

Press Release

Neuilly-sur-Seine, 3 October 2008

Netgem announces that Glowria, its video-on-demand subsidiary, has been awarded some of CPFK's assets by the Nanterre Commercial Court, after CPFK went into administration in July 2008.

CPFK is France's leading DVD rental company with over 500 franchise outlets under the VideoFutur brand and 1,900 DVD rental kiosks under the VideoFutur, Cinebank, and VideoPilote brands.

Glowria will receive CPFK's assets and skills in DVD distribution, franchise management, technical operations, and kiosk maintenance, as well as CPFK's equity interests in around 80 franchises. The 35 CPFK employees working in these operations, or around one-third of CPFK's total staff (excluding training), will be transferred to Glowria.

Glowria will pay around €2.0 million for these assets, but this should not have a significant effect on the Company's cash position.¹

The operations obtained from CPFK will benefit from Netgem's technological know-how and strong synergies with Glowria, France's leading independent video-on-demand and online DVD rental service.

Joseph Haddad, Netgem's Chairman, remarked, "We are excited about this acquisition because it will allow us to speed up the execution of our business development strategy and expand our services. The VideoFutur chain will be able to draw from our technology and VoD capabilities in order to offer state-of-the-art services, and remain the rental market leader. Customers' needs have evolved, and we are responding accordingly."

Glowria will take formal ownership of the assets once the exact terms of the Court's decision are known.

About Netgem: Founded in 1996, the Netgem Group aims to become a global service and solution provider for new television operators and thus support television's evolution towards high definition, on-demand consumption and mobile use. The Group is based in Neuilly-sur-Seine and listed on Compartment C of Eurolist-Euronext Paris (NGP-7537).

www.netgem.com

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Next press release

Third-quarter 2008 revenue, the week of 6 October 2008

Commentaire [A1] : Nous avons suivi la traduction disponible sur votre site internet, cependant nous proposons Executive Vice President of Strategic Development qui semble plus approprié car M. Slamani appartient au Comité Exécutif.

¹ See the press release titled "1st Semester 2008 Results," issued on 28 August 2008.