



PRESS RELEASE

2016 FIRST HALF RESULTS

≡ IMPROVEMENT IN OPERATING PERFORMANCE

≡ POSITIVE OUTLOOK

Consolidated data (in € million)	H1 2015	H1 2016	%
Revenues	12.3	15.0	+21.5%
Gross margin	6.0	7.6	+26.6%
Operating result	(3.0)	(1.6)	na
Financial result	0.5	-	na
Net result	(2.5)	(1.6)	na

ATEME's financial statements for the first half of 2016 were approved by the Board of Directors at its meeting on 26 September. The limited review of the company's financial information by its statutory auditors is complete. The half-yearly report which is now available to the public and has been filed with the French market authority, the Autorité des marchés financiers, can be downloaded from the "Financial Documents" section of the ATEME website <http://www.ateme-bourse.com/>.

Paris, 29 September 2016 - ATEME (ISIN: FR0011992700), world specialist in video compression, has published its results for the half year to 30th June 2016.

Revenues amounted to €15.0 million up 21.5% year-on-year (+21.6% at constant exchange rates). In the second quarter revenues stood at €7.5 million a rise of 32.3%, an acceleration compared with the 12.2% rise in the first quarter.

Activity in the first half was strong in ATEME's two primary markets, EMEA (+19.8%), and in particular North America (+47.4%) where the Group is beginning to see the benefits of recent investments in the region, notably the opening of an office in Denver (Colorado).

In Latin America and Asia Pacific revenues were more or less stable compared with H1 2015.

Clear improvement in operating performance

ATEME's gross margin rose by 26.6% to €7.6 million, representing 51% of revenues (up from 49% in H1 2015), reflecting notably an increase in software sales.

The increase in operating expenses, primarily linked to sales and marketing, was contained at 8%, while both R&D and G&A expenses were stable.

As a result, ATEME significantly improved its current operating result which stood at -€1.6 million versus -€3.0 million at 30th June 2015.



The Group's financial result was virtually nil, giving a net result of -€1.6 million compared with -€2.5 million at June 30th 2015.

Cash of €3.1 million

Cash flow from operating activities was positive at €0.7 million, versus -€1.7 million a year earlier. Cash amounted to €3.1 million on 30 June 2016, compared with €3.9 million at 30 June 2015 and €4.2 million at 31 December 2015.

In H2 2016 ATEME should benefit from a research tax credit of €1.2 million in respect of 2015 and other subsidies of up to €0.7 million, reinforcing its resources to fund growth.

Favorable market conditions

ATEME will pursue its development during the second half of 2016, and is favorably positioned on several major projects. Revenue growth is set to feed through to further improvements in profitability thanks to ongoing cost containment, as ATEME continues to draw on the buoyant market environment.

Indeed, sales for 4K-UHD televisions are set to double to 15 million units in the United States in 2016, rising to 26 million units by 2019¹. Furthermore, by 2020, more than 100 million households will be equipped with a new generation HDR (*High Dynamic Range*) televisions, a penetration rate of some 25%², paving the way for TV operators around the world to ramp up their 4K-UHD offer.

ATEME Chairman and Chief Executive Officer, Michel Artières, said: *"The performance of the first half of 2016 was in line with our expectations. Our financial indicators are improving, reflecting our ability to develop our activity whilst keeping a tight rein on costs. We are continuing to gain market share, and our Kyrion and TITAN solutions represent a considerable technological advantage, as evidenced by the interest shown by Tier 1 operators at the IBC trade fair in Amsterdam in September 2016. These factors strengthen our confidence in the outlook for the second half of the year."*

¹ Source: Consumer Technology Association

² Source: Strategyanalytics – September 2016



Next investor dates:

- ≡ European Large & Midcap Event Forum, 5 & 6 October 2016 in Paris
- ≡ Q3 2016 turnover on 9 November 2016 (after the stock exchange closes)
- ≡ Media / Internet Gilbert Dupont Forum, 10 November 2016 in Paris

Next trade fair:

CES in Las Vegas, 5-8 January 2017

About ATEME

ATEME is a technological leader in video compression that provides TV channels and content broadcasters with encoding and decoding solutions for video delivery. The company's technological edge means clients benefit from outstanding image quality whilst at the same time reducing their bandwidth consumption.

Drawing on over 10 years of proprietary R&D, ATEME was a key contributor in the launch of HEVC (High Efficiency Video Coding), the new standard in video compression whose generalized application offers excellent growth potential for the Group.

With a commercial presence in 14 countries, ATEME employs 170 members of staff, including 70 R&D employees in France, and served close to 300 clients around the world in 2015. The Group posted revenues of €28.6 million in 2015, 88% of which was realized overseas.

Name: ATEME - ISIN Code: FR0011992700 - Ticker: ATEME - Compartment: C

ATEME

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