



Netgem proposes to its shareholders 1,36 euros Special Dividend In Cash And Videofutur Entertainment Stock

Paris, France, December 9th, 2009. The Netgem Group, (www.netgem.com) today announced the proposal to offer its shareholders a special dividend of €1.36 per share both in cash and Videofutur Entertainment stock.

Netgem's strategic priority is now the international development of its IPTV technology offering to telecom operators, primarily in Europe, the Middle East and Asia, under the leadership of Christophe Aulnette, Managing Director. The T-box project undertaken with the Australian national operator Telstra, announced on 19 November 2009, represents a tangible success for this strategy.

In this context, the Group is looking to split out its business-to-business IPTV technology operations from its business-to-consumer audiovisual publishing and distribution operations brought together within VideoFutur Entertainment Group ("VideoFutur"), in order to achieve a clearer positioning vis-à-vis each operation's respective customers.

The division of Netgem Group's two business units, will be of mutual benefit to both parties, that have different business strategies and are in different stages of development. The separation of the two business units will be followed by the listing of VideoFutur on NYSE Alternext¹.

"The separation of Netgem Technologies and VideoFutur will allow both businesses to simplify their market and shareholder positioning," explained Joseph Haddad, President and Founder of the Netgem Group who will drive the development of VideoFutur as Managing Director: "Video-on-Demand should see sharp growth over the coming years and VideoFutur is in the perfect position to take advantage of that", he adds.

The Netgem Group will ask shareholders during the next General Meeting on January 19th 2010, to approve the distribution in kind, in the form of a special dividend, of all the stock it holds in VideoFutur. Prior to this transaction, Netgem will recapitalise VideoFutur, providing it with around €10 million net in cash.

¹ The listing of VideoFutur on NYSE Alternext is subject to the approval of NYSE listing committee (« comité des admissions »).



Shares in VideoFutur will simultaneously be listed on Euronext's NYSE Alternext. The sum distributed in kind has been valued at around €25 million, i.e. €0.66 per Netgem share ², which will be the initial listing price of the VideoFutur stock.

Following this transaction, Netgem shareholders will hold one VideoFutur share and one Netgem share that they can freely and separately trade on the stock market.

Moreover, by way of thanks to Netgem shareholders for having backed the company throughout its development and given the positive outlook for the business, the Board of Directors resolved to propose to the same General Meeting the simultaneous distribution of a special cash dividend of €0.70 per Netgem share held. This distribution will optimise the structure of Netgem balance sheet without hampering its ability to grow.

- Ends -

About Netgem

Netgem is a pure-play provider of innovative IPTV solutions (software and hardware) for telecom operators. Combining a unique TV and telecom expertise, Netgem has been instrumental in the successful rollout of IPTV in the French market, with 2 millions homes active, and is undertaking the international development of its business.

Netgem is listed on Compartment C of Eurolist–Euronext Paris (NTG FP 7537).

www.netgem.com

ISIN code: FR0004154060, Reuters code: ETGM.PA, Bloomberg code: NTG FP 7537

About VideoFutur

VideoFutur goal is to become a leading brand in new forms of distribution for pay video content, by offering consumers a multi-channel and multi-format offering, via its Internet portal, its network of specialised stores, its automated service points and via partnerships with operators and equipment manufacturers.

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² Calculated based on the number of ordinary shares outstanding as of October 31, 2009, including the dilutive impact of outstanding stock options, warrants and "free" shares ("actions gratuites")