

Note to the reader: This English language version is a free translation from the original financial release which is in French and is available on the company's corporate website (www.archos.com). In the event of inconsistencies between the original French language version and this English translation, the French version will take precedence.

THIRD QUARTER 2017 REVENUE

In the third quarter of 2017, the ARCHOS Group recorded a turnover of € 30.2 million, compared to € 34.5 million for the same period in 2016, a decrease of 12%. The activity is better than in the previous quarter (nearly a 20% increase in sequential sales) and the renewal of the ranges are continuing.

Consolidated revenues (in €M)	Q3 2017	Q3 2016	Variation	Variation as a %
ARCHOS	27.3	31.9	-4.6	-14%
LOGIC INSTRUMENT	2.9	2.6	+0.3	+12%
Total	30.2	34.5	-4.3	-12%

For the first nine months of the year, the decrease in Group revenues was down -25% (compared with -31% at the end of June). LOGIC INSTRUMENT posted an increase of 27% over the same period.

SIGNIFICANT EVENTS:

New products were presented at the IFA in Berlin at the beginning of September:

- Access and Core ranges: available in different sizes from 4 to 5.5 inches and colors (black, blue, yellow, gray, red), compatible with 3G or 4G bands, these smartphones provide essential functions for a particularly attractive price from € 49.99 to € 99.99 (incl. VAT).
- The Sense X range, featuring a shock, dust and liquid-resistant design, is also enhanced with 3 models including 2 smartphones, ARCHOS Sense 47X as well as ARCHOS Sense 50X Ushuaia and a new tablet, ARCHOS 101X at prices from € 129.99 to € 249.99 € (incl. VAT).
- Diamond range: the ARCHOS high-end category is further enhanced with the ARCHOS Diamond Alpha +, a smartphone with an incredible combination of 6 GB of RAM and 128 GB of internal storage, which has been marketed since the mid-October for the price of € 399,99 € (incl. VAT).
- Urban Mobility Range: ARCHOS has positioned itself in this market with products such as draisines, scooters, hoverboards, skateboards, bicycles, offering to all people, eco-responsible, practical, playful, efficient and affordable means of transportation. This activity represents a major challenge for a change in the environment.

In addition, "Pop-Up stores" are a novelty in the commercial approach of ARCHOS. They provide a direct, interactive and immediate exchange with end-users.

After Vélizy 2, CNIT and Rosny 2, ARCHOS has been present at Vélizy 2 since September 1st, 2017 and will open a new Pop-Up in Carré Sénart at the end of October 2017. These two Pop-Ups will be open until the end of January 2018. Finally, ARCHOS opened a shop at L'Usine Mode et Maison in Vélizy on October 17th, 2017.

PERSPECTIVES:

ARCHOS unveiled on October 12th, an exceptional product, its new flagship, the ARCHOS Diamond Omega. Born of partnership with Nubia, this high end, borderless smartphone, equipped with a Qualcomm® Snapdragon™ 835 processor with 8GB RAM and 128GB of storage, is a direct competitor of the Nokia 8, OnePlus 5, Sony Xperia XZ1. With a price of € 499.99€ (incl. VAT), the Diamond Omega is the best in its category and strengthens the position of ARCHOS in the high-end segment with its Diamond smartphones.

The financial performance at the end of September, with a turnover of € 80.7 million, does not allow ARCHOS to expect a growth in 2017, but the actions implemented, the upmarket improvement in the smartphone range, new tablets, urban mobility opportunities should help to regain a more favorable momentum in the last quarter and in 2018.

ABOUT ARCHOS:

ARCHOS, a pioneer in consumer electronics, continues to innovate and revolutionize 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, 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.

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