

Consolidated Turnover 2014

2014 Annual Sales vs 2013 Annual Sales

In €M Unaudited	2 014	2 013	Var in €M	Var in %
Europe & North America	107.0	110.6	(3.6)	(3%)
Asia and Other	25.1	33.1	(8.0)	(24%)
TOTAL	132.1	143.7	(11.6)	(8%)

2014 turnover reaches 132.1M€, decreasing by 8% in comparison with 2013. The company integrates LOGIC INSTRUMENTS' activities since January 23th 2014, day of acquisition. On a similar basis, ARCHOS recognizes a diminution of its turnover by 13%. This decline comes essentially from Toy's R Us withdrawal in 2014 in purchasing TABEO© tablets for children, its generic brand, with a contract representing 11.3M€ only in 4th Quarter 2013.

Nevertheless, the company registers a growing activity in volume in 2014 compared to 2013.

2014 4th quarter key facts

Breakthrough in the Internet of Things Market

Sales of connected objects have really started on 4th quarter 2014 and look to have strong growth potential.

Two main axis are in development:

- **Connected Home**

Integrating most widespread protocols used in home automation, ARCHOS Smart Home becomes the controlling organ of the connected home, compatible with market greatest brands. Users can therefore be connected and drive all their accessories from their tablet and smartphone. The ecosystem created around ARCHOS Smart Home also has allowed the company to conclude strategic deals like La Poste© at the end of the year.



- **Smart and Connected Accessories controlled with Smartphone**

Aware of the high potential of connected objects for 2015, ARCHOS launched at the end of 2014 a whole family of smart objects like Music Beany, Weather Station and Music Bulb. This concept of connected objects for daily life has seduced consumers. In this way, ARCHOS Music Beany, bestseller connected object 2014 4th quarter in France, has also benefited of an excellent media coverage.



Success of Egyptian Market penetration

Archos, with its partner Uni-Group, has imposed its brand in Egypt and reached the Top 5 rank of tablet bestsellers.

ARCHOS

Perspectives

The year 2015 announces favorable perspectives. ARCHOS wishes to maintain its Research and Development investments in order to enlarge connected objects range of products.

At the same time, the company will continue to develop its brand into new territories. Based on the successful Egyptian experience, ARCHOS has launched products in Nigeria and Senegal with an expected immediate impact on 2015 1st quarter turnover.

Finally, ARCHOS plans to become a major actor in French numeric schools, with a very active participation in "Grand Plan Numérique pour l'Ecole" established by French Ministry of National Education which aims to provide tablets to 7th grade students.

ARCHOS announces the finalization of its capital increase operation decided by December 11th 2014 Board meeting. The 1,200,000 new shares have been issued on February 16th 2015. Net funds collected during subscription period reached 1,815,000€. They will be used to finance activities.

About ARCHOS

ARCHOS, a pioneer in the portable audio and video player market, and now specializing in Android Tablets and Smartphones, has repeatedly revolutionized the market for consumer electronics since 1988. Today, ARCHOS offers its own line of Android Tablets and Smartphones, as well as a full line of OEM devices. In 2000, ARCHOS launched the Jukebox 6000, the first MP3 player combined with a hard disk. In 2008, ARCHOS launched the first generation Internet Tablets, and then the first ever Android powered tablets in 2009. In 2013, ARCHOS launched its first generation of Smartphones with the ARCHOS Platinum series. ARCHOS has offices in Europe and Asia. ARCHOS is quoted on Compartment C of Eurolist, Euronext Paris, ISIN CodeFR0000182479.

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