
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): June 4, 2015

SEACHANGE INTERNATIONAL, INC.
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

0-21393
(Commission
File Number)

04-3197974
(I.R.S. Employer
Identification No.)

50 Nagog Park, Acton, MA
(Address of Principal Executive Offices)

01720
(Zip Code)

Registrant's telephone number including area code: (978) 897-0100

No change since last report
(Former Name or Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

Attached as Exhibit 99.1, and incorporated by reference, is a copy of the press release issued by SeaChange International, Inc. (“SeaChange”) dated June 4, 2015, reporting SeaChange’s financial results for the fiscal quarter ended April 30, 2015.

The information contained in this Item 2.02 and Exhibit 99.1 attached and incorporated herein by reference is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. This information shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by SeaChange, whether made before or after the date hereof, regardless of any general incorporation language in such filings.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(c)

On June 3, 2015, Edward Terino was appointed as SeaChange’s Chief Operating Officer and Executive Vice President. Mr. Terino is a member of SeaChange’s Board of Directors since July 2010, serves as the Audit Committee Chairman, and is a member of the Compensation Committee. Mr. Terino will remain on the SeaChange Board of Directors, but will resign from his Audit Committee and Compensation Committee assignments. Ms. Mary Palermo Cotton, a current member of the Board of Directors, will assume the role as Audit Committee Chairman effective June 3, 2015; and Mr. Carmine Vona, a current member of the Board of Directors, will become a member of the Compensation Committee effective June 3, 2015.

Mr. Terino, 61, has served as President of GET Advisory Service LLC since March 2009. Since March 2010, Mr. Terino has served as a director of Baltic Trading Ltd. Mr. Terino also served as a director of Extreme Networks, Inc. (October 2012 to November 2013); S1 Corporation (April 2007 to February 2012); Phoenix Technologies Ltd. (November 2009 to November 2010); and EBT International Inc. (October 1999 to March 2006). From July 2005 through December 2008, Mr. Terino was Chief Executive Officer and Chief Financial Officer of Arlington Tankers Ltd, and from September 2001 to June 2005, he was Senior Vice President, Chief Financial Officer, and Treasurer of Art Technology Group, Inc.

The selection of Mr. Terino to serve as Chief Operating Officer was not pursuant to any arrangement or understanding with respect to any other person. In addition, there are no family relationships between Mr. Terino and any director or other executive officer of SeaChange and there are no related person transactions between SeaChange and Mr. Terino reportable under Item 404(a) of Regulation S-K.

In connection with the appointment of Mr. Terino as Chief Operating Officer, the Compensation Committee and Board agreed to pay Mr. Terino an annual base salary of \$385,000 per year and to make a one-time, fixed value equity award of 55,172 RSUs (or DSUs at the election of Mr. Terino) equivalent to \$400,000 (priced on the June 3, 2015 market close of \$7.25 per share, the date Mr. Terino commenced employment with SeaChange), to vest over four (4) years (the "Initial RSU Award") and 200,000 non-qualified stock options (the "Initial Option Award") with an exercise price equal to SeaChange's closing stock price on June 3, 2015 of \$7.25 per share, to vest in approximately equal tranches based on SeaChange's stock price reaching \$10.00, \$12.00 and \$14.00 for twenty consecutive trading dates, but in any event no earlier than six months from June 3, 2015. Mr. Terino will participate in SeaChange's fiscal 2016 compensation and bonus plan with a target bonus consisting of (i) \$207,900 payable in cash and (ii) a fixed value RSU award equivalent to \$138,600 (priced on the January 31, 2016 market close), vesting in one year. Mr. Terino will also be eligible for a fiscal 2016 Long Term Equity Award ("LTI Award") of RSUs worth no less than \$50,000, to vest over three (3) years, upon the achievement of certain long-term annual goals to be determined.

In connection with assuming this position, Mr. Terino and SeaChange will enter into a Change-in-Control Agreement, effective June 3, 2015, the terms of which are substantially similar to those agreements previously entered into by SeaChange with its other senior executive officers and described in SeaChange's 2015 proxy statement. The form of Mr. Terino's Change-in-Control Agreement is filed as Exhibit 10.1 attached hereto.

The Change-in-Control Agreement is designed to provide an incentive to Mr. Terino to remain with SeaChange leading up to and following a change in control.

Immediately prior to a change in control, all of Mr. Terino's unvested stock options and stock appreciation rights automatically vest and become immediately exercisable and any and all restricted stock, RSUs and DSUs then held by Mr. Terino shall fully vest and become immediately transferable free of restriction, other than those imposed by applicable law. In the event of a subsequent termination of Mr. Terino's employment for any reason, all of Mr. Terino's stock options become exercisable for the lesser of (i) the remaining applicable term of the particular stock option or (ii) three years from the date of termination. If within one year following a change in control the employment of Mr. Terino is terminated (i) by SeaChange other than for specified cause, death or disability, or (ii) by Mr. Terino for specified good reason, Mr. Terino shall be entitled to the following: (a) the sum of Mr. Terino's annual base salary and Mr. Terino's annual bonus at target; (b) the pro-rated annual bonus at target for the year in which the termination occurs based on the number of days elapsed in the fiscal year as of the termination date, (c) for a period of 12 months, continued health, life and disability benefits; (d) outplacement services for up to one year following termination; (e) up to \$5,000 of financial planning services; and (f) accrued vacation pay.

The foregoing summary of the Change-in-Control Agreement does not purport to be complete and is qualified in its entirety by reference to the Change-in-Control Agreement attached hereto as Exhibit 10.1.

Item 7.01 Regulation FD Disclosure.

On June 4, 2015, SeaChange issued a press release regarding Mr. Terino's appointment as Chief Operating Officer. A copy of the press release is furnished as Exhibit 99.2 to this report and is incorporated herein by reference.

The information contained in this Item 7.01 and Exhibit 99.2 attached and incorporated herein by reference is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. This information shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by SeaChange, whether made before or after the date hereof, regardless of any general incorporation language in such filings.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

The following Exhibits are attached to this report:

<u>Exhibit No.</u>	<u>Description</u>
10.1	Change-in-Control Severance Agreement, dated as of June 3, 2015, by and between SeaChange International, Inc. and Edward Terino.
99.1	Press release issued by SeaChange International, Inc., dated June 4, 2015.
99.2	Press release issued by SeaChange International, Inc., dated June 4, 2015.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SEACHANGE INTERNATIONAL, INC.

By: /s/ Jay A. Samit

Jay A. Samit

Chief Executive Officer

Dated: June 4, 2015

EXHIBIT INDEX

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CHANGE-IN-CONTROL SEVERANCE AGREEMENT

THIS AGREEMENT, dated as of June 3, 2015, by and between SeaChange International, Inc., with its principal place of business at 50 Nagog Park, Acton, MA 01720 (the "Company"), and Edward Terino (the "Executive").

WHEREAS, the Company considers it essential to the best interests of its stockholders to foster the continuous employment of key management personnel, and recognizes that, as is the case with many publicly held corporations, the possibility of a change in control may exist and that such possibility, and the uncertainty and questions which it may raise among management, may result in the distraction or departure of management personnel to the detriment of the Company and its stockholders; and

WHEREAS, the Board of Directors of the Company has determined that appropriate steps should be taken to reinforce and encourage the Executive's continued attention and dedication to the Executive's assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control of the Company, although no such change is presently known to be contemplated.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1
DEFINITIONS

Except as may otherwise be specified or as the context may otherwise require, the following terms shall have the respective meanings set forth below whenever used herein:

"Annual Bonus" shall mean the full-target annual bonus, if any, for which the Executive is eligible for the fiscal year in which a Covered Termination occurs.

"Base Salary" shall mean the annual base rate of regular compensation of the Executive immediately before a Covered Termination, or if greater, the highest annual such rate at any time during the 12-month period immediately preceding the Covered Termination.

"Board" shall mean the Board of Directors of the Company.

"Cause" shall mean (i) the Executive's engaging in willful and repeated gross negligence or gross misconduct, (ii) the Executive's breaching of a material fiduciary duty to the Employer, or (iii) the Executive's being convicted of a felony, in either case, to the demonstrable and material injury to the Employer. For purposes hereof, no act, or failure to act, on the Executive's part, shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that any act or omission was in the best interest of the Employer.

“Change in Control” shall mean the first to occur, after the date hereof, of any of the following:

(i) the members of the Board at the beginning of any consecutive 12-calendar-month period (the “Incumbent Directors”) cease for any reason other than due to death to constitute at least a majority of the members of the Board; provided that any director whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the members of the Board then still in office who were members of the Board at the beginning of such 12-calendar-month period, shall be deemed to be an Incumbent Director;

(ii) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Securities Exchange Act), directly or indirectly, shares of Stock representing in the aggregate 50% or more of the combined voting power of the securities of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any);

(iii) there shall occur (A) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company, other than a sale or disposition by the Company of all or substantially all of the Company’s assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportion as their ownership of the Company immediately prior to such sale or (B) the approval by stockholders of the Company of any plan or proposal for the liquidation or dissolution of the Company; or

(iv) Any corporation or other legal person, pursuant to a tender offer, exchange offer, purchase of stock (whether in a market transaction or otherwise) or other transaction or event acquires securities representing 40% or more of the combined voting power of the voting securities of the Company, or there is a report filed on Schedule 13D or Schedule 14D-1 (or any successor schedule, form or report), each as promulgated pursuant to the U.S. Securities Exchange Act, disclosing that any “person” (as such term is used in Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act) has become the “beneficial owner” (as such term is used in Rule 13d-3 under the Securities Exchange Act) of securities representing 40% or more of the combined voting power of the voting securities of the Company.

Notwithstanding the foregoing, none of the foregoing event(s) shall constitute a Change in Control unless such event(s) constitute a “change in the ownership or effective control” or a change “in the ownership of a substantial portion of the assets,” in each case within the meaning of Section 409A(a)(2)(A)(v) of the Code and any regulations and other guidance in effect from time-to-time thereunder including, without limitation, Notice 2005-1.

Upon the occurrence of a Change in Control as provided above, no subsequent event or condition shall constitute a Change in Control for purposes of this Agreement, with the result that there can be no more than one Change in Control hereunder.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Company” shall mean, subject to Section 4.1(a), SeaChange International, Inc., a Delaware corporation.

“Covered Termination” shall mean if, within the one-year period immediately following a Change in Control, the Executive (i) is terminated by the Employer without Cause (other than on account of death or Disability), or (ii) terminates the Executive’s employment with the Employer for Good Reason. The Executive shall not be deemed to have terminated for purposes of this Agreement merely because he or she ceases to be employed by the Employer and becomes employed by a new employer involved in the Change in Control; provided that such new employer shall be bound by this Agreement as if it were the Employer hereunder with respect to the Executive. It is expressly understood that no Covered Termination shall be deemed to have occurred merely because, upon the occurrence of a Change in Control, the Executive ceases to be employed by the Employer and does not become employed by a successor to the Employer after the Change in Control if the successor makes an offer to employ the Executive on terms and conditions which, if imposed by the Employer, would not give the Executive a basis on which to terminate employment for Good Reason.

“Date of Termination” shall mean the date on which a Covered Termination occurs.

“Disability” shall mean the occurrence after a Change in Control of the incapacity of the Executive due to physical or mental illness, whereby the Executive shall have been absent from the full-time performance of the Executive’s duties with the Employer for six consecutive months or, in any one year period, for an aggregate of six months.

“Employer” shall mean the Company (if and for so long as the Executive is employed thereby) and each Subsidiary which may now or hereafter employ the Executive or, where the context so requires, the Company and such Subsidiaries collectively. A subsidiary which ceases to be, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with the Company prior to a Change in Control (other than in connection with and as an integral part of a series of transactions resulting in a Change in Control) shall, automatically and without any further action, cease to be (or be part of) the Employer for purposes hereof.

“Good Reason” shall mean, without the express written consent of the Executive, the occurrence after a Change in Control of any of the following circumstances, unless such circumstances are fully corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:

(i) the material reduction of the Executive’s title, or the reduction of the Executive’s authority, duties or responsibilities, or the assignment to the Executive of any duties inconsistent with Executive’s position, authority, duties or responsibilities from those in effect immediately prior to the Change in Control;

(ii) a reduction in the Executive’s Base Salary as in effect immediately before the Change in Control;

(iii) a material reduction in the Executive's aggregate compensation opportunity, comprised only of the Executive's (A) Base Salary, and (B) bonus opportunity (taking into account, without limitation, any target, minimum and maximum amounts payable and the attainability and otherwise the reasonableness of any performance hurdles, goals and other measures), if any;

(iv) the Company's requiring the Executive to be based at any office or location more than 75 miles from that location at which the Executive performed Executive's services immediately prior to the occurrence of a Change in Control, except for travel reasonably required in the performance of the Executive's responsibilities;

(v) the failure of the Company to obtain a reasonable agreement from any successor to assume and agree to perform this Agreement, as contemplated in Section 4.1(a);

(vi) the failure of the Company to pay the Executive any amounts due hereunder; or

(vii) any other material breach by the Company of this Agreement.

"Notice of Termination" shall mean a notice given by the Employer or Executive, as applicable, which shall indicate the date of termination and the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provisions so indicated.

"Person" shall have the meaning ascribed thereto by Section 3(a)(9) of the Securities Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof (except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportion as their ownership of stock of the Company, or (v) such Executive or any "group" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act) which includes the Executive).

"Securities Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Stock" shall mean the common stock, \$.01 par value, of the Company

"Subsidiary" shall mean any entity, directly or indirectly, through one or more intermediaries, controlled by the Company.

Section 2
BENEFITS

2.1 If a Change in Control occurs, then:

(a) (i) any and all outstanding unvested stock options and stock appreciation rights held by the Executive shall immediately prior to the Change in Control automatically vest and become immediately exercisable in accordance with their terms, and (ii) notwithstanding anything to the contrary contained in clause (i), upon a termination of employment (regardless of the party initiating the termination, for any reason or no reason), all stock options and stock appreciation rights held by the Executive shall be exercisable for the lesser of (A) the remainder of the generally applicable term of the stock options or stock appreciation rights, which is measured from the date of grant thereof, and (B) three years from the date of such termination; provided that nothing in this Section 2.1(a) shall reduce or otherwise adversely affect the rights under such stock options and stock appreciation rights that the Executive would have without regard to this Section 2.1(a); and

(b) any and all restricted stock and restricted stock rights then held by the Executive shall immediately prior to the Change in Control fully vest and become immediately transferable free of restrictions, other than restrictions imposed by applicable law.

2.2 If a Covered Termination occurs, then (subject to the provisions of Section 2.3(b)) the Executive shall be entitled hereunder to the following:

(a) the Company shall pay a pro-rated Annual Bonus to the Executive for the year in which the termination occurs, based on the number of days elapsed in the fiscal year as of the termination date;

(b) the Company shall pay to the Executive an amount equal to the sum of twelve (12) months of (i) the Executive's Base Salary and (ii) the Executive's Annual Bonus;

(c) for a period of one (1) year after such termination, the Employer shall arrange to make available to the Executive medical, dental, group life that are at least at a level (and cost to the Executive) that is substantially similar in the aggregate to the level of such benefits which was available to the Executive immediately prior to the Change in Control;

(d) the Employer shall provide the Executive with outplacement service through a bona fide outplacement organization reasonably acceptable to the Executive that agrees to supply the Executive with outplacement counseling, a private office and administrative support including telephone service until the earlier of one year from the Date of Termination or until such time that Executive secures employment;

(e) the Company shall pay for the Executive to receive financial planning services for which the Company pays not more than \$5,000; and

(f) the Company shall provide the Executive with a payment for any accrued but unused vacation.

2.3 (a) The payments provided for in Section 2.2 shall (except as otherwise expressly provided therein or as provided in Section 2.3(b) or Section 2.4(b), or as otherwise expressly provided hereunder) be made on the business day coinciding with or next following the 30th day following the Date of Termination (the "Payment Date").

Notwithstanding any other provision of this Agreement, if the Executive is a "specified employee" as defined in Section 409A of the Code, any payment under this Agreement that would constitute deferred compensation for purposes of Section 409A of the Code that is payable on account of the Executive's separation from service shall be made in accordance with Section 2.4(b) hereof.

(b) Notwithstanding any other provision of this Agreement to the contrary, no payment or benefit otherwise provided for under or by virtue of the foregoing provisions of this Agreement shall be paid or otherwise made available unless, on or before the Payment Date, the Executive has executed and not revoked a valid, binding and irrevocable general release of claims in favor of the Employer, in form and substance reasonably acceptable to the Employer. The failure by the Executive to timely deliver (and not revoke) a valid and binding release shall result in the forfeiture of all payments and benefits under this Agreement.

2.4 The Company and the Executive acknowledge and agree that the provisions for payments and benefits or reimbursements in Sections 2.2 and 3.1 of this Agreement (the "Deferred Compensation") may constitute a "nonqualified deferred compensation plan" that is subject to Section 409A. The Company and the Executive intend to administer the Deferred Compensation in a manner that at all times is either exempt from or complies in form and operation with the applicable limitations and standards of Section 409A. Therefore, notwithstanding anything else contained herein, the following limitations are expressly imposed with respect to the Deferred Compensation.

(a) The Executive's entitlement to receive or begin receiving payment of the Deferred Compensation is conditioned upon the Executive's separation from service. For this purpose, the Executive shall have separated from service if and only if his level of services to the Company and its affiliates decreases and is expected to remain at a level equal to twenty percent (20%) or less of the average level of services performed by the Executive during the immediately preceding 36-month period.

(b) If the Executive is a "specified employee" as defined in Section 409A with respect to the Company upon his separation from service, then any payment required hereunder, to the extent such payment would constitute deferred compensation for purposes of Section 409A that is payable on account of the Executive's separation from service, shall be deferred and shall not be paid to the Executive until the date that is the later of (1) the date such payment is due under the terms of this Agreement, or (2) 6 months and 1 day following the date of the Executive's separation from service.

(c) It is intended that each installment, if any of the payments and benefits constituting Deferred Compensation shall be treated as a separate "payment" for purposes of Section 409A. Neither the Company nor the Executive shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(d) All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A. All expenses or other reimbursements that are taxable income to the Executive shall in no event be paid later than the last day of the second taxable year following the taxable year in which the Executive separated from service. With regard to any provision herein for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year, provided that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Internal Revenue Code solely because such expenses are subject to a limit related to the period the arrangement is in effect and such payments shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred.

Section 3 PARACHUTE TAX PROVISIONS

3.1 If all, or any portion, of the payments and benefits provided under this Agreement, if any, either alone or together with other payments and benefits which the Executive receives or is entitled to receive from the Company or its affiliates, (the "Total Payments") would constitute an excess "parachute payment" within the meaning of Section 280G of the Code (whether or not under an existing plan, arrangement or other agreement) and would result in the imposition on the Executive of an excise tax under Section 4999 of the Code (the "Excise Tax"), then the Executive shall be paid or provided, as the case may be, the Total Payments unless the after-tax amount that would be retained by the Executive (after taking into account any and all applicable federal, state and local excise, income or other taxes payable by the Executive, including the Excise Tax) is less than the after-tax amount that would be retained by the Executive (after taking into account any and all applicable federal, state and local excise, income or other taxes payable by the Executive, including the Excise Tax) if the Executive were instead to be paid or provided, as the case may be, the maximum amount of the Total Payments that the Executive could receive without being subject to the Excise Tax (the "Reduced Payments"), in which case the Executive shall be entitled only to the Reduced Payments.

3.2 Except as may otherwise be agreed to by the Company and the Executive, the amount or amounts (if any) payable under this Section 3 shall be determined, at the sole cost of the Company, by the Company's independent auditors (who served in such capacity immediately prior to the Change in Control), whose determination or determinations shall be final and binding on all parties. The Executive hereby agrees to utilize such determination or determinations, as applicable, in filing all of the Executive's tax returns with respect to the excise tax imposed by

Section 4999 of the Code. If such independent auditors refuse to make the required determinations, then such determinations shall be made by a comparable independent accounting firm of national reputation reasonably selected by the Company. Notwithstanding any other provision of this Agreement, the Executive hereby agrees to be bound by and comply with the provisions of this Section 3.2.

Section 4
MISCELLANEOUS

4.1 (a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform under the terms of this Agreement in the same manner and to the same extent that the Company and its affiliates would be required to perform it if no such succession had taken place (provided that such a requirement to perform which arises by operation of law shall be deemed to satisfy the requirements for such an express assumption and agreement), and in such event the Company (as constituted prior to such succession) shall have no further obligation under or with respect to this Agreement. Failure of the Company to obtain such assumption and agreement with respect to the Executive prior to the effectiveness of any such succession shall be a breach of the terms of this Agreement with respect to the Executive and shall entitle the Executive to compensation from the Employer (as constituted prior to such succession) in the same amount and on the same terms as the Executive would be entitled to hereunder were the Executive's employment terminated for Good Reason following a Change in Control, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business or assets as aforesaid which assumes and agrees (or is otherwise required) to perform this Agreement. Nothing in this Section 4.1(a) shall be deemed to cause any event or condition which would otherwise constitute a Change in Control not to constitute a Change in Control.

(b) Notwithstanding Section 4.1(a), the Company shall remain liable to the Executive upon a Covered Termination after a Change in Control if the Executive is not offered continuing employment by a successor to the Employer on a basis which would not constitute a termination for Good Reason.

(c) This Agreement, and the Executive's and the Company's rights and obligations hereunder, may not be assigned by the Executive or, except as provided in Section 4.1(a), the Company, respectively; any purported assignment by the Executive or the Company in violation hereof shall be null and void.

(d) The terms of this Agreement shall inure to the benefit of and be enforceable by the personal or legal representatives, executors, administrators, permitted successors, heirs, distributees, devisees and legatees of the Executive. If the Executive shall die while an amount would still be payable to the Executive hereunder if they had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee or other designee or, if there is no such designee, the Executive's estate.

4.2 Except as expressly provided in Section 2.2, the Executive shall not be required to mitigate damages or the amount of any payment or benefit provided for under this Agreement by seeking other employment or otherwise, nor will any payments or benefits hereunder be subject to offset in the event the Executive does mitigate.

4.3 The Employer shall pay all reasonable legal fees and expenses incurred in a legal proceeding by the Executive in seeking to obtain or enforce any right or benefit provided by this Agreement. Such payments are to be made within twenty days after the Executive's request for payment accompanied with such evidence of fees and expenses incurred as the Employer reasonably may require; provided that if the Executive institutes a proceeding and the judge or other decision-maker presiding over the proceeding affirmatively finds that the Executive has failed to prevail substantially, the Executive shall pay Executive's own costs and expenses (and, if applicable, return any amounts theretofore paid on the Executive's behalf under this Section 4.3).

4.4 For the purposes of this Agreement, notice and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when hand delivered or mailed by United States certified or registered express mail, return receipt requested, postage prepaid, if to the Executive, addressed to the Executive at his or her respective address on file with the Company; if to the Company, addressed to SeaChange International, Inc., 50 Nagog Park, Acton, MA 01720, and directed to the attention of its Chief Financial Officer; if to the Board, addressed to the Board of Directors, c/o 50 Nagog Park, Acton, MA 01720, and directed to the Company's Chief Financial Officer; or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

4.5 Unless otherwise determined by the Employer in an applicable plan or arrangement, no amounts payable hereunder upon a Covered Termination shall be deemed salary or compensation for the purpose of computing benefits under any employee benefit plan or other arrangement of the Employer for the benefit of its employees.

4.6 This Agreement is the exclusive arrangement with the Executive applicable to payments and benefits in connection with a change in control of the Company (whether or not a Change in Control), and supersedes any prior arrangements involving the Company or its predecessors or affiliates relating to changes in control (whether or not Changes in Control). This Agreement shall not limit any right of the Executive to receive any payments or benefits under an employee benefit or executive compensation plan of the Employer, initially adopted as of or after the date hereof, which are expressly contingent thereunder upon the occurrence of a change in control (including, but not limited to, the acceleration of any rights or benefits thereunder); provided that in no event shall the Executive be entitled to any payment or benefit under this Agreement which duplicates a payment or benefit received or receivable by the Executive under any severance or similar plan or policy of the Employer, and in any such case the Executive shall only be entitled to receive the greater of the two payments.

4.7 Any payments hereunder shall be made out of the general assets of the Employer. The Executive shall have the status of general unsecured creditor of the Employer, and this Agreement constitutes a mere promise by the Employer to make payments under this Agreement in the future as and to the extent provided herein.

4.8 Nothing in this Agreement shall confer on the Executive any right to continue in the employ of the Employer or interfere in any way (other than by virtue of requiring payments or benefits as may expressly be provided herein) with the right of the Employer to terminate the Executive's employment at any time.

4.9 The Employer shall be entitled to withhold from any payments or deemed payments any amount of tax withholding required by law.

4.10 Any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement that is not resolved by the Employer and the Executive shall be submitted to arbitration in Boston, Massachusetts, in accordance with Massachusetts law and the procedures of the American Arbitration Association. The determination of the arbitrator(s) shall be conclusive and binding on the Employer and Executive and judgment may be entered on the arbitrator(s)' award in any court having jurisdiction.

4.11 This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

4.12 The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement which shall remain in full force and effect.

4.13 The use of captions in this Agreement is for convenience. The captions are not intended to and do not provide substantive rights.

4.14 THIS AGREEMENT SHALL BE CONSTRUED, ADMINISTERED AND ENFORCED ACCORDING TO THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW, EXCEPT TO THE EXTENT PREEMPTED BY FEDERAL LAW.

IN WITNESS WHEREOF, the parties hereto have signed their names, effective as of the date first above written.

SEACHANGE INTERNATIONAL, INC.

By: /s/ Jay A. Samit
Name: Jay A. Samit
Title: Chief Executive Officer

EXECUTIVE:

/s/ Edward Terino

Name: Edward Terino

NEWS RELEASE

Contact:	Press Jim Sheehan SeaChange 1-978-897-0100 x3064 jim.sheehan@schange.com	Investors Monica Gould The Blueshirt Group 1-212-871-3927 monica@blueshirtgroup.com
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**SEACHANGE INTERNATIONAL REPORTS
FIRST QUARTER FISCAL 2016 RESULTS**

- **New Customer Win with Major Canadian Service Provider for Adrenalin Multiscreen Deployment**
- **Major U.S. Service Provider Completes Adrenalin Multiscreen Upgrade Across All Markets**
- **Nucleus Gateway Advances to Second Commercial Deployment in Eastern Europe and Trial Phase in South America**

ACTON, Mass. (June 4, 2015) – SeaChange International, Inc. (NASDAQ: SEAC) today reported first quarter fiscal 2016 revenue of \$23.2 million and U.S. GAAP loss from operations of \$9.5 million, or \$0.28 per basic share, compared to first quarter fiscal 2015 revenue of \$24.3 million and U.S. GAAP operating loss of \$10.1 million, or \$0.31 per basic share. Excluding stock-based compensation, amortization of acquisition-related intangible assets and earn-outs and change in fair value of earn-outs, all of which are non-cash expenses, on a non-GAAP basis adjusted net loss for the first quarter of 2016 was \$6.8 million, or \$0.20 per basic share, compared to an adjusted net loss of \$7.2 million, or \$0.22 per basic share, in the first quarter of 2015.

“SeaChange continues to outperform its multiscreen competitors to win the vast majority of opportunities we’ve pursued for our multiscreen television platform and video gateway,” said Jay Samit, Chief Executive Officer, SeaChange. “During the first quarter, a new Canadian service provider customer for SeaChange purchased Adrenalin, replacing the incumbent VOD platform provider. Further, one of our largest U.S. customers, which has over four million subscribers, completed its upgrade from Axiom to Adrenalin to offer multiscreen commercially in 20 markets. Our Nucleus video gateway software was commercially launched for a second Eastern European customer and advanced into field trials for a South American customer. I’m also pleased to announce that one of our largest customers awarded SeaChange with additional multi-million dollar contracts that will expand our set-top footprint across new markets with this customer. We were able to begin work immediately and take partial revenue on one of these contracts during our first quarter.”

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Samit continued, "As our core products continue to take hold in markets globally, we're working aggressively to secure opportunities for a new set of customers with our premium-OTT platform Rave. The message about our OTT differentiation is penetrating globally and we're engaging with TV networks, broadcasters and niche content owners. In the first quarter of fiscal 2016 alone we responded to more requests for OTT proposals than we had identified for our multiscreen offering throughout all of fiscal 2015. Since we can rapidly establish cloud-based Rave market trials for extensive customer evaluation, we continue to anticipate that the OTT sales cycle will be shorter than it is typically for our on-premise products."

"As announced this afternoon, I'm very pleased that our effort to reinstitute the COO role within our organization has concluded with the appointment of software industry veteran and SeaChange board member Ed Terino," said Samit. "Ed is responsible for SeaChange's software development, sales and service globally. With his extensive insight into our operations and markets, Ed will ensure our ability to further improve operations, augment customer satisfaction, and establish our software products in new markets."

Anthony Dias, Chief Financial Officer, SeaChange, stated, "In addition to securing new contracts for our core products, we have made substantial progress on controlling our operating costs while delivering on our Adrenalin and Nucleus customer commitments, successfully introducing Rave to the marketplace, and integrating Timeline Labs throughout our organization. Our planned expense reductions remain on track and we anticipate realizing the full benefit of our streamlining efforts during the second half of fiscal 2016."

Commenting on the Company's outlook, Dias concluded, "We anticipate second quarter fiscal 2016 revenue to be in the range of \$26 million to \$28 million, and non-GAAP operating loss to be in the range of \$0.15 to \$0.09 per basic share. For full fiscal 2016, we continue to anticipate revenues to be in the range of \$105 million to \$115 million and non-GAAP operating loss to be in the range of \$0.38 to \$0.16 per basic share. As previously stated, our full year guidance reflects a moderate decrease in product revenue related to our transition to a SaaS model and legacy product revenue declines in the range of \$7 million to \$10 million. Legacy product revenue is on track to be less than \$5 million starting in fiscal 2017. In line with this forecast, SeaChange has begun communicating with its Axiom VOD customers about the end of Axiom support and development by December 31, 2016 and the options for transitioning to the Adrenalin platform."

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SeaChange continues to maintain a strong balance sheet, ending the first quarter of fiscal 2016 with cash and cash equivalents of \$85.3 million and no debt outstanding. During the quarter, the Company utilized \$11.7 million in cash for its acquisition of Timeline Labs, which closed on February 2, 2015.

Read SeaChange's June 4, 2015 COO appointment press release at <http://www.schange.com/seachange-terino-coo>.

The Company will host a conference call to discuss its first quarter fiscal 2016 results at 5:00 p.m. ET today, Thursday, June 4, 2015. The call may be accessed at 877-407-8037 (U.S.) and 201-689-8037 (international) and via live webcast at www.schange.com/IR. A replay of the conference call will be available by phone through June 18, 2015 at 877-660-6853 (U.S.) or 201-612-7415 (international), conference ID 1360-9961. The webcast will be archived on the investor relations section of the Company's website at www.schange.com/IR.

About SeaChange International

Enabling our customers to deliver billions of premium video streams across a matrix of pay-TV and OTT platforms, SeaChange (Nasdaq: SEAC) empowers service providers, broadcasters, content owners and brand advertisers to entertain audiences, engage consumers and expand business opportunities. As a three-time Emmy award-winning organization with over 20 years of experience, we give media businesses the content management, delivery, measurement and analytics capabilities they need to craft an individualized branded experience for every viewer that sets the pace for quality and value worldwide. Visit www.schange.com.

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Safe Harbor Provision

Any statements contained in this press release that do not describe historical facts, including without limitation statements regarding our products, future financial performance, anticipated sales cycles, expense reduction, and developments with our customers and the industry, are neither promises nor guarantees and may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Any such forward-looking statements contained herein are based on current assumptions and expectations, but are subject to a number of risks and uncertainties that may cause actual results to differ materially from expectations. Factors that could cause actual future results to differ materially from current expectations include the following: the continued spending by the Company's customers on video systems and services; the continued development of the multiscreen video and OTT market; the inability to meet revenue targets for our SaaS-based multiscreen service offering; the Company's ability to successfully introduce new products or enhancements to existing products and the rate of decline in revenue attributable to our legacy products; the Company's transition to being a company that primarily provides software solutions; worldwide economic cycles; measures taken to address the variability in the market for our products and services; the loss of one of the Company's large customers; consolidation in the television service providers industry; the cancellation or deferral of purchases of the Company's products; the length of the Company's sales cycles; the timing of revenue recognition of new products due to customer integration and acceptance requirements; any decline in demand or average selling prices for our products; failure to manage product transitions; failure to achieve our financial forecasts due to inaccurate sales forecasts or other factors; the Company's ability to manage its growth; the risks associated with international operations; the ability of the Company and its intermediaries to comply with the Foreign Corrupt Practices Act; foreign currency fluctuation; the Company's ability to protect its intellectual property rights and the expenses that may be incurred by the Company to protect its intellectual property rights; an unfavorable result of current or future litigation; content providers limiting the scope of content licensed for use in the video-on-demand and OTT market or other limitations in materials we use to provide our products and services; the Company's ability to obtain necessary licenses or distribution rights for third-party technology; the Company's ability to compete in its marketplace; the Company's ability to respond to changing technologies; the impact of acquisitions, divestitures or investments made by the Company; the impact of changes in the market on the value of our investments; any impairment of the Company's assets; changes in the regulatory environment; the Company's ability to hire and retain highly skilled employees; the ability of the Company to manage and oversee the outsourcing of engineering work; additional tax liabilities to which the Company may be subject; the security measures of the Company are breached and customer data or our data is obtained unlawfully; service interruptions or delays from our third-party data center hosting facilities; the implementation of a restructuring program; if securities analysts do not publish favorable research or reports about our business; our use of non-GAAP reporting; the effectiveness of the Company's disclosure controls and procedures and internal controls over financial reporting; the risks associated with purchasing material components from sole suppliers and using a limited number of third-party manufacturers; compliance with conflict minerals regulations; and the effect on revenue and reported results of a change in financial accounting standards.

Further information on factors that could cause actual results to differ from those anticipated is detailed in various publicly available documents made by the Company from time to time with the Securities and Exchange Commission, including but not limited to, those appearing under the caption "Certain Risk Factors" in the Company's Annual Report on Form 10-K filed on April 7, 2015. Any forward-looking statements should be considered in light of those factors. The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak as of the date they are made. The Company disclaims any obligation to publicly update or revise any such statements to reflect any change in Company expectations or events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results may differ from those set forth in the forward-looking statements.

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SeaChange International, Inc.
Condensed Consolidated Balance Sheets
(Amounts in thousands)

	April 30, 2015 (Unaudited)	January 31, 2015
Assets		
Cash and cash equivalents	\$ 72,971	\$ 90,019
Marketable securities and restricted cash	12,290	15,382
Accounts and other receivables, net	26,369	31,550
Inventories, net	2,918	2,864
Prepaid expenses and other current assets	4,152	3,026
Property and equipment, net	15,349	15,869
Goodwill and intangible assets, net	70,996	48,322
Other assets	4,702	5,319
Total assets	<u>\$ 209,747</u>	<u>\$ 212,351</u>
Liabilities and Stockholders' Equity		
Accounts payable and other current liabilities	\$ 16,088	\$ 17,636
Deferred stock consideration	6,739	—
Deferred revenues	17,342	19,088
Other long term liabilities	1,855	1,493
Deferred tax liabilities and income taxes payable	3,048	3,083
Total liabilities	<u>45,072</u>	<u>41,300</u>
Total stockholders' equity	<u>164,675</u>	<u>171,051</u>
Total liabilities and stockholders' equity	<u>\$ 209,747</u>	<u>\$ 212,351</u>

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SeaChange International, Inc.
Condensed Consolidated Statements of Operations
(Unaudited, amounts in thousands, except per share data)

	Three Months Ended April 30,	
	2015	2014
Revenues:		
Products	\$ 3,164	\$ 5,058
Services	20,013	19,279
Total revenues	<u>23,177</u>	<u>24,337</u>
Cost of revenues:		
Products	1,677	1,544
Services	11,203	11,595
Amortization of intangible assets	181	270
Stock-based compensation expense	—	37
Total cost of revenues	<u>13,061</u>	<u>13,446</u>
Gross profit	<u>10,116</u>	<u>10,891</u>
Operating expenses:		
Research and development	9,533	10,928
Selling and marketing	3,668	3,438
General and administrative	3,887	4,016
Amortization of intangible assets	941	1,509
Stock-based compensation expense	711	559
Earn-outs and change in fair value of earn-outs	502	—
Professional fees—other	128	102
Severance and other restructuring costs	212	474
Total operating expenses	<u>19,582</u>	<u>21,026</u>
Loss from operations	(9,466)	(10,135)
Other (expenses) income, net	(229)	415
Loss before income taxes and equity income in earnings of affiliates	(9,695)	(9,720)
Income tax provision (benefit)	147	(234)
Equity income in earnings of affiliates, net of tax	17	19
Net loss	<u>\$ (9,825)</u>	<u>\$ (9,467)</u>
Net loss per share:		
Basic loss per share	<u>\$ (0.29)</u>	<u>\$ (0.29)</u>
Diluted loss per share	<u>\$ (0.29)</u>	<u>\$ (0.29)</u>
Weighted average common shares outstanding:		
Basic	<u>33,328</u>	<u>32,985</u>
Diluted	<u>33,328</u>	<u>32,985</u>

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SeaChange International, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited, amounts in thousands)

	Three Months Ended	
	April 30,	
	2015	2014
Cash flows from operating activities:		
Net loss	\$ (9,825)	\$ (9,467)
Adjustments to reconcile net loss to net cash used in operating activities from continuing operations:		
Depreciation and amortization of property and equipment	870	995
Amortization of intangible assets	1,122	1,779
Fair value of contingent consideration	502	—
Stock-based compensation expense	711	596
Other	89	11
Changes in operating assets and liabilities, excluding impact of acquisition:		
Accounts receivable	7,822	4,855
Unbilled receivables	(2,864)	40
Inventories	(148)	244
Prepaid expenses and other assets	(1,091)	(1,793)
Accounts payable	119	771
Accrued expenses	(2,118)	(3,731)
Deferred revenues	(1,467)	277
Other	(465)	141
Total cash used in operating activities	<u>(6,743)</u>	<u>(5,282)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(282)	(371)
Capitalized internal use software	(749)	—
Purchases of marketable securities	(2,033)	(1,543)
Proceeds from sale and maturity of marketable securities	4,034	538
Investment in affiliate	—	(2,000)
Cash paid for acquisition of business, net of cash acquired	<u>(11,686)</u>	<u>—</u>
Total cash used in investing activities	<u>(10,716)</u>	<u>(3,376)</u>
Cash flows from financing activities:		
Repurchases of our common stock	—	(3,504)
Total cash used in financing activities	<u>—</u>	<u>(3,504)</u>
Effect of exchange rate changes on cash	411	(315)
Net decrease in cash and cash equivalents	<u>(17,048)</u>	<u>(12,477)</u>
Cash and cash equivalents, beginning of period	90,019	115,734
Cash and cash equivalents, end of period	<u>\$ 72,971</u>	<u>\$ 103,257</u>

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Use of Non-GAAP Financial Information

We define non-GAAP (loss) income from operations as U.S. Generally Accepted Accounting Principles (“U.S. GAAP”) operating (loss) income plus stock-based compensation expenses, amortization of intangible assets, earn-outs and change in fair value of earn-outs, professional fees associated with acquisitions, divestitures, litigation and strategic alternatives and severance and other restructuring costs. We discuss non-GAAP (loss) income from operations in our quarterly earnings releases and certain other communications as we believe non-GAAP (loss) income from operations is an important measure that is not calculated according to U.S. GAAP. We use non-GAAP (loss) income from operations in internal forecasts and models when establishing internal operating budgets, supplementing the financial results and forecasts reported to our Board of Directors, determining a component of bonus compensation for executive officers and other key employees based on operating performance and evaluating short-term and long-term operating trends in our operations. We believe that non-GAAP (loss) income from operations assists in providing an enhanced understanding of our underlying operational measures to manage the business, to evaluate performance compared to prior periods and the marketplace, and to establish operational goals. We believe that these non-GAAP financial adjustments are useful to investors because they allow investors to evaluate the effectiveness of the methodology and information used by management in our financial and operational decision-making.

Non-GAAP (loss) income from operations is a non-GAAP financial measure and should not be considered in isolation or as a substitute for financial information provided in accordance with U.S. GAAP. This non-GAAP financial measure may not be computed in the same manner as similarly titled measures used by other companies. We expect to continue to incur expenses similar to the non-GAAP (loss) income from operations financial adjustments described above, and investors should not infer from our presentation of this non-GAAP financial measure that these costs are unusual, infrequent or non-recurring.

In managing and reviewing our business performance, we exclude a number of items required by U.S. GAAP. Management believes that excluding these items is useful in understanding the trends and managing our operations. We provide these supplemental non-GAAP measures in order to assist the investment community to see SeaChange through the “eyes of management,” and therefore enhance the understanding of SeaChange’s operating performance. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, our reported results prepared in accordance with U.S. GAAP. Our non-GAAP financial measures reflect adjustments based on the following items:

Amortization of Intangible Assets. We incur amortization expense of intangible assets related to various acquisitions that have been made in recent years. These intangible assets are valued at the time of acquisition, are then amortized over a period of several years after the acquisition and generally cannot be changed or influenced by management after the acquisition. We believe that exclusion of these expenses allows comparisons of operating results that are consistent over time for both the Company’s newly-acquired and long-held businesses.

Stock-based Compensation Expense. We incur expenses related to stock-based compensation included in our U.S. GAAP presentation of cost of revenues, selling, general and administrative expense and research and development expense. Although stock-based compensation is an expense we incur and is viewed as a form of compensation, the expense varies in amount from period to period, and is affected by market forces that are difficult to predict and are not within the control of management, such as the market price and volatility of our shares, risk-free interest rates and the expected term and forfeiture rates of the awards.

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Earn-outs and Change in Fair Value of Earn-outs. Earn-outs and the change in the fair value of the earn-outs are considered by management to be non-recurring expenses to the former shareholders of the businesses we acquire. We also incur expenses due to changes in fair value related to contingent consideration that we believe would otherwise impair comparability among periods.

Professional Fees—Other. We have excluded the effect of legal and other professional fees associated with our acquisitions, divestitures, litigation and strategic alternatives because the amounts are largely considered to be significant non-operating expenses.

Severance and Other Restructuring. We incur charges due to the restructuring of our business, including severance charges and facility reductions resulting from our restructuring and streamlining efforts and any changes due to revised estimates, which we generally would not have otherwise incurred in the periods presented as part of our continuing operations.

The following table reconciles the Company's U.S. GAAP (loss) income from operations to the Company's non-GAAP (loss) income from operations:

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SeaChange International, Inc.
 Reconciliation of GAAP to Non-GAAP
 (Unaudited, amounts in thousands)

	Three Months Ended April 30, 2015			Three Months Ended April 30, 2014		
	GAAP As Reported	Adjustments	Non- GAAP	GAAP As Reported	Adjustments	Non- GAAP
Revenues:						
Products	\$ 3,164	\$ —	\$ 3,164	\$ 5,058	\$ —	\$ 5,058
Services	20,013	—	20,013	19,279	—	19,279
Total revenues	<u>23,177</u>	<u>—</u>	<u>23,177</u>	<u>24,337</u>	<u>—</u>	<u>24,337</u>
Cost of revenues:						
Products	1,677	—	1,677	1,544	—	1,544
Services	11,203	—	11,203	11,595	—	11,595
Amortization of intangible assets	181	(181)	—	270	(270)	—
Stock-based compensation	—	—	—	37	(37)	—
Total cost of revenues	<u>13,061</u>	<u>(181)</u>	<u>12,880</u>	<u>13,446</u>	<u>(307)</u>	<u>13,139</u>
Gross profit	<u>10,116</u>	<u>181</u>	<u>10,297</u>	<u>10,891</u>	<u>307</u>	<u>11,198</u>
Gross profit percentage	43.6%	0.8%	44.4%	44.8%	1.3%	46.0%
Operating expenses:						
Research and development	9,533	—	9,533	10,928	—	10,928
Selling and marketing	3,668	—	3,668	3,438	—	3,438
General and administrative	3,887	—	3,887	4,016	—	4,016
Amortization of intangible assets	941	(941)	—	1,509	(1,509)	—
Stock-based compensation expense	711	(711)	—	559	(559)	—
Earn-outs and change in fair value of earn-outs	502	(502)	—	—	—	—
Professional fees—other	128	(128)	—	102	(102)	—
Severance and other restructuring costs	212	(212)	—	474	(474)	—
Total operating expenses	<u>19,582</u>	<u>(2,494)</u>	<u>17,088</u>	<u>21,026</u>	<u>(2,644)</u>	<u>18,382</u>
(Loss) income from operations	<u>\$ (9,466)</u>	<u>\$ 2,675</u>	<u>\$ (6,791)</u>	<u>\$ (10,135)</u>	<u>\$ 2,951</u>	<u>\$ (7,184)</u>
(Loss) income from operations percentage	(40.8%)	11.5%	(29.3%)	(41.6%)	12.1%	(29.5%)
Weighted average common shares outstanding:						
Basic	<u>33,328</u>	<u>33,328</u>	<u>33,328</u>	<u>32,985</u>	<u>32,985</u>	<u>32,985</u>
Diluted	<u>33,328</u>	<u>33,464</u>	<u>33,328</u>	<u>32,985</u>	<u>33,441</u>	<u>32,985</u>
Non-GAAP operating (loss) income per share:						
Basic	<u>\$ (0.28)</u>	<u>\$ 0.08</u>	<u>\$ (0.20)</u>	<u>\$ (0.31)</u>	<u>\$ 0.09</u>	<u>\$ (0.22)</u>
Diluted	<u>\$ (0.28)</u>	<u>\$ 0.08</u>	<u>\$ (0.20)</u>	<u>\$ (0.31)</u>	<u>\$ 0.09</u>	<u>\$ (0.22)</u>
Adjusted EBITDA:						
Loss from operations			\$ (9,466)			\$ (10,135)
Depreciation expense			870			995
Amortization of intangible assets			1,122			1,779
Stock-based compensation expense			711			596
Earn-outs and changes in fair value			502			—
Professional fees: acquisitions, divestitures, etc.			128			102
Severance and other restructuring			212			474
Adjusted EBITDA			\$ (5,921)			\$ (6,189)
Adjusted EBITDA %			(25.5%)			(25.4%)

—end press release and tables—

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**SEACHANGE APPOINTS SOFTWARE INDUSTRY VETERAN
EDWARD TERINO TO CHIEF OPERATING OFFICER**

ACTON, Mass. (June 4, 2015) – Multiscreen innovator SeaChange International, Inc. (NASDAQ: SEAC) today announced the appointment of Edward Terino to Chief Operating Officer, effective immediately. Reporting to Chief Executive Officer Jay Samit, Terino is responsible for software development, sales, and services globally. He will continue to serve on the Company’s board of directors, which he joined in 2010, and will step down from the audit and compensation committees.

“Ed’s demonstrated capacity for delivering operational excellence will reinforce SeaChange’s ability to expand the global footprint for our core software products and services, while continuing to establish our offerings in adjacent markets for premium video delivery and monetization,” said SeaChange CEO Jay Samit. “Ed hits the ground running with an extensive working knowledge of our company and customer base, producing the ideal outcome in support of my goal to reinstitute the vital COO function.”

Edward Terino added, “SeaChange’s worldwide software development, sales and services workforce delivers innovation and performance enjoyed by an enviable customer base. I look forward to enabling greater success through improved processes, efficiencies and execution that will leverage and optimize our resources for increasing customer satisfaction and capturing new business opportunities.”

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Over the past five years, Terino has served on the board of directors for software and technology companies including Extreme Networks, Inc., S1 Corporation, Phoenix Technologies Ltd., and EBT International, Inc. Presently, in addition to serving as a director at SeaChange, he serves as a director for Baltic Trading Ltd. His professional experience spans 30 years in senior management and operational roles for public companies including SVP and CFO of Art Technology Group, Inc., CEO and CFO of Arlington Tankers Ltd., and VP of Finance and Operations at Houghton Mifflin Harcourt.

Editor's note: Visit www.schange.com/photos/ed-terino to download a headshot of Edward Terino, COO, SeaChange.

About SeaChange International

Enabling our customers to deliver billions of premium video streams across a matrix of pay-TV and OTT platforms, SeaChange (Nasdaq: SEAC) empowers service providers, broadcasters, content owners and brand advertisers to entertain audiences, engage consumers and expand business opportunities. As a three-time Emmy award-winning organization with over 20 years of experience, we give media businesses the content management, delivery, measurement and analytics capabilities they need to craft an individualized branded experience for every viewer that sets the pace for quality and value worldwide. Visit www.schange.com.

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