



Paris, 21 July 2016

**FIRST SEMESTER 2016 :**  
**SOFTWARE REVENUES: +10%**  
**GROSS MARGIN: +5%**

(Unaudited) In € millions	H1 2015	H1 2016	Change
Licences	5.4	5.9	+9%
Maintenance - Support	6.9	7.6	+10%
<b>Total Software Revenues</b>	<b>12.3</b>	<b>13.4</b>	<b>+10%</b>
Services	3.9	4.2	+7%
Hardware	5.7	3.3	-43%
<b>Total revenues for the semester</b>	<b>21.9</b>	<b>20.9</b>	<b>-4%</b>
<b>Total Gross Margin for the semester</b>	<b>17.3</b>	<b>18.2</b>	<b>+5%</b>

DALET, a leading provider of software solutions for the creation, management and distribution of multimedia content for broadcasters, operators and content producers, announced today revenues (unaudited) for its first half-year ended June 30, 2016.

Overall software revenues (comprising licences and support revenues) were up 10% over the first six months of the year. The growth differential in this line of revenue between Q1 (+25%) and Q2 (-2%) is due to revenue recognition in the first quarter of 2016 for several overdue maintenance contract renewals, whereas in 2015 similar late support-contract revenue recognition occurred in Q2.

Growth in software revenues resulted from new projects from leading broadcasters and content producers, in particular in North America and Asia-Pacific, and from the continued increase in recurring support, due to the year on year growth of the installed base.

Service revenues (integration, configuration and training professional services) were up 7% compared to last year's first half. Hardware resale, which is a low margin, non strategic business for Dalet, diminished significantly (-43%), as H1-2015 included a one-off exceptionally large contract signed with an operator which entrusted its entire infrastructure to Dalet.

As a direct consequence of the decrease in hardware resale, total consolidated revenues for the semester were down by 4% at €20.9 million. However gross margin (defined as sales minus cost of goods and third-party services resold) increased by 5% at €18.2 million, reflecting the more favorable sales mix. Gross margin rate increased to 87% of revenues over the first semester of 2016 up from 79% for the same period in 2015.

Broken down by geographic region, the Group's earlier investments in Asia Pacific have delivered a revenue increase of 20% at €2.9 million (14% of total revenues for the semester). Europe (€9.2 million revenues) remains the largest zone in terms of revenues at 44% compared to 49% in H1-2015. After neutralizing the unfavorable base effect linked to the low-margin hardware sales in H1-2015, business in Europe remains on a positive trend. Revenues for the Americas increased slightly at €8 million,



representing 38% of total revenues (compared to 36% in H1 2015). Revenues for Africa and the Middle East were stable at 3% of total revenues.

## Outlook

Dalet revenues are in line with its business plan after these first six months. Backed by an order book standing at €23 million expected to be invoiced in the second half of 2016, and by new contracts under negotiation, Dalet expects continued growth in 2016, in particular in terms of gross margin as announced previously. Dalet expects to meet its goal for a progressive improvement of its operating margins, with an objective of a current operating margin of 4 to 5% by 2017.

## Next publication

Full financial results for the first semester of 2016 on 22 September 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](http://www.dalet.com)

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