

## ARCHOS reached € 107.8 million in revenue at the end of September 2016

Consolidated unaudited	Revenues (in €M),	From January to September 2016 (9 months)	From January to September 2015 (9 months)	Variation	Variation as a %
ARCHOS		100.5	98.0	2.5	2.6%
LOGIC INSTRUMENT		7.3	5.8	1.5	25.9%
<b>TOTAL</b>		<b>107.8</b>	<b>103.8</b>	<b>4.0</b>	<b>3.9%</b>

The ARCHOS Group recorded a turnover of € 107.8 million in the first nine months of 2016, up 3.9% compared to the same period in 2015. At constant exchange rates, growth was 5.5%. Indeed, the British Pound has depreciated significantly against the Euro during the last 12 months.

### Significant events of the 3rd quarter:

#### Noticed announcements made at IFA:

- ARCHOS 55 Diamond Selfie: this beautiful glass-to-glass model from the ARCHOS Diamond range offers an elegant casing, a 5.5 inch Full HD and full lamination screen, a selfie camera, a Qualcomm octo-core processor boosted by 4 GB of RAM / 64 GB of internal storage.
- ARCHOS 50 Saphir: this smartphone has been built to face the challenges occurring in unfriendly places: toughened design, a display with Gorilla® Glass 4, scratch, dust and drop resistant, waterproof, and high-end specifications. ARCHOS benefits from the long track record expertise of its LOGIC INSTRUMENT subsidiary, leader in embedded and rugged mobile systems for hostile environments.
- ARCHOS 133 Oxygen: This tablet comes with a magnificent 13.3-inch Full HD IPS display, delivering a 1920 x 1080 resolution. It sports an octo-core Rockchip RK3368 processor at 1.5 Ghz together with a PowerVR SGX6110 GPU, the best combination today for enjoying blazing 3D games and 4K videos.
- ARCHOS Drone: this ready-to-fly little machine has an altitude of up to 50 meters with a speed that can reach 7.7 m/s during at least 7 minutes, for pure fun and exciting HD footage that is not possible any other way. Thanks to its dedicated Controller or the Remote App, available on the Google Play Store and Apple iTunes Store, the ARCHOS Drone will satisfy beginners willing to gawk at the world's beauty.



LOGIC INSTRUMENT began delivery of the first ARCHOS tablets designed in partnership with La Poste and its subsidiary Tikeasy. They benefit from simplified ergonomics to digitize senior citizens and their homes.

## The introduction of Connected Avenue:

- ARCHOS announced in September 2016 the creation of Connected Avenue, a division dedicated to the exclusive marketing and distribution of high-value innovative products in related areas to those of tablets and smartphones. Within Connected Avenue the best deals in the fields of urban mobility electric vehicles, leisure drones and smart toys can be sourced.

This is the expertise of ARCHOS to transform innovation into an affordable offer that drives brands to leverage its marketing, logistics, network organisation and customer support across Europe. Daily collaborations between Research and Development teams as well as investments made to promote these new segments will contribute to enriching the recognized expertise of ARCHOS.

- Therefore, ARCHOS already includes in its Connected Avenue portfolio:

The Ghostdrone 2.0, includes a new sensing technology and recognition of head movement for a total immersion in flight, a dedicated application to directly control, maintain and alter the path of the drone by simple rotation / tilt of its smartphone, a ball camera for incredible videos in 4K.

The Urban eScooter is a great alternative for those who want to enjoy a smooth transportation mode in their day-to-day life. This power balanced bike delivers: an ergonomic folding design for easy portability, quick recharging, a removable long life battery and is particularly adapted to an urban lifestyle.



## Outlook for the 4th quarter:

The Company has defined the following strategic goals:

- Take advantage of seasonality and increase the visibility of ARCHOS on the consumer electronics market with many offers in the shops during the coming holiday season in the areas of tablets, smartphones and connected objects.
- Continue to improve the gross margin as a percentage of sales with more high end products.
- Develop new partnerships within Connected Avenue.
- Continue the PicoWAN deployment, its long range and low power network for connected objects.

The company plans to pursue its growth in the 4th quarter of 2016 and thus recover a healthy profitability of its operations for the year.

## About ARCHOS:

About ARCHOS: ARCHOS, a pioneer in consumer electronics, has repeatedly revolutionised the 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, as well as a connected Smart Home in 2014. Today, ARCHOS offers its own line of tablets, smartphones and connected objects worldwide. In September 2016, it created Connected Avenue, a division dedicated to the exclusive marketing and distribution of high-value innovative products in areas related to those of tablets and smartphones: urban mobility, leisure drones and smart toys. 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.

[www.archos.com](http://www.archos.com)

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