

SECOND QUARTER 2017 REVENUE

In the second quarter of 2017, the ARCHOS Group recorded a turnover of € 25.4 million, compared to € 33.1 million for the same period in 2016, a decrease of 23%.

Consolidated revenues (in €M)	Q2 2017	Q2 2016	Variation	Variation as a %
ARCHOS	22.4	31.3	-8.9	-28%
LOGIC INSTRUMENT	3.0	1.8	+1.2	+67%
Total	25.4	33.1	-7.7	-23%

While the tablet segment suffered a further decline, ARCHOS has prepared the renewal of its ranges, notably smartphones and electric vehicles, in order to heighten the level of its sales in the second half of 2017.

LOGIC INSTRUMENT posted an increase of 67% over this period.

SIGNIFICANT EVENTS:

- **Signature of a strategic agreement with NUBIA, spin-off of the ZTE Group**
 Concluded to achieve higher end smartphones, this partnership has already enabled ARCHOS to launch 2 models.
 The ARCHOS Diamond Alpha and the ARCHOS Diamond Gamma are equipped with the latest hardware and software, for more potential in their use, especially in photography. They offer a serious alternative to the traditional players.
 The deal, which was favorably welcomed, is expected to have a positive impact in terms of sales during the second half of 2017.
- **Launch of the Sense range**
 In addition to its new ARCHOS Diamond models, the company unveiled the ARCHOS Sense 55S, equipped with a 5.5" FHD, edgeless screen, which occupies more than 78% of the front surface of the device, and the ARCHOS Sense 50X, submersible, resistant to falls of more than 1 meter, powerful, for use in hostile environments.
- **Extension of the Urban Mobility line-up**
 Europeans spend an average of almost 2 hours a day traveling. 58% are dissatisfied with the fluidity of peak traffic. They express real expectations for intermodality and 77% consider that the innovations in the field will have positive consequences on their everyday life¹.
 ARCHOS has expanded its range of electric vehicles, which now includes a bicycle, a folding bike, a scooter, a hoverboard and a skateboard.
 They will be exhibited during this summer key tradeshows (Pro Days in France in July, IFA in Germany in September, Bike Brussels in Belgium in September).
- **New pop-up stores**
 The promotion of the ARCHOS brand is also intensifying thanks to its pop-up stores in large shopping centers. After Vélizy 2 and CNIT, ARCHOS has set up shops in Rosny 2, at the Carré Sénart and plans to return to Vélizy 2 in September 2017.

¹ Source: Boston Consulting Group & Ipsos - Study carried out for AFSA among 10,018 Europeans, including a minimum of 1,000 people in each of the countries surveyed - April 2017

PERSPECTIVES:

The performance of this first half, with a turnover of € 50.4 million, does not currently allow a growth target in 2017. However, the actions implemented, around higher end smartphones, new tablets, opportunities with urban mobility, are expected to help regain some momentum during the second half of 2017.

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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