

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.

REVENUE - Q1 2018

Consolidated revenues (in €M)	Q1 2018	Q1 2017	Variation	Variation as a %
ARCHOS	16.6	21.6	-5.0	-23%
LOGIC INSTRUMENT	2.4	3.4	-1.0	-29%
Total	19.0	25.0	-6.0	-24%

The ARCHOS Group recorded a turnover of 19 million € in the first quarter of 2018 compared to 25 million € in 2017. This decrease is the result of a desire to focus on gross margin on the smartphone segment and repositioning on higher value-added businesses.

Thus, ARCHOS is now organized around the following operational businesses:

1. Mobile Solutions - B to B and B to C

With this division, that brings together the expertise of the teams in the mobile solutions serving companies and the public at large, the Group is willing to:

- Preserve its position in the top 5 European tablet manufacturers thanks to new products, with revised designs for better ergonomics and autonomy.
- Introduce thematic series, such as the ARCHOS Junior smartphone, dedicated to a younger public, fully controllable from the parent's device (time spent by children in front of their screen, access to accurate applications and appropriate content, guidance in their use of social networks, etc..).
- Increase its visibility in stores and with telecommunication operators, with the confirmation of the strengthening of its partnership with Nubia, a ZTE's spin-off, for mid and high-end devices.

2. Connected Home and IoT

This division, at the initiative of the ARCHOS Hello range, enabled the Group to generate a real excitement at the MWC in March 2018.

Smart speakers and assistants are showing a very strong growth, and in 2018, the total demand could rise to more than 56.3 million units (Source: Canalys - Smart Speaker Analysis - December 2017¹).

With this range, delivering unique features, ARCHOS aims at becoming a major player.

Many voice-controlled connected objects will also be offered in packs (comfort, security) to build-up an ecosystem around "Google Home", with light bulbs, air quality and temperature sensors, smart plugs and cameras.

¹ <https://www.canalys.com/newsroom/smart-speakers-are-fastest-growing-consumer-tech-shipments-surpass-50-million-2018>

3. Connected and shared urban mobility

This division pursues the strategy initiated at the beginning of 2017. After the successful launch of a complete range, it develops innovations that bring a new dimension to urban mobility to everyday life: a revised design for more comfort on all types of lanes, more security equipment and Internet connection to access many applications and content. With its vehicles, ARCHOS is expected to become one of the leading European players in this range.

4. Trading security in blockchains and wallets

At the heart of the acceleration of blockchains, of crypto-asset trading, the demand for hardware wallets has exploded; token and crypto-currency holders are more and more willing to protect themselves from cyber-criminality.

First development of this division dedicated to encryption, security and crypto-assets, the ARCHOS Safe-T Mini will be manufactured in France in an Eiffage Group factory to ensure a complete traceability of the supply chain.

Besides this wallet, available for purchase in July 2018, the Group is working on several partnerships and plans disruptive innovations in this segment in 2018.

Outlook:

Having spent several months organizing these 4 divisions, designing and industrializing these new innovative products, ARCHOS is clearly focusing on these high value-added segments to generate sustainable growth in the future.

Several months are still needed for the outcome of this transformation to be reflected in the Group's performance. ARCHOS is nevertheless convinced that it holds the key to success for the coming years to ensure it maintains its positions as a European leader in connected, mobile, urban and secure solutions.

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 designs and democratizes solutions with high innovation value: tablets and smartphones, connected home and IoT, urban mobility and security of blockchains. With headquarters in France, offices in Europe and in Asia, ARCHOS has become a strong pan-European player. ARCHOS is quoted on Compartment C of Eurolist, Euronext Paris, ISIN Code: FR0000182479

Contact

Loïc Poirier
CEO

Email: poirier@archos.com
Phone number: + 33 (0)1 69 33 16 90