

Paris, 12 May 2016

SOLID FIRST QUARTER 2016

SOFTWARE REVENUES: +25%

GROSS MARGIN: +17%

(Unaudited) In € millions	Q1 2015	Q1 2016	Change
Licences	2.1	2.5	+22%
Maintenance - Support	2.9	3.7	+28%
Total Software Revenues	5.0	6.3	+25%
Services	1.9	1.8	-3%
Hardware	2.8	2.0	-28%
Total revenues for the quarter	9.6	10.1	+5%
Total Gross Margin for the quarter	7.2	8.4	+17%

DALET, a leading provider of software solutions for the creation, management and distribution of multimedia content for broadcasters, operators and content producers, performed well in the first quarter of 2016, with total software revenues up 25% at €6.3 million.

Dalet's software solutions continue to score strong wins with leading broadcasters and content producers, as they perfectly address their needs in terms of gains in productivity and multi-channel distribution. The installed base thus grows from quarter to quarter, feeding recurring support revenues which were up 28% for the quarter at €3.7 million.

Service revenues were stable compared to last year's first quarter. Hardware resale (storage, servers....), which is a low margin, non strategic business for Dalet, diminished by an amount of €0.8 million, as Q1-2015 included a one-off exceptionally large contract signed with an operator which entrusted its entire infrastructure to Dalet.

All told, Dalet posted consolidated revenues (unaudited) for the quarter up 5% at €10.1 million.

Broken down by geographic region, the Group reaped the rewards of its commercial investment in Asia Pacific with revenues that more than doubled (+106%) at €1.5 million. Revenues for Europe, which represented 44% of total revenues over the quarter, were virtually stable at €4.4 million, in spite of the unfavorable base effect linked to the low-margin hardware sales in Q1-2015. Africa and the Middle East accounted for €0.3 million revenues over the quarter, compared to €0.4 million for the same period last year. Finally revenues for the Americas, the Group's second largest contributor, accounted for €3.8 million, up +4%.

The gross margin rate (defined as sales minus cost of goods and third-party services resold) amounted to 84% of revenues over the first quarter of 2016 as against 75% for the same period in 2015. In value terms, Dalet's gross margin increased 17% to €8.4 million, a higher level of growth than revenues as expected.



Outlook: good visibility on continued growth and confirmation of target for current operating margin

In terms of sales, Dalet continues expanding its indirect channel and increasing its visibility by attending regularly tradeshows and main events in the industry. Dalet exhibited recently at the NAB show in Las Vegas from April 18 to 21st. The latest release of Dalet's video transcoding solution, AmberFin, won at the show an award for its quality and breadth of functionality, in particular its capabilities in terms of workflows supporting 4K and other ultra high definition formats, which are being increasingly adopted by the industry.

In parallel, the company continues to strengthen its sales reach internationally, notably in the promising Asia-Pacific region.

In this perspective and backed by a high order book standing at €31 million expected to be invoiced in 2016, Dalet confirms its confidence for continued growth in 2016, and confirms its target for a current operating margin of 4 to 5% by 2017.

Next publication

Q2 revenues on 21 July 2016 after the close of trading

About Dalet Digital Media Systems

Dalet solutions enable broadcasters and media professionals to create, manage and distribute content to both traditional and new media channels, including interactive TV, the Web and mobile networks. Dalet combines into a single system a robust and proven Asset Management platform with advanced metadata capabilities; a configurable workflow engine, and a comprehensive set of purpose-built creative and production tools. This integrated and open environment enables end-to-end management of the entire News and Sport and Program content chain, and allows users to significantly improve efficiency, and to maximize the use and value of their assets. Dalet's solutions are delivered through a dedicated Professional and Integration Services Department to ensure the highest possible standards.

Dalet systems are used around the world by many thousands of individual users at hundreds of TV and Radio content producers, including public broadcasters (ABS-CBN, BBC, CBC, DR, France TV, RAI, RFI, Russia Today, RT Malaysia, VOA, WDR), commercial networks and operators (Canal+, FOX, eTV, Mediaset, NBC Universal, Time Warner Cable, Warner Bros., Sirius XM Radio) and government organizations (UK Parliament, NATO, United Nations, Veterans Affairs, NASA).

Dalet is traded on the NYSE-EURONEXT stock exchange (Eurolist C): ISIN: FR0011026749, Bloomberg DLT:FP, Reuters: DALE.PA. For more information on Dalet, visit www.dalet.com

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