working for over a year on the Android environment and has developed a platform the "Appslib Store" giving direct access to Android applications suitable for high resolution screens. This platform is already offering close to 1.000 applications and the company will continue to seek the best developers in the Android world to enrich its offer.



The ARCHOS 9 Tablet PC was launched in late October 2009. The tablet runs on Windows 7 and this product with exceptional design is fully consistent with a new growing sector. It was presented at the Consumer Electronic Show (CES) by Steve Ballmer, CEO of Microsoft. With its extended functionalities, it is a real alternative to Apple's Ipad : a real PC with Windows® 7, multitask support, videos in full HD (1080p resolution) and a 60GB hard drive for an uncompromised mobility experience.

Financial Agenda

Archos will release its 2009 results the last week of March 2010

About ARCHOS

ARCHOS introduced the hard-drive-based MP3 player with the Jukebox 6000 in 2000, and since that time has revolutionized consumer electronics devices. The company introduced the portable video player in 2003 and was the first to bring TV recording, wireless and touch screens to the portable media player. In 2008, ARCHOS introduced the first Internet Media Tablets, offering consumers uncompromised access to the Internet, movies, photos, video, music and television anytime, anywhere. Now, ARCHOS introduce Internet Tablet, PC Tablets, Netbooks and MP3/MP4 Player. Established in 1988, ARCHOS has offices in the United States, Europe and Asia, and is quoted on Compartment C of Euronext Paris, ISIN Code FR0000182479. More information is available online at www.archos.com.

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