

2010 REVENUES AND OUTLOOK

Revenues

For the quarter ending December 31st, 2010, Netgem announces consolidated revenues of €27.7 million, taking consolidated full year 2010 revenues to € 134.9 million, up 3% on a like-for-like basis.

Over the year 2010, international sales reached € 39.0 million, i.e. 29% of consolidated full year revenues and 6.8 times 2009 international sales. This evolution underlines the success of the international development strategy that has been implemented by Netgem for 18 months.

In €Million

IFRS Data	Q42010	Q42009	Change	FY2010	FY2009	Change
Revenues	27.7	30.5	-9%	134.9	131.4	3%
- France	21.4	27.0	-21%	95.9	125.7	-24%
- International	6.3	3.5	1.8x	39.0	5.7	6.8x

Strategy and outlook

IPTV market is currently facing strategic and technologic disruptions driven by the boom of Connected TVs and tablets and the arrival of new global players like Google or Apple who wish to challenge Telcos on their market which is now perceived as key.

In this context, Netgem, who was attending CES in Las Vegas for the first time this year, took this opportunity to present its "IPTV 2.0" strategy which is built on its latest software generation and allows operators to offer multi-screens TV and VOD from a single "master" home Set Top Box used as a "media server". Thanks to this innovation, users may start viewing a video on one TV and finish viewing it on another TV or on a tablet.

In France, Netgem expects a new decrease in Set Top Box sales with SFR but should keep on developing its hardware and software maintenance services for the close to 3 million set-top boxes installed base. The Company will also continue to support the "Netbox inside" approach initiated with Toshiba Places and will study the possibility of an international extension of this offer.

In EMEA, Netgem will continue to accompany the development of its newly acquired customers and expects to win new clients, especially by proposing its IPTV 2.0 solutions to Telcos wishing to renew first generation IPTV solutions with limited evolution capacities.



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In APAC, Netgem will further build on T-Box success by helping Telstra to open an “App Store“, increasing services offered by the device. The Company may reinforce its APAC resources, should business opportunities materialize.

Financial situation and results

The Group continues to develop profitably, generating a high capacity for investment.

Operations and key events

The Group consolidated perimeter did not change during the quarter.

About Netgem

Leader of IPTV solutions, Netgem enables operators around the world to deliver the Future of TV in the digital home. 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 and the connected home content. Installed in over 3 million homes around the world, Netgem’s set-top-boxes and software are deployed by customers such as: SFR in France, Telstra in Australia, Monaco Telecom, Telekom Slovenia, Elisa in Finland, Spec-Com for Algeria Telecom, Melita Telecom in Malta, FetchTV in the UK, and Toshiba. Netgem is listed on Compartment C of Euronext Paris Eurolist.

Website: www.netgem.com Twitter <http://www.twitter.com/netgem/>

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Next financial meeting:

2010 FY Results: week of March 14th, 2011