



Software agreement between ZTE and Netgem - Partnership initiates in Mexico with TotalPlay

Mexico and Paris, May 3rd, 2017

Netgem announces today the signature of a software agreement with ZTE, a major international provider of telecommunications, enterprise and consumer technology solutions for the Mobile Internet, for the delivery of complete TV solutions to Telecom operators in Latin America.

The partnership starts in Mexico with Fiber Operator TotalPlay; beginning in Q2'2017, ZTE will deliver to TotalPlay TV set-top boxes embedding Netgem middleware software. TotalPlay is one the fastest growing company in Mexico, that has deployed 50.000 km of fiber optic in more than 20 cities in Mexico, and provides unique double and triple play services to 600k subscribers. Using the latest technologies to create one of the fastest network in Latin America, TotalPlay offers to its customers innovative content and features (Netflix, Youtube, AccuWeather, etc.) as well.

Netgem will continue to directly maintain and license its software platform to its long-term client TotalPlay, both on the existing subscribers base and for all the new set-top boxes that will be delivered by ZTE to TotalPlay in the coming years.

This is a major step in Netgem transition toward software and services, notably in Latin America where ZTE and Netgem wish to extend their collaboration to win new prospective customers together. It is also the first time that Netgem software is ported and licensed on a hardware supplied by a third company.

Alejandro Rodriguez, CFO of TotalPlay has commented: *"We welcome ZTE as a long-term partner in TotalPlay fast growing venture and we are very happy to continue working with Netgem, whose innovative software expertise over the years is proven, with limited support cost"*.

William Tan, CEO of ZTE France said: *"ZTE is very happy to extend its collaboration with TotalPlay, a highly successful ISP in a strategic country and region for our Group. By combining our technology and industrial capacity with Netgem proven software platform, we also look forward to developing new opportunities, notably in Latin America"*.

Joseph Haddad, CEO of Netgem commented: *"This agreement with ZTE creates an opportunity for Netgem to widen the distribution of its software platform to new territories and helps TotalPlay develop its fast growing business."*



About TotalPlay

TotalPlay offers the services of interactive entertainment over a direct-to-home (DTH) fiber optic. Currently, it has coverage in 20 cities across the country: Mexico City and Metropolitan area, Guadalajara, Aguascalientes, Toluca, Cuernavaca, Pachuca, Puebla, Merida, Veracruz, Xalapa, Celaya, Queretaro, Tijuana, Monterrey, Ciudad Juarez, Chihuahua, San Luis Potosi, Cancun, Morelia and Leon.

TotalPlay offers the only really fast internet service, interactive television and unlimited telephony:

- Internet speed up to 300Mbps.
- Interactive television with more than 85 channels in HD (HDTV).
- Unlimited calls to fixed lines and international long distance numbers, with minutes included in some packages to cellular numbers in Mexico.
- Interactive apps in television like Deezer, TuneIn, Weather and many more.
- AnytimeTV, a service that allows users to return in time to watch programming without any additional cost.
- TotalPlay Donde Sea allows users to watch television programming like movies, television series, novelas and more from any device like a PC, cellular or tablet.
- Softphone TotalPlay, clients can link their telephony service to their cellular phones to make unlimited calls without any additional cost.
- Video On Demand, service where users can rent movies, television series, novelas, programs and the latest new shows in HD, and even an exclusive show in 3D.

TotalPlay is a company of Grupo Salinas.

Grupo Salinas is composed of dynamic, fast-growing, and technologically advanced companies focused on creating shareholder value and improving society through excellence. Grupo Salinas promotes economic development in the countries where it operates by making technology accessible to all levels of society.

Created by entrepreneur Ricardo B. Salinas, Grupo Salinas operates as a forum to develop entrepreneurial ability and support decision-making among the executives who lead Group's member firms: TV Azteca, Azteca America, Grupo Elektra, Advance America, Banco Azteca, Seguros Azteca, Afore Azteca, Italika, Punto Casa de Bolsa, Azteca Internet, TotalPlay y Enlace.

Grupo Salinas companies generate annual revenue of approximately US\$5 billion and US\$1.3 billion in EBITDA in the media, retail, financial services, telecommunications and Internet industries. Grupo Salinas companies operate in Mexico, the United States, Colombia, El Salvador, Guatemala, Honduras, Peru, and Panama.

www.totalplay.com.mx

About ZTE

ZTE is a provider of advanced telecommunications systems, mobile devices, and enterprise technology solutions to consumers, carriers, companies and public sector customers. As part of ZTE's M-ICT strategy, the company is committed to provide customers with integrated end-to-end innovations to deliver excellence and value as the telecommunications and information technology sectors converge. Listed in the stock exchanges of Hong Kong and Shenzhen (H share stock code: 0763.HK / A share stock code: 000063.SZ), ZTE's products and services are sold to over 500 operators in more than 160 countries. ZTE commits 10 per cent of its annual revenue to research and development and has leadership roles in international standard-setting organizations. ZTE is committed to corporate social responsibility and is a member of the UN Global Compact. For more information, please visit

www.zte.com.cn

About Netgem

Netgem designs software to connect the daily lives of consumers and their families. Service Providers around the world use our #TelcoTV solutions built around our software to deliver bespoke innovative digital entertainment services to their customers.

From software licensing, to turnkey, white-label, TV as a Service offering, Netgem offer Telco Service Providers, a complete suite of software, solutions, content, services and direct access to Telco-grade quality digital devices from our global industrial partners.

Our #TelcoTV solutions enable Telcos to differentiate, increase ARPU/service revenue and build customer base loyalty.

Netgem is listed on NYSE Euronext Paris Compartment C (ISIN: FR0004154060, Reuters: ETGM.PA, Bloomberg: NTG:FP)

www.netgem.com