

ARCHOS reports € 154.4 million in revenue in 2016

The ARCHOS group recorded a turnover of € 154.4 million compared with € 158.6 million in 2015. The activity slowed in some emerging countries, particularly in Egypt and Nigeria, facing with critical geopolitical contexts, where ARCHOS remained therefore cautious. The Group continues to expand not only in its historic markets (+ 14% in Western Europe) but also in new territories (especially in Eastern Europe, such as in Poland). The increase of the gross margin was the main objective for 2016 and ARCHOS expects to maintain a positive EBITDA (the consolidated full year results will be released on March 13th, 2017).

Consolidated Revenues (in €M), unaudited	2016	2015	Variation in €M	Variation as a %
ARCHOS	144.4	150.3	-5.9	-3,9%
LOGIC INSTRUMENT	10.0	8.4	+1.6	+19.0%
Total	154.4	158.7	-4.3	-2.7%

2016 – Significant events

1. The establishment of mobile ranges

The ARCHOS Oxygen tablets, with high-end specifications, in various formats (7, 8 and 10 inches), introduced before summer, met a real commercial success, unlike other players, impacted by the market decline.

The smartphones launched in 2016 by ARCHOS have again demonstrated the Group's ability to highlight and democratize new uses: camera for selfies, fingerprint reader, rugged case and IP 68 protection, 4 GB of RAM / 64 GB of internal storage, USB type C port.

2. Implementation in new markets

In 2016, ARCHOS took a position on two promising segments:

- Leisure drones
Gartner, which already anticipated a strong momentum in 2016, predicts a further sales increase of nearly 40% in 2017. With its ARCHOS Drone, a robust and stable, designed for all, and ready-to-fly machine, the French manufacturer placed itself in stores and in many homes throughout Europe during the holiday season.
- Urban mobility
A profound change in commutes is taking place, in order to reduce traffic congestion and pollution. In both collective and individual modes, electric vehicles should become widespread in city centers and on roads, creating a market that is expected to jump from \$ 1.5 billion to \$ 25 billion over the next decade.
The ARCHOS Urban eScooter, ideal for small everyday journeys, has attracted the attention of both the media and major distributors.

3. The finalization of unique R & D project in the IoT sector

In 2016, through its PicoWAN subsidiary, ARCHOS developed, benchmarked and begun deploying the first collaborative low-power long range network, with bidirectional capabilities, built from a gateway that comes in the form of a simple plug. It also includes a cloud platform, analysis tools and an application, compatible with smartphones and tablets running Google Android.

These various developments and launches have enabled ARCHOS to consolidate its positions on the shelves of its historical retail partners throughout Europe and to convince new ones in the East (Euronet, Neonet in Poland, M.video in Russia, for example).

2017 – Outlook

In 2017, ARCHOS will:

- Maintain growth in tablet and smartphone segments.
- Initiate new strategic alliances in order to develop high added value offerings in terms of associated services, such as Arkéa On Life, Groupama and Kodak.
- Extend the portfolio of solutions in the new segments: leisure drones, urban mobility.
- Continue to invest in brand awareness, thanks to strong partnerships (i.e. the French Football Federation).
- The opening of pop up stores in large shopping centers to demonstrate new collections and to promote advantages of electric vehicles.
- Reach a positive EBITDA.

About ARCHOS

ARCHOS, a pioneer in consumer electronics, continues to innovate and revolutionize the consumer electronics market. Among others, the French manufacturer was first with an HDD MP3 player in 2000, a multimedia player in 2003, Google Android powered tablets in 2009, a connected Smart Home in 2014 and PicoWAN, the first collaborative network dedicated to the IoT, in 2016. Today, ARCHOS offers its own line of tablets, smartphones and connected objects worldwide. It also markets and distributes high-value innovative products associated with the tablet and smartphone markets: urban mobility, smart entertainment. With headquarters in France, offices in Europe and in Asia, ARCHOS has become a strong pan-European player and is furthering its international expansion. ARCHOS is quoted on Compartment C of Eurolist, Euronext Paris, ISIN Code: FR0000182479.

Contact:

Loïc Poirier
Chief Executive Officer

Email : poirier@archos.com
Phone number: +33 1 69 33 16 90