

Third quarter 2012 Revenue

Neuilly-sur-Seine, October 12th, 2012 – Netgem, a leader in connected home solutions, today announced revenue for the third quarter of 2012.

Revenue and activity

For the quarter ending September 30^{th} 2012, Netgem announces consolidated revenue of \leqslant 20.1 million, taking nine-month consolidated revenue to \leqslant 58.2 million, of which more than 60% from international sales.

| in €M IFRS datas | Q3 2012 | Q3 2011 | Change | 9-month 2012 | 9-month 2011 | Change |
|------------------|---------|---------|--------|--------------|--------------|--------|
| Revenue | 20.1 | 16.2 | 24% | 58.2 | 59.4 | -2% |
| - France | 6.9 | 5.3 | 30% | 22.6 | 29.0 | -22% |
| - International | 13.2 | 10.9 | 21% | 35.6 | 30.4 | 17% |

Early September, Netgem attended IBC 2012 and showcased its latest Over-the-Top (OTT) solutions embedding new innovative services and customer experience (3D user interface, Cloud Gaming, Social TV, companion devices management, etc.)

Those solutions will allow Netgem's customers, telecom operators but also more recently Pay-TV operators¹, to innovate and position themselves in the connected TV market.

Financial situation and results

International revenue should represent circa two thirds of the consolidated 2012 full year revenue.

The Group continues to develop profitably, benefits from a high investment capacity and maintains its objective to double international revenue by the end of 2014.

Key events

For simplicity's sake, Netgem's Board of Directors elected to merge 2 entities with Netgem: PlugnSurf (creator of the Wobe, acquired recently) and NMS (a holding that is 100% owned by Netgem and that holds 50% of Digitime, a company active in IPTV audience measurement). The merger will be effective as of December 31st 2012.

Financial Calendar (subject to possible change)

- Q4 2012 Revenue: week of January 14th, 2013
- FYE 2012 Results: week of March 25th, 2013

<u>About Netgem</u>: Netgem provides Connected Home Entertainment Solutions to Multiservice Operators to help them strengthen their end-customer relationship and drive revenue growth. 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. Netgem is present in more than twelve countries around the world with an installed base of more than 4 million. Netgem is listed on Compartment C of NYSE Euronext Paris.

Website: www.netgem.com - Twitter account: @Netgem - ISIN: FR0004154060, Reuters: ETGM.PA, Bloomberg: NTG FP

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¹ See the recent press releases regarding leading satellite and cable operators Viasat and YouSee.