# 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): April 6, 2016**

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

| | | |
|---|---|---|
| **DELAWARE** | **0-21393** | **04-3197974** |
| **(State or Other Jurisdiction of Incorporation or Organization)** | **(Commission File Number)** | **(I.R.S. Employer Identification No.)** |

| | |
|---|---|
| **50 Nagog Park, Acton, MA** | **01720** |
| **(Address of Principal Executive Offices)** | **(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))

**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 April 7, 2016, reporting SeaChange’s financial results for the fourth quarter and fiscal year ended January 31, 2016.

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.**

(b)

Jay Samit has been terminated without cause as Chief Executive Officer and has resigned as a Class I Director of SeaChange International, Inc. (“SeaChange”), effective April 6, 2016.

In connection with his termination, Mr. Samit and SeaChange entered into a Separation Agreement and Release of Claims, dated as of April 6, 2016 (the “Separation Agreement”). Under the terms of the Separation Agreement, and consistent with its pre-existing obligations to Mr. Samit in connection with a termination without cause, SeaChange will:

- Pay Mr. Samit $750,000, in twelve (12) equal monthly installments of $62,500;
- Pay Mr. Samit $625,000 in satisfaction of Mr. Samit’s fiscal 2016 and fiscal 2017 annual bonuses;
- Allow for the pro-rated vesting through his termination date of Mr. Samit’s (i) new hire restricted stock unit award (16,010 RSUs) and (ii) 2016 Long-Term Incentive (“LTI”) restricted stock unit award (3,242 RSUs); and
- Allow Mr. Samit to remain eligible to receive a pro-rated portion (6.484% of the original three year period based on his termination date) of his performance stock unit award (“PSU”) to be determined subsequent to January 31, 2019 pursuant to the previously disclosed terms of his PSU award agreement.

Under the Separation Agreement, Mr. Samit affirmed his existing Employee Noncompetition, Nondisclosure and Developments Agreement pursuant to which Mr. Samit agreed to non-competition and non-solicitation provisions restricting his activities for a one-year post-employment period.

The foregoing summary of the Separation Agreement does not purport to be complete and is qualified in its entirety by reference to the Separation Agreement, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

(c)

*Appointment of Edward Terino as Chief Executive Officer*

On April 6, 2016, the Board of Directors of SeaChange appointed Edward Terino as the Chief Executive Officer of SeaChange, effective April 6, 2016.

Edward Terino, 62, previously served as SeaChange's Chief Operating Officer and Executive Vice President since June 3, 2015. He has served on SeaChange's Board of Directors since July 2010. Mr. Terino's professional experience spans 30 years in senior management and operational roles for public companies including service as Senior Vice President ("SVP") and Chief Financial Officer ("CFO") of Art Technology Group, Inc. from September 2001 to June 2005, CEO and CFO of Arlington Tankers Ltd. from July 2005 to December 2008, and Vice President ("VP") of Finance and Operations at Houghton Mifflin Harcourt from 1985 to 1996. He has served on the board of directors for software and technology companies including Extreme Networks, Inc. from October 2012 to November 2013, S1 Corporation from April 2007 to February 2012, Phoenix Technologies Ltd. from November 2009 to November 2010, and EBT International, Inc. from October 1999 to March 2006. He also served on the board of directors of Baltic Shipping Ltd. from March 2010 to July 2015.

The selection of Mr. Terino to serve as Chief Executive 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 persons 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 Executive Officer, the Compensation Committee and Board agreed to pay Mr. Terino an annual base salary of $450,000 per year and, to make a one-time equity award of 600,000 stock options with an exercise price equal to SeaChange's closing stock price on April 6, 2016 of $5.56 per share, to vest in approximately equal tranches based on SeaChange's stock price reaching targets of $7.00, $9.00 and $11.00 in each case for twenty (20) consecutive trading dates, but in any event no earlier than six (6) months from April 6, 2016. Mr. Terino will also be eligible to participate in the annual executive bonus program approved by the Compensation Committee based on the achievement of Company financial and strategic goals, as determined by the Compensation Committee. For fiscal 2017, Mr. Terino will be eligible to receive annual cash bonus under this program with a target value of $405,000. In addition, Mr, Terino will also be eligible for Long Term Incentive equity awards ("LTI Awards"). For fiscal 2017, Mr. Terino will be granted an LTI Award with a value of $370,000 to be set on the same general terms (fifty percent (50%) performance stock units, twenty-five percent (25%) stock options and twenty-five (25%) restricted stock units) as for the previously disclosed fiscal 2016 LTI Awards.

Attached as Exhibit 99.2, and incorporated by reference, is a copy of the press release issued by SeaChange International, Inc. ("SeaChange") dated April 7, 2016, announcing the appointment of Edward Terino as Chief Executive Officer of SeaChange.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

The following Exhibits are attached to this report:

| Exhibit No. | Description |
|---|---|
| 10.1 | Separation Agreement and Release of Claims, dated as of April 6, 2016, by and between SeaChange International, Inc. and Jay Samit. |
| 99.1 | Press release issued by SeaChange International, Inc. dated April 7, 2016. |
| 99.2 | Press release issued by SeaChange International, Inc. dated April 7, 2016. |

## 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/ Edward Terino
Edward Terino
Chief Executive Officer

Dated: April 7, 2016

## EXHIBIT INDEX

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| 99.2 | Press release issued by SeaChange International, Inc. dated April 7, 2016. |

**Exhibit 10.1**

**<u>Execution Copy</u>**

SEPARATION AGREEMENT AND RELEASE OF CLAIMS

This Separation Agreement and Release of Claims (this "Agreement") is entered into as of the date last written below by and between SeaChange International, Inc. (the "Company" or "SeaChange") and Jay Samit ("Executive") (individually, a "Party," and collectively, the "Parties"). The Parties hereby agree as follows:

**1. Resignation from Employment; Benefits.** The Parties acknowledge and agree that the employment of Executive by SeaChange has been terminated by SeaChange without cause, effective April 6, 2016 (the "Separation Date").

Executive will be paid no later than the next regular payroll date that falls on or after the Separation Date for all base salary earned through the Separation Date, together with all accrued but unused paid vacation time as of the Separation Date. Following the Separation Date, Executive agrees that he is not entitled to any salary, bonus, equity or other compensation from SeaChange, except as expressly set forth herein.

For the period subsequent to the Separation Date, Executive may be eligible to elect continued group health and dental insurance coverage pursuant to the federal law known as COBRA. Notification of Executive's COBRA rights will be sent under separate cover. Effective on the Separation Date, Executive's entitlement to or participation in any and all other Company benefits, benefit plans, policies or programs shall cease, except as expressly set forth herein.

**2. Resignation from Other Positions; Transfer of Subsidiary Interests.** Executive shall and hereby does resign from all officer, director and other positions with SeaChange and all of its subsidiaries (including but not limited to his positions as Chief Executive Officer and as a member of the Board of Directors of SeaChange) effective on the Separation Date.

**3. Severance.** In consideration of Executive's execution of this Agreement and subject to Executive's non-revocation of this Agreement and compliance with Executive's Employee Noncompetition, Nondisclosure and Developments Agreement with the Company dated as of January 27, 2016 (the "Existing Agreement"), a copy of which is attached hereto as **<u>Exhibit A</u>**, the Company will pay to Executive a total of $750,000, less applicable taxes and withholdings (the "Severance Pay"), to be paid in equal monthly installments over the twelve months following the Separation Date, commencing on the next regular payroll date that falls on or after the Separation Date, and every other alternating regular payroll date thereafter.

**4. Compensation and Bonus Plan; Existing Equity Awards.**

a. <u>Compensation and Bonus Plan</u>. In satisfaction of any obligation of SeaChange pursuant to SeaChange's fiscal year 2016 and/or fiscal year 2017 compensation and bonus plan (notwithstanding that Executive shall not be an employee of SeaChange on the applicable payment date), SeaChange will pay to Executive $625,000, less applicable taxes and withholdings (to be paid in the next payroll period following expiration of the

Revocation Period, subject to Executive's execution of this Agreement and subject to Executive's non-revocation of this Agreement and compliance with the Existing Agreement).

b. Existing Equity Awards. The Parties acknowledge and agree that Executive's equity awards as of the Separation Date under the Company's Amended and Restated 2011 Equity Compensation and Incentive Plan (the "Equity Plan") are as set forth in **Exhibit B** hereto. Executive's stock options and restricted stock units shall continue to be governed by the terms and conditions set forth in the Equity Plan and the agreements evidencing such awards, which shall continue in full force and effect following execution of this Agreement. For the avoidance of doubt, any Performance-Vested Equity Award (as such term is defined in that certain Amended and Restated Change-in-Control Severance Agreement, dated as of January 26, 2016, by and between the Company and Executive (the "Change-in-Control Agreement")) shall be determined under the terms of the underlying award agreement and the vesting of any equity award (other than a Performance-Vested Equity Award) shall be pro-rated for your period of service through the date of termination. Consistent with the Company's Corporate Governance Guidelines, Executive shall not sell any Company stock for a period of ninety (90) days following the Separation Date.

**5. Section 409A Compliance**. It is the intention of the parties that this Agreement comply with and be interpreted in accordance with Section 409A of the Internal Revenue Code of 1986, as amended and the United States Department of Treasury regulations and other guidance issued thereunder (collectively, "Section 409A"). Each payment in a series of payments provided to the Executive pursuant to this Agreement will be deemed a separate payment for purposes of Section 409A. If any amount payable under this Agreement upon a termination of employment is determined by the Company to constitute nonqualified deferred compensation for purposes of Section 409A (after taking into account the short-term deferral exception and the involuntary separation pay exception of the regulations promulgated under Section 409A which are hereby incorporated by reference), such amount shall not be paid unless and until the Executive's termination of employment also constitutes a "separation from service" from the Company for purposes of Section 409A. In the event that the Executive is determined by the Company to be a "specified employee" for purposes of Section 409A at the time of his separation from service with the Company, any payments of nonqualified deferred compensation (after giving effect to any exemptions available under Section 409A) otherwise payable to the Executive during the first six (6) months following his separation from service shall be delayed and paid in a lump sum upon the earlier of (x) the Executive's date of death, or (y) the first day of the seventh month following the Executive's separation from service, and the balance of the installments (if any) will be payable in accordance with their original schedule. In no event shall the Executive have any right to determine the taxable year of payment of any amount hereunder.

**6. Release of Claims.** Executive, on behalf of himself and his spouse, heirs, children, successors, current and former agents, representatives, executors, beneficiaries, administrators, trustees, attorneys and assigns, voluntarily releases and discharges SeaChange International, Inc. and each of its predecessors, successors, subsidiaries, investors and current and former assigns, agents, officers, partners, members, directors, shareholders, employees, consultants, representatives, insurers, attorneys, affiliates, and any other related entities; and all persons acting by, through, under, or in concert with any of them (any and all of which are referred to as “Releasees”), from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, causes of action, damages, losses, expenses, and debts of any nature whatsoever, known or unknown (“Claims”), which Executive has, claims to have, ever had, or ever claimed to have had against Releasees through the date last written below. This general release of Claims includes, without implication of limitation, all Claims relating to Executive’s employment and separation from employment with SeaChange; all Claims relating to Executive’s positions and duties with SeaChange; all Claims relating to Executive’s equity and other rights as to SeaChange; all Claims of discrimination, harassment and retaliation prohibited by any federal, state, or local statute, regulation, or ordinance, including without implication of limitation, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans With Disabilities Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the California Fair Employment and Housing Act, the California Labor Code and any other similar applicable state laws; and all other statutory or common law Claims. Executive also waives any Claim for reinstatement, attorneys’ fees, interest, or costs, and all Claims for wages, bonuses, severance, equity or other compensation, *provided that* this Release shall not be construed to impair (i) any rights pursuant to any qualified retirement or welfare benefit plan maintained by the Company, (ii) any rights to be indemnified by the Company pursuant to the Company’s articles of incorporation or bylaws, applicable law, or rights under any Company D & O policy (with the Company agreeing to maintain coverage substantially similar to that existing immediately prior to the date hereof with respect to the period during which Executive was an employee of the Company, which obligation may be satisfied at the Company’s discretion by means of a “tail” policy) or the Indemnification Agreement, dated as of October 20, 2014, between the Company and Executive, or (iii) Executive’s rights under this Agreement. Additionally, nothing in this Agreement shall be interpreted to prohibit Executive from filing an age discrimination claim with any anti-discrimination agency, or from participating in an age discrimination investigation or proceeding conducted by any such agency. However, by signing this Agreement, Executive acknowledges that he is waiving any and all rights to money damages and any other relief that might otherwise be available should he or any other entity pursue claims against the Releasees.

**7. Non-Filing of Complaint or Charges.**Executive represents that he has not filed any complaint or charge against any of the Releasees with any local, state or federal agency or court, or assigned any of the Claims released in **Section 6** (Releases of Claims) to any third party.

**8. Affirmation of Existing Agreement.** Regardless of whether Executive signs this Agreement, the Existing Agreement shall remain in full force and effect following the Separation Date. Executive represents and acknowledges that Executive has at all times complied with the Existing Agreement, and will continue to do so following the Separation Date.

**9. Return of Information and Property.** Executive represents and warrants that he has either returned or will return to Martha Restrepo, Vice President of HR, on or before the Separation Date any and all Company property and documents, and that Executive has removed and deleted any Company information and data that Executive may have on his personal computer, storage devices (including cloud-based) or in any other data repository; *provided that* (a) Executive shall be permitted to retain his current cell phone number, although all Company-paid services relating to his cell phone and the devices listed in **Section 9(b)** shall cease on the

Separation Date; and (b) the Company shall return to Executive his current Macbook laptop once the Company has removed all Company information and data from such devices. Executive further agrees that on and after the Separation Date, he will not for any purpose attempt to access or use any SeaChange computer or computer network or system, including its servers and electronic mail system. Executive also represents that he has left intact all of the Company's electronic files, including those that he developed or helped develop during his employment with the Company.

**10. Cooperation.** Executive agrees to cooperate fully with SeaChange in the defense or prosecution of any threatened or actual claims or actions which may be brought by, against or on behalf of SeaChange or its predecessors, subsidiaries, affiliates or any of their current or former partners, investors, agents, employees, officers, or directors and which relate to events or occurrences that transpired or are alleged to have transpired during his employment or affiliation with SeaChange. Such cooperation shall include, without implication of limitation, being available to meet at mutually agreeable times with the Company's counsel to prepare for discovery or trial and to testify truthfully as a witness when reasonably requested by SeaChange. SeaChange shall reimburse Executive for reasonable documented out-of-pocket expenses incurred by Executive in connection with fulfilling services requested by SeaChange pursuant to this **Section 10**.

**11. Waiver of Civil Code Section 1542.** It is the intention of the Parties in executing this instrument that it shall be effective as a bar to each and every Claim specified in this Agreement. In furtherance of this intention, Executive hereby expressly waives any and all rights and benefits conferred upon Executive by the provisions of Section 1542 of the California Civil Code, and expressly consents that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims, as well as those relating to any other Claims herein specified. Section 1542 provides:

> **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."**

Having been so apprised, Executive nevertheless hereby voluntarily elects to and does waive the rights described in Civil Code Section 1542, and elects to assume all risks for Claims that now exist in Executive favor, known or unknown.

**12. Non-Disparagement; Confidentiality**. Executive agrees not to make any statement, written or oral, which disparages SeaChange or any of its services, subsidiaries, affiliates, shareholders, investors, partners, members, directors, officers, employees, or agents. Executive further agrees not to make any statement or take any action which has the intended or foreseeable effect of harming SeaChange. For its part, the Company agrees that (i) neither its current Officers nor its current Board members shall make any statement, written or oral, which disparages Executive; and (ii) the Company shall not include any written statements that disparage the Executive in any official public Company announcement. Executive further agrees that (1) the terms and conditions of this Agreement and (2) any and all actions taken by the

Company and Releasees in accordance with this Agreement are confidential and shall not be disclosed, discussed, or revealed by Executive to any other person or entity except Executive's spouse, formally retained attorney, or accountant. Nothing in this **Section 12** is intended to restrict either Party or her/its agents from disclosing any provision of this Agreement to any taxing authority or to any tax advisor, counsel, accountant or advisor to such Party.

Nothing in this **Section 12** herein shall prohibit either Party from providing truthful testimony in any legal proceeding, communicating with any governmental agency or representative, or from making any truthful disclosure required by law; provided, however, that in the event of such a disclosure, each Party agrees to provide advance written notice to the non-disclosing Party of his/its intent to make such disclosures and provided that best efforts will be used by the Parties to ensure that this **Section 12** is complied with to the maximum extent possible. Moreover, nothing herein shall prevent Executive from participating in any proceeding before any federal or state administrative agency to the fullest extent permitted by applicable law, provided that he will be prohibited to the fullest extent authorized by law from obtaining monetary damages and any other relief in any agency proceeding in which he does so participate.

**13. Accord and Satisfaction.** It is expressly agreed that the payments and benefits set forth in this Agreement, together with all other payments and benefits previously provided to Executive by SeaChange, are complete payment, settlement, satisfaction and accord with respect to all obligations and liabilities of the Releasees to Executive, including but not limited any obligations of SeaChange to Executive pursuant to both (x) the offer letter, dated as of October 16, 2014 and as amended January 26, 2016, by and between SeaChange and Executive and (y) the Change-in-Control Severance Agreement, each of which shall be and hereby are terminated and of no further force or effect.

**14. Further Assurances.** The Parties agree to execute, acknowledge (if necessary), and deliver such documents, certificates or other instruments and take such other actions as may be reasonably required from time to time to carry out the intents and purposes of this Agreement.

**15. Remedy for Breach.** Executive understands and agrees that SeaChange may terminate Executive's rights pursuant to this Agreement if Executive violates this Agreement (including compliance with the Existing Agreement). If Executive breaches a material provision of the Existing Agreement or this Agreement and does not cure such breach within twenty (20) days written notice thereof by SeaChange, SeaChange shall have the right to recover from Executive any Severance Pay paid to Executive or on Executive's behalf during any time periods following the commencement of any such breach. The Parties further agree that a breach of **Sections 7** (Non-Filing of Complaint or Charges), **8** (Affirmation of Existing Agreement), **9** (Return of Information and Property), **10** (Cooperation) and/or **12** (Non-Disparagement; Confidentiality) herein would result in irreparable harm to the non-breaching Party, that money damages would not provide an adequate remedy, and, therefore, that in addition to any other rights that the non-breaching Parties may have, the non-breaching Party shall have the right to specific performance and injunctive relief, without the necessity of posting a bond, in the event of a breach any of those Sections of this Agreement. In addition, in the event of any violation of those Sections of this Agreement, the non-breaching Party shall be entitled to recover its attorneys fees and costs incurred in connection with any efforts to enforce its rights under this Agreement.

**16. Voluntary Waiver and Acknowledgement.** Executive acknowledges that he has had the opportunity to consult with the attorney of his choice in connection with executing this Agreement, and that he has been given the opportunity, if so desired, to consider this Release for twenty-one (21) days before executing it. If Executive does not sign this Agreement and return it to Anthony Dias, Chief Financial Officer, at the Company's principal business address so that it is received within twenty-one (21) days of the Separation Date, it will not be valid. In the event that Executive executes this Release within less than 21 days, he acknowledges that such decision was entirely voluntary and that he had the opportunity to consider this Release for the entire 21-day period. Any change to this Agreement, whether material or otherwise, will not re-start this 21-day period.

The Parties acknowledge that, for a period of seven (7) days from the date that Executive signs this Agreement (the "Revocation Period"), he will retain the right to revoke this Agreement by written notice to Anthony Dias, Chief Financial Officer, at the Company's principal business address, received before the end of the Revocation Period, and that this Agreement will not become effective or enforceable until the expiration of the Revocation Period.

Executive agrees that he has carefully read and understands all of the provisions of this Agreement, and that he is voluntarily entering into this Agreement. Executive further represents and acknowledges that in executing this Agreement, he is not relying and has not relied upon any representation or statement made by any of the Releasees with regard to the subject matter, basis or effect of this Agreement.

**17. Entire Agreement.** With the exception of the Equity Plan, the agreements evidencing the equity awards listed on**Exhibit B**, and the Corporate Governance Guidelines and the Existing Agreement, all of which shall survive in full force and effect except as expressly amended herein, this Agreement constitutes the entire understanding and agreement of the Parties regarding the matters set forth herein and supersedes any prior communications, agreements and understandings, written or oral, with respect to the matters set forth herein.

**18. Other Terms.** This Agreement may be modified only by a written agreement signed by Executive and an authorized officer of SeaChange. The waiver by any party of a breach of this Agreement shall not operate or be construed as a waiver of any subsequent breach. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which together shall constitute the same instrument. This Agreement shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts without regard for the conflict of laws principles thereof. Any proceeding arising out of or relating to this Agreement shall be brought solely in the federal or state courts located in Suffolk County, Massachusetts. This provision may be filed with any court as written evidence of the knowing and voluntary irrevocable agreement between the parties to waive any objections to jurisdiction, to venue or to convenience of forum. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION

HEREWITH OR THE MATTERS CONTEMPLATED HEREBY OR THEREBY. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the Parties. This Agreement is not, and shall not be construed to be, an admission of any violation of any federal, state or local statute or regulation, or of any duty owed by Executive or any of the Releasees. If any provision of this Agreement is deemed invalid, the remaining provisions shall not be affected and shall be enforced to the maximum extent permitted by law. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assigns, except that Executive's obligations herein are personal and may not be assigned.

**19. No Interference with Rights.** Executive understands, agrees and acknowledges that nothing contained in this Agreement, including but not limited to **Sections 6** (Release of Claims), **7** (Non-Filing of Complaint or Charges), **8** (Affirmation of Existing Agreement), **9** (Return of Information and Property), **11** (Waiver of Civil Code Section 1542), **12** (Non-Disparagement; Confidentiality), **14** (Further Assurances) or **18** (Other Terms) will prevent Executive from filing a charge or complaint with, reporting possible violations of any law or regulation, making disclosures to, and/or participating in any investigation or proceeding conducted by, the National Labor Relations Board, Equal Employment Opportunity Commission, the Securities and Exchange Commission, and/or any governmental authority charged with the enforcement of any laws, provided that by signing this release Executive is waiving rights to individual relief based on claims asserted in such a charge or complaint, or asserted by any third-party on Executive's behalf, except where such a waiver of individual relief is prohibited.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date last written below.

| | |
|---|---|
| /s/ JAY SAMIT<br>Jay Samit | Dated as of April 6, 2016 |

SEACHANGE INTERNATIONAL, INC.

| | | |
|---|---|---|
| By | ____________________ | Dated as of April 6, 2016 |
| Name: | ____________________ | |
| Title: | ____________________ | |

**Exhibit A**

**Noncompetition, Nondisclosure and Developments Agreement**

**Exhibit B**

| Grant Date | Form of Award | Number of Shares | Vesting | Vested Shares as of April 6, 2016 |
|---|---|---|---|---|
| 10/20/14 | Option | 500,000 | Performance-Vested (based on stock price) | None. |
| 10/20/14 | Restricted Stock Unit (RSU) | 138,313 | Time-based | 50,588 shares<br>• 34,578 vested and issued 10/20/15;<br>• 16,010 to vest and be issued 4/17/16 subject to non-revocation of this Agreement |
| 4/1/15 | Restricted Stock Unit (RSU) | 26,558 | Time-based | 26,558 vested as of 1/31/16 and previously issued. |
| 1/26/16 | Restricted Stock Unit (RSU) | 50,000 | Time-based | 3,242 to vest and be issued 4/17/16 subject to non-revocation of this Agreement |
| 1/26/16 | Performance Stock Unit (PSU) | 100,000 | Performance-Vested (based on TSR) | Award to issue subsequent to 1/31/19 with pro ration based on days served (6.484% of 3 year period) |

SeaChange

Exhibit 99.1

**NEWS RELEASE**


| **Contact:** | **Press** | **Investors** |
|---|---|---|
| | Jim Sheehan | Monica Gould |
| | SeaChange | The Blueshirt Group |
| | 1-978-897-0100 x3064 | 1-212-871-3927 |
| | jim.sheehan@schange.com | monica@blueshirtgroup.com |


**SEACHANGE INTERNATIONAL REPORTS**
**FOURTH QUARTER AND FULL FISCAL 2016 RESULTS**

**Company Guides for Growth and Profitability for Full Fiscal Year 2017**

**ACTON, Mass. (April 7, 2016) –** SeaChange International, Inc. (NASDAQ: SEAC) today announced results of its operations for the fourth quarter of fiscal 2016 ended January 31, 2016. In a simultaneous announcement made today, Ed Terino has been appointed Chief Executive Officer, effective April 6, 2016.

SeaChange reported fourth quarter fiscal 2016 revenue of $27.2 million and U.S. GAAP loss from operations of $22.1 million, or $0.66 per basic share for the fourth quarter of fiscal 2016, compared to fourth quarter fiscal 2015 revenue of $31.3 million and U.S. GAAP operating loss of $5.3 million, or $0.16 per basic share. The Company's U.S. GAAP fourth quarter fiscal 2016 results included non-GAAP charges of $22.3 million, which consisted primarily from the loss from impairment of Timeline Labs net assets, severance and other restructuring costs, stock-based compensation, amortization of intangible assets from prior acquisitions, and other non-operating expense professional fees, while the fourth quarter fiscal 2015 results included non-GAAP charges of $3.6 million of similar non-GAAP charges. Non-GAAP income from operations for the fourth quarter of fiscal 2016 was $0.1 million, or break-even per share, compared to non-GAAP loss from operations of $1.7 million, or $0.05 per basic share, in the fourth quarter of fiscal 2015.

For the full fiscal year ended January 31, 2016, the Company posted revenues of $107.0 million and U.S. GAAP operating loss of $48.2 million, or $1.44 per basic share, compared to revenues of $115.4 million and U.S. GAAP operating loss of $26.5 million, or $0.81 per basic share, from operations in the same prior period. The Company posted a non-GAAP loss from operations for fiscal 2016 of $7.5 million, or $0.23 per basic share, compared to a $13.8 million operating loss, or $0.42 per basic share, from continuing operations for the same prior period. Included in the full fiscal 2016 U.S. GAAP results are $40.7 million in non-GAAP charges, which consisted primarily from the loss from impairment of Timeline Labs net assets, severance and other restructuring costs, stock-based compensation, amortization of intangible assets from prior acquisitions, and other non-operating expense professional fees, while the full fiscal 2015 results included $12.7 million of similar non-GAAP charges.

“While we are disappointed in our fiscal 2016 financial performance, we did make significant operational improvements during the year. As we enter fiscal 2017, we intend to further increase operational efficiencies and deliver new software product innovations that capitalize on our core competencies in video delivery, content management and monetization,” said Ed Terino, Chief Executive Officer, SeaChange. “Specifically we will be focused on leveraging our R&D investments and becoming more efficient with our spending as we roll out our platforms for current customer commitments and introduce new cloud-based software products that provide opportunities in our core TV service provider segment, as well as adjacent markets. In addition, we are investing in our sales and marketing capabilities in response to these market opportunities. We believe that these actions will enable SeaChange to return to revenue growth and profitability on a full year basis in fiscal 2017.”

Anthony Dias, Chief Financial Officer, SeaChange, said, “As previously disclosed, we have implemented cost-saving actions with respect to restructuring our Timeline operations and the termination of our prior CEO, Jay Samit, which will enable us to achieve annualized cost savings of approximately $7 million.”

Commenting on the Company’s outlook, Dias concluded, “Generally our first quarter tends to be down cyclically, therefore we anticipate our first quarter fiscal 2017 revenue to be in the range of $20 million to $22 million, and non-GAAP operating loss to be in the range of $0.18 to $0.24 per basic share. For full fiscal 2017, we anticipate revenues to be in the range of $110 million to $120 million and non-GAAP operating income to be in the range of $0.05 to $0.15 per fully diluted share.”

SeaChange continues to have a strong balance sheet and ended the fourth quarter of fiscal 2016 with cash, cash equivalents, restricted cash and marketable securities of $71.1 million and no debt outstanding.

The Company will host a conference call to discuss its fourth quarter and full fiscal 2016 results at 5:00 p.m. ET today, Thursday, April 7, 2016. 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 April 21, 2016 at 877-660-6853 (U.S.) or 201-612-7415 (international), conference ID 1363-1984. The webcast will be archived on the investor relations section of the Company’s website at www.schange.com/IR.

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**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, 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. For more information, please visit www.schange.com.

**Safe Harbor Provision**

Any statements contained in this press release that do not describe historical facts, including without limitation statements regarding our products, the preliminary determination of our estimated one-time charge, future financial performance including expenses we may incur in the future in fulfilling customer arrangements, anticipated sales cycles, customer diversification, 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 and expenses we may incur in fulfilling customer arrangements; 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 or reduction in demand by 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 and services; failure to manage product transitions; failure to achieve our financial forecasts due to inaccurate sales forecasts or other factors, including due to expenses we may incur in fulfilling customer arrangements; the Company’s ability to generate sufficient revenues to reduce its losses or regain profitability; 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 Company’s ability to access sufficient funding to finance desired growth and operations; 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 restructuring programs; disruptions to the Company’s information technology systems; uncertainties of regulation of Internet and data tracking over the Internet; 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 Company’s use of estimates in accounting for the Company’s contracts; the performance of the Company’s third-party vendors; the Company’s entry into fixed price contracts and the related risk of cost overruns; the risks associated with purchasing material components from sole suppliers and using a limited number of third-party manufacturers; compliance with conflict minerals regulations; terrorist acts, conflicts, wars and geopolitical uncertainties; the Company’s Delaware anti-takeover provisions; and the effect on revenue and reported results of a change in financial accounting standards.

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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.**
**Preliminary Condensed Consolidated Balance Sheets**
**(Amounts in thousands)**

| | January 31, 2016 (Unaudited) | January 31, 2015 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 58,733 | $ 90,019 |
| Marketable securities and restricted cash | 12,350 | 15,382 |
| Accounts and other receivables, net | 37,011 | 31,550 |
| Inventories | 1,682 | 2,864 |
| Prepaid expenses and other current assets | 3,827 | 3,026 |
| Property and equipment, net | 14,129 | 15,869 |
| Goodwill and intangible assets, net | 44,301 | 48,322 |
| Other assets | 5,636 | 5,319 |
| Total assets | $ 177,669 | $ 212,351 |
| | | |
| **Liabilities and Stockholders' Equity** | | |
| Accounts payable and other current liabilities | $ 23,546 | $ 17,636 |
| Deferred stock consideration | 3,205 | — |
| Deferred revenues | 17,410 | 19,088 |
| Deferred tax liabilities and income taxes payable | 1,389 | 3,083 |
| Other liabilities, long-term | 1,101 | 1,493 |
| Total liabilities | 46,651 | 41,300 |
| Total stockholders' equity | 131,018 | 171,051 |
| Total liabilities and stockholders' equity | $ 177,669 | $ 212,351 |

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

| | Three Months Ended January 31, 2016 | Three Months Ended January 31, 2015 | Twelve Months Ended January 31, 2016 | Twelve Months Ended January 31, 2015 |
|---|---|---|---|---|
| Revenues: | | | | |
| Product | $ 5,582 | $10,398 | $ 21,896 | $ 31,507 |
| Service | 21,615 | 20,881 | 85,096 | 83,928 |
| Total revenues | 27,197 | 31,279 | 106,992 | 115,435 |
| Cost of revenues: | | | | |
| Product | 1,247 | 2,657 | 6,013 | 8,845 |
| Service | 10,330 | 12,302 | 44,159 | 48,272 |
| Provision for loss contract | — | — | 9,162 | — |
| Amortization of intangible assets | 182 | 275 | 739 | 1,070 |
| Stock-based compensation expense | 19 | 9 | 80 | 141 |
| Total cost of revenues | 11,778 | 15,243 | 60,153 | 58,328 |
| Gross profit | 15,419 | 16,036 | 46,839 | 57,107 |
| Operating expenses: | | | | |
| Research and development | 7,520 | 10,440 | 33,696 | 42,169 |
| Selling and marketing | 3,934 | 3,411 | 15,197 | 13,920 |
| General and administrative | 4,024 | 4,119 | 15,470 | 16,014 |
| Amortization of intangible assets | 1,038 | 759 | 4,041 | 4,084 |
| Stock-based compensation expense | 529 | 632 | 3,472 | 3,079 |
| Earn-outs and change in fair value of earn-outs | (1,475) | — | — | — |
| Professional fees - other | 492 | 194 | 637 | 671 |
| Severance and other restructuring costs | 35 | 1,745 | 1,061 | 3,623 |
| Loss on impairment of TLL, LLC net assets | 21,464 | — | 21,464 | |
| Total operating expenses | 37,561 | 21,300 | 95,038 | 83,560 |
| Loss from operations | (22,142) | (5,264) | (48,199) | (26,453) |
| Other expenses, net | (164) | (1,567) | (554) | (2,161) |
| Loss before income taxes and equity income in earnings of affiliates | (22,306) | (6,831) | (48,753) | (28,614) |
| Income tax benefit | (26) | (691) | (1,029) | (1,106) |
| Equity income in earnings of affiliates, net of tax | — | — | 27 | 19 |
| Loss from continuing operations | (22,280) | (6,140) | (47,697) | (27,489) |
| Income from discontinued operations, net of tax | — | — | — | 5 |
| Net loss | $(22,280) | $ (6,140) | $ (47,697) | $ (27,484) |
| Net loss per share: | | | | |
| Basic loss per share | $ (0.66) | $ (0.19) | $ (1.42) | $ (0.84) |
| Diluted loss per share | $ (0.66) | $ (0.19) | $ (1.42) | $ (0.84) |
| Net loss per share from continuing operations: | | | | |
| Basic loss per share | $ (0.66) | $ (0.19) | $ (1.42) | $ (0.84) |
| Diluted loss per share | $ (0.66) | $ (0.19) | $ (1.42) | $ (0.84) |
| Net (loss) income per share from discontinued operations: | | | | |
| Basic (loss) income per share | $ — | $ — | $ — | $ 0.00 |
| Diluted (loss) income per share | $ — | $ — | $ — | $ 0.00 |
| Weighted average common shares outstanding: | | | | |
| Basic | 33,701 | 32,672 | 33,506 | 32,772 |
| Diluted | 33,701 | 32,672 | 33,506 | 32,772 |

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

| | For the Fiscal Years Ended January 31, | |
|---|---|---|
| | 2016 | 2015 |
| **Cash flows from operating activities:** | | |
| Net loss | $ (47,697) | $ (27,484) |
| Net income from discontinued operations | — | (5) |
| Adjustments to reconcile net loss to net cash used in operating activities from continuing operations: | | |
| Depreciation and amortization of property and equipment | 3,380 | 3,683 |
| Provision for loss contract | 9,162 | — |
| Amortization of intangible assets | 4,780 | 5,154 |
| Stock-based compensation expense | 3,552 | 3,220 |
| Deferred income taxes | (985) | (372) |
| Loss on impairment of TLL, LLC net assets | 21,464 | — |
| Other non-cash reconciling items, net | 197 | 512 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (1,721) | 3,567 |
| Unbilled receivables | (4,359) | (1,993) |
| Inventories | (937) | 3,183 |
| Prepaid expenses and other assets | (1,097) | 1,570 |
| Accounts payable | 874 | (1,619) |
| Accrued expenses | (2,713) | 1,650 |
| Deferred revenues | (1,431) | (5,699) |
| Other operating activities | (1,132) | 1,289 |
| Net cash used in operating activities from continuing operations | (18,663) | (13,344) |
| Net cash provided by operating activities from discontinued operations | — | 5 |
| Total cash used in operating activities | (18,663) | (13,339) |
| **Cash flows from investing activities:** | | |
| Purchases of property and equipment | (1,397) | (1,873) |
| Investment in capitalized software | (2,440) | — |
| Purchases of marketable securities | (9,033) | (9,193) |
| Proceeds from sale and maturity of marketable securities | 11,043 | 7,181 |
| Proceeds from (purchase of) cost method investments, net | 464 | (2,000) |
| Proceeds from sale of equity investments | — | 229 |
| Acquisition of business, net of cash acquired | (11,686) | — |
| Advance for TLL, LLC acquisition | — | (2,500) |
| Other investing activities, net | (79) | — |
| Total cash used in investing activities | (13,128) | (8,156) |
| **Cash flows from financing activities:** | | |
| Proceeds from issuance of common stock relating to stock option exercises | 194 | — |
| Repurchase of our common stock | — | (5,504) |
| Total cash provided by (used in) financing activities | 194 | (5,504) |
| Effect of exchange rate changes on cash | 311 | 1,284 |
| Net decrease in cash and cash equivalents | (31,286) | (25,715) |
| Cash and cash equivalents, beginning of period | 90,019 | 115,734 |
| Cash and cash equivalents, end of period | $ 58,733 | $ 90,019 |

**Use of Non-GAAP Financial Information**

We define non-GAAP income (loss) from operations as U.S. Generally Accepted Accounting Principles ("U.S. GAAP") operating loss 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, severance and other restructuring costs and provision for loss contracts. We discuss non-GAAP income (loss) from operations in our quarterly earnings releases and certain other communications as we believe non-GAAP income (loss) from operations is an important measure that is not calculated according to U.S. GAAP. We use non-GAAP income (loss) 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 income (loss) 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 income (loss) 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 income (loss) 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:

***Provision for Loss Contract***. We entered into a fixed priced customer contract on a multi-year arrangement, which included multiple vendors. As the system integrator on the project, we are subject to any cost overruns or increases with these vendors resulting in delays or acceptance by our customer. Delays of customer acceptance on this project require us to recognize a loss on this project in the period the determination is made. As a result, we have recorded an estimated charge of $9.2 million during the third quarter of fiscal 2016. We believe that the exclusion of these expenses allows a comparison of operating results that would otherwise impair comparability between periods. As noted previously, the Company is finalizing the amount of the charge. Variation in this amount is not anticipated to impact the Company's non-GAAP results in the period ending October 31, 2015. The Company will include the final amount of this estimated loss in its Quarterly Report on Form 10-Q for the period ended October 31, 2015.

***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 and stock-based expenses. 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.

***Earn-outs and Change in Fair Value of Earn-outs.*** Earn-outs and the change in the fair value of 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.

***Loss on Impairment of TLL, LLC Net Assets.*** We incurred an impairment charge relating to our February 2015 acquisition of Timeline Labs, based on our decision to undertake a restructuring which may include a winding down of the operations. These charges are considered non-recurring.

***Depreciation Expense***. We incur depreciation expense related to capital assets purchased to support the ongoing operations of the business. These assets are recorded at cost and are depreciated using the straight-line method over the useful life of the asset. Purchases of such assets may vary significantly from period to period and without any correlation to underlying operating performance. Management believes that exclusion of depreciation expense allows comparisons of operating results that are consistent across past, present and future periods.

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

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

| | Three Months Ended January 31, 2016 | | | Three Months Ended January 31, 2015 | | |
|---|---|---|---|---|---|---|
| | GAAP As Reported | Adjustments | Non-GAAP | GAAP As Reported | Adjustments | Non-GAAP |
| **Revenues:** | | | | | | |
| Products | $ 5,582 | $ — | $ 5,582 | $ 10,398 | $ — | $ 10,398 |
| Services | 21,615 | — | 21,615 | 20,881 | — | 20,881 |
| **Total revenues** | 27,197 | — | 27,197 | 31,279 | — | 31,279 |
| **Cost of revenues:** | | | | | | |
| Products | 1,247 | — | 1,247 | 2,657 | — | 2,657 |
| Services | 10,330 | — | 10,330 | 12,302 | — | 12,302 |
| Amortization of intangible assets | 182 | (182) | — | 275 | (275) | — |
| Stock-based compensation | 19 | (19) | — | 9 | (9) | — |
| **Total cost of revenues** | 11,778 | (201) | 11,577 | 15,243 | (284) | 14,959 |
| **Gross profit** | 15,419 | 201 | 15,620 | 16,036 | 284 | 16,320 |
| **Gross profit percentage** | 56.7% | 0.7% | 57.4% | 51.3% | 0.9% | 52.2% |
| **Operating expenses:** | | | | | | |
| Research and development | 7,520 | — | 7,520 | 10,440 | — | 10,440 |
| Selling and marketing | 3,934 | — | 3,934 | 3,411 | — | 3,411 |
| General and administrative | 4,024 | — | 4,024 | 4,119 | — | 4,119 |
| Amortization of intangible assets | 1,038 | (1,038) | — | 759 | (759) | — |
| Stock-based compensation expense | 529 | (529) | — | 632 | (632) | — |
| Earn-outs and change in fair value of earn-outs | (1,475) | 1,475 | — | — | — | — |
| Professional fees - other | 492 | (492) | — | 194 | (194) | — |
| Severance and other restructuring costs | 35 | (35) | — | 1,745 | (1,745) | — |
| Loss from impairment of TLL, LLC net assets | 21,464 | (21,464) | — | — | — | — |
| **Total operating expenses** | 37,561 | (22,083) | 15,478 | 21,300 | (3,330) | 17,970 |
| **(Loss) income from operations** | $ (22,142) | $ 22,284 | $ 142 | $ (5,264) | $ 3,614 | $ (1,650) |
| **(Loss) income from operations percentage** | (81.4%) | 81.9% | 0.5% | (16.8%) | 11.5% | (5.3%) |
| **Weighted average common shares outstanding:** | | | | | | |
| **Basic** | 33,701 | 33,701 | 33,701 | 32,672 | 32,672 | 32,672 |
| **Diluted** | 33,701 | 33,937 | 33,937 | 32,672 | 32,928 | 32,672 |
| **Operating (loss) income per share:** | | | | | | |
| **Basic** | $ (0.66) | $ 0.66 | $ 0.00 | $ (0.16) | $ 0.11 | $ (0.05) |
| **Diluted** | $ (0.66) | $ 0.66 | $ 0.00 | $ (0.16) | $ 0.11 | $ (0.05) |

**Adjusted EBITDA:**

| | Three Months Ended January 31, 2016 | Three Months Ended January 31, 2015 |
|---|---|---|
| **Loss from operations** | $ (22,142) | $ (5,264) |
| Depreciation expense | 826 | 873 |
| Amortization of intangible assets | 1,220 | 1,034 |
| Stock-based compensation expense | 548 | 641 |
| Earn-outs and changes in fair value of earn-outs | (1,475) | — |
| Professional fees - other | 492 | 194 |
| Severance and other restructuring | 35 | 1,745 |
| Loss from impairment of TLL, LLC net assets | 21,464 | — |
| **Adjusted EBITDA** | $ 968 | $ (777) |
| **Adjusted EBITDA %** | 3.6% | (2.5%) |

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

| | Twelve Months Ended January 31, 2016 | | | Twelve Months Ended January 31, 2015 | | |
|---|---|---|---|---|---|---|
| | GAAP As Reported | Adjustments | Non-GAAP | GAAP As Reported | Adjustments | Non-GAAP |
| **Revenues:** | | | | | | |
| Products | $ 21,896 | $ — | $ 21,896 | $ 31,507 | $ — | $ 31,507 |
| Services | 85,096 | — | 85,096 | 83,928 | — | 83,928 |
| **Total revenues** | 106,992 | — | 106,992 | 115,435 | — | 115,435 |
| **Cost of revenues:** | | | | | | |
| Products | 6,013 | — | 6,013 | 8,845 | — | 8,845 |
| Services | 44,159 | — | 44,159 | 48,272 | — | 48,272 |
| Provision for loss contract | 9,162 | (9,162) | — | — | — | — |
| Amortization of intangible assets | 739 | (739) | — | 1,070 | (1,070) | — |
| Stock-based compensation | 80 | (80) | — | 141 | (141) | — |
| **Total cost of revenues** | 60,153 | (9,981) | 50,172 | 58,328 | (1,211) | 57,117 |
| **Gross profit** | 46,839 | 9,981 | 56,820 | 57,107 | 1,211 | 58,318 |
| **Gross profit percentage** | 43.8% | 9.3% | 53.1% | 49.5% | 1.0% | 50.5% |
| **Operating expenses:** | | | | | | |
| Research and development | 33,696 | — | 33,696 | 42,169 | — | 42,169 |
| Selling and marketing | 15,197 | — | 15,197 | 13,920 | — | 13,920 |
| General and administrative | 15,470 | — | 15,470 | 16,014 | — | 16,014 |
| Amortization of intangible assets | 4,041 | (4,041) | — | 4,084 | (4,084) | — |
| Stock-based compensation expense | 3,472 | (3,472) | — | 3,079 | (3,079) | — |
| Professional fees - other | 637 | (637) | — | 671 | (671) | — |
| Severance and other restructuring costs | 1,061 | (1,061) | — | 3,623 | (3,623) | — |
| Loss from impairment of TLL, LLC net assets | 21,464 | (21,464) | — | — | — | — |
| **Total operating expenses** | 95,038 | (30,675) | 64,363 | 83,560 | (11,457) | 72,103 |
| **(Loss) income from operations** | $ (48,199) | $ 40,656 | $ (7,543) | $ (26,453) | $ 12,668 | $ (13,785) |
| **(Loss) income from operations percentage** | (45.0%) | 38.0% | (7.1%) | (22.9%) | 11.0% | (11.9%) |
| **Weighted average common shares outstanding:** | | | | | | |
| **Basic** | 33,506 | 33,506 | 33,506 | 32,772 | 32,772 | 32,772 |
| **Diluted** | 33,506 | 33,663 | 33,506 | 32,772 | 33,004 | 32,772 |
| **Operating (loss) income per share:** | | | | | | |
| **Basic** | $ (1.44) | $ 1.21 | $ (0.23) | $ (0.81) | $ 0.39 | $ (0.42) |
| **Diluted** | $ (1.44) | $ 1.21 | $ (0.23) | $ (0.81) | $ 0.39 | $ (0.42) |

**Adjusted EBITDA:**

| | Twelve Months Ended January 31, 2016 | Twelve Months Ended January 31, 2015 |
|---|---|---|
| **Loss from operations** | $ (48,199) | $ (26,453) |
| Depreciation expense | 3,380 | 4,389 |
| Provision for loss contract | 9,162 | — |
| Amortization of intangible assets | 4,780 | 5,154 |
| Stock-based compensation expense | 3,552 | 3,220 |
| Professional fees - other | 637 | 671 |
| Severance and other restructuring | 1,061 | 3,623 |
| Loss from impairment of TLL, LLC net assets | 21,464 | — |
| **Adjusted EBITDA** | $ (4,163) | $ (9,396) |
| **Adjusted EBITDA %** | (3.9%) | (8.1%) |

**—end press release and tables—**

PRESS RELEASE

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**SEACHANGE INTERNATIONAL APPOINTS SOFTWARE VETERAN ED TERINO TO CHIEF EXECUTIVE OFFICER**

**ACTON, Mass. (April 7, 2016) –** Multiscreen innovator SeaChange International, Inc. (NASDAQ: SEAC) today announced the appointment of software company management veteran Edward Terino to the position of Chief Executive Officer, effective April 6, 2016, immediately following the SeaChange board of directors' termination of the employment of prior CEO Jay Samit.

Mr. Terino had previously served as SeaChange's Chief Operating Officer, beginning June 2015, with global responsibility for product development, engineering, services, sales and marketing. He will continue to serve on the Company's board of directors, which he joined in 2010. Mr. Terino's extensive track record in C-level corporate strategy, execution and board participation spans ten public companies, including six business-to-business enterprise-level software providers in addition to SeaChange.

"Since joining the team as COO, Ed's performed a crucial role in driving SeaChange's operations to far greater efficiency, quality and strategic orientation toward profitability and growth," said Steve Craddock, Board Chairman, SeaChange. "This rigorous commitment to strengthening our fundamentals has translated into increasing customer success and assurance for SeaChange's long-term position as provider of the premier delivery, management and monetization software solutions for television service providers and emerging video markets."

**(more)**

Ed Terino commented, “We’ve built a strong management team that’s well matched to the global opportunity for empowering service providers and content owners to fully leverage their video across multiple business models. We’re eager to complete the work of optimizing our focus on software products and ramping up go-to-market initiatives to capture a larger share of our core market and new sectors.”

Prior to joining SeaChange, Mr. Terino’s management roles included SVP and CFO of Art Technology Group; CEO and CFO of Arlington Tankers Ltd.; CEO, Treasurer and Secretary of Celerity Solutions; and VP of Finance and Operations at Houghton Mifflin Harcourt. He served as board director for software and technology companies including Baltic Trading Ltd., Extreme Networks, Inc., S1 Corporation, Phoenix Technologies Ltd., and EBT International, Inc. Mr. Terino earned his MBA at Suffolk University and BA at Northeastern University.

Mr. Terino will address the Noble Financial Capital Markets NAB2016 investor conference on Tuesday, April 19 at 3:00PM PT in Las Vegas. Visit www.schange.com/company/events to book an appointment with SeaChange during upcoming industry conferences including NAB 2016 (April 16-21, Las Vegas) and INTX (May 16-18, Boston).

*Editor’s note: Visit* www.schange.com/photos/ed-terino *to download a headshot of Ed Terino, CEO, SeaChange.*

**(more)**

**Safe Harbor Provision**

Any statements contained in this press release that do not describe historical facts 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 and expenses we may incur in fulfilling customer arrangements; 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 or reduction in demand by 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 and services; failure to manage product transitions; failure to achieve our financial forecasts due to inaccurate sales forecasts or other factors, including due to expenses we may incur in fulfilling customer arrangements; the Company's ability to generate sufficient revenues to reduce its losses or regain profitability; 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 Company's ability to access sufficient funding to finance desired growth and operations; 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 restructuring programs; disruptions to the Company's information technology systems; uncertainties of regulation of Internet and data tracking over the Internet; 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 Company's use of estimates in accounting for the Company's contracts; the performance of the Company's third-party vendors; the Company's entry into fixed price contracts and the related risk of cost overruns; the risks associated with purchasing material components from sole suppliers and using a limited number of third-party manufacturers; compliance with conflict minerals regulations; terrorist acts, conflicts, wars and geopolitical uncertainties; the Company's Delaware anti-takeover provisions; and the effect on revenue and reported results of a change in financial accounting standards.

**(more)**

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.

**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.

**—end—**