

Paris, 3 November 2016

9 MONTHS BUSINESS ACTIVITY 2016 :
SOFTWARE REVENUES: +7%
COMMERCIAL GROSS PROFIT : +6%

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 third quarter and for the nine-month period ended September 30, 2016.

Third quarter: commercial gross profit +9%

(Unaudited) In € millions	Q3 2015	Q3 2016	Change
Licenses	3.1	3.1	=
Maintenance - Support	4.0	3.9	-2%
Total Software Revenues	7.1	7.0	-2%
Services	2.0	2.7	+36%
Hardware	3.2	2.9	-9%
Total revenues for the quarter	12.3	12.6	+2%
Commercial Gross Profit	9.4	10.2	+9%

Third quarter revenues were up 2% at €12.6 million. Revenue growth resulted from an increase in service revenues, due to a significant number of system installations over the period. La croissance est tirée par l'activité « services » sur une période qui a été marquée par un nombre important de déploiement chez les clients. Overall software revenues (comprising licenses and support revenues) were stable compared to the same period last year. Hardware resale, which is a low margin business, continued its decrease, at -9%.

Due to this more favorable sales mix, the commercial gross profit (revenues minus cost of goods and third-party services resold) increased by +9% at €10.2 million.

Nine months revenues

(Unaudited) In € millions	9 MONTHS 2015	9 MONTHS 2016	Change
Licenses	8.5	9.0	+6%
Maintenance - Support	10.8	11.5	+7%
Total Software Revenues	19.3	20.5	+7%
Services	5.9	6.9	+17%
Hardware	8.9	6.2	-30%
Total revenues	34.2	33.5	-2%
Commercial Gross Profit	26.7	28.4	+6%



DALET's activity is overall in line with its business plan after these first nine months. The increase in software revenues (+7%) and services (+17%) make up for the expected decrease in hardware resale, a non strategic business for Dalet, which included in 2015 a one-off exceptionally large sale.

Dalet's software solutions continue to score strong wins with leading broadcasters and content producers, as illustrated by the recent order from Euronews, which should contribute to revenues for the fourth quarter of 2016 and first half of 2017.

Broken down by geographic region, and for the nine months period, Europe remains the largest zone with revenues at €15.1 million (-9% due to the unfavorable base effect linked to the low-margin hardware sales in 2015). The Asia Pacific region performed well, with revenues up 25% over the period at €4.7 million. Revenues for the Americas were stable at €12.1 million. Revenues for Africa and the Middle East were stable at €1.6 million.

Commercial Gross Profit for the 9 months period increased by 6% at €28.4 million. The resulting Commercial Gross Margin was 85% up from 78% for the same period in 2015.

Perspectives

Backed by an order book on September 30 2016 with more than €13 million to be invoiced in Q4 2016, Dalet expects to meet its main goal for 2016 of continued growth of its commercial gross profit. This should also lead to a progressive improvement of its operating margins, a first step towards its objective of a current operating margin of 4 to 5% by 2017.

Next publication

Full year 2016 revenues on 22 February 2017 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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