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

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**FORM 8-K**

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

**Date of report (Date of earliest event reported): December 6, 2016**

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**SEACHANGE INTERNATIONAL, INC.**

(Exact Name of Registrant as Specified in its Charter)

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**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)

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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 December 6, 2016, reporting SeaChange’s financial results for the fiscal quarter ended October 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 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

(a)

On and effective December 6, 2016, the Board of Directors of SeaChange International, Inc. (the “Corporation”) approved and adopted an amendment and restatement of Section 1.10 of the Corporation’s Amended and Restated By-Laws (the “Bylaws”). Section 1.10 of the Bylaws was amended to require that a stockholder seeking to bring business before an annual or special meeting of stockholders provide additional information with respect to itself and, as applicable, with respect to a director nominee. The foregoing description of the Bylaws is qualified in its entirety by reference to, and should be read in conjunction with the completed text of the Bylaws filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

The following Exhibit is attached to this report:

<u>Exhibit No.</u>	<u>Description</u>
3.1	Amended and Restated Bylaws of SeaChange International, Inc.
99.1	Press release issued by SeaChange International, Inc. dated December 6, 2016.

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**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: December 6, 2016

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**EXHIBIT INDEX**

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AMENDED AND RESTATED  
BY-LAWS  
OF  
SEACHANGE INTERNATIONAL, INC.

BY-LAWS

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AMENDED AND RESTATED

BY-LAWS

OF

SEACHANGE INTERNATIONAL, INC. (the "Corporation")

**ARTICLE 1 - Stockholders**

**1.1 Place of Meetings.** All meetings of stockholders shall be held at such place within or without the State of Delaware as may be designated from time to time by the Chairman of the Board (if any), the board of directors of the Corporation (the "Board of Directors") or the President or, if not so designated, at the registered office of the Corporation.

**1.2 Annual Meeting.** The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date to be fixed by the Chairman of the Board (if any), Board of Directors or the President (which date shall not be (i) a legal holiday in the place where the meeting is to be held, (ii) earlier than three months subsequent to the end of the Corporation's preceding fiscal year or (iii) later than eight months subsequent to the end of the Corporation's preceding fiscal year) at the time and place to be fixed by the Chairman of the Board, the Board of Directors or the President and stated in the notice of the meeting.

**1.3 Special Meetings.** Special meetings of stockholders may be called at any time by the Chairman of the Board (if any), a majority of the Board of Directors or the President and shall be held at such place, on such date and at such time as shall be fixed by the Board of Directors or the person calling the meeting. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

**1.4 Notice of Meetings.** Except as otherwise provided by law, written notice of each meeting of stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. The notices of all meetings shall state the place, date and hour of the meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his or her address as it appears on the records of the Corporation.

**1.5 Voting List.** The officer who has charge of the stock ledger of the Corporation shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder.

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Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time of the meeting, and may be inspected by any stockholder who is present. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

**1.6 Quorum.** Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the holders of a majority of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business. Shares held by brokers which such brokers are prohibited from voting (pursuant to their discretionary authority on behalf of beneficial owners of such shares who have not submitted a proxy with respect to such shares) on some or all of the matters before the stockholders, but which shares would otherwise be entitled to vote at the meeting (“Broker Non-Votes”) shall be counted, for the purpose of determining the presence or absence of a quorum, both (a) toward the total voting power of the shares of capital stock of the Corporation and (b) as being represented by proxy. If a quorum has been established for the purpose of conducting the meeting, a quorum shall be deemed to be present for the purpose of all votes to be conducted at such meeting, provided that where a separate vote by a class or classes, or series thereof, is required, a majority of the voting power of the shares of such class or classes, or series, present in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter. If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the voting power of the shares of stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, date, or time.

**1.7 Adjournments.** Any meeting of stockholders may be adjourned to any other time and to any other place at which a meeting of stockholders may be held under these By-Laws by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum, or, if no stockholder is present, by any officer entitled to preside at or to act as Secretary of such meeting. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place of the adjourned meeting are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

**1.8 Voting and Proxies.** At any meeting of the stockholders, each stockholder shall have one vote for each share of stock entitled to vote at such meeting held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided in the Certificate of Incorporation. Each stockholder of record entitled to vote at a meeting of stockholders, or to express consent or dissent to corporate action in writing without a meeting (to the extent not otherwise prohibited by the Certificate of Incorporation or these By-Laws), may vote or express such consent or dissent in person or may authorize another person or persons to

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vote or act for such stockholder by written proxy executed by such stockholder or his or her authorized agent or by a transmission permitted by law and delivered to the Secretary of the Corporation. No such proxy shall be voted or acted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this Section 1.8 may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or reproduction shall be a complete reproduction of the entire original writing or transmission.

All voting, including on the election of directors but excepting where otherwise required by law or the Certificate of Incorporation, may take place via a voice vote. Any vote not taken by voice shall be taken by ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting.

**1.9 Action at Meeting.** When a quorum is present at any meeting of stockholders, the holders of a majority of the stock present or represented and voting on a matter (or if there are two or more classes of stock entitled to vote as separate classes, then in the case of each such class, the holders of a majority of the stock of that class present or represented and voting on such matter) shall decide any matter to be voted upon by the stockholders at such meeting (other than the election of directors), except when a different vote is required by express provision of law, the Certificate of Incorporation or these By-Laws. Other than in a Contested Election Meeting (as defined below), when a quorum is present, a nominee for director shall be elected to the Board of Directors if the votes cast “for” such nominee’s election exceed the votes cast “against” such nominee’s election. In a Contested Election Meeting, when a quorum is present, directors shall be elected by a plurality of the votes cast at such Contested Election Meeting. If directors are to be elected by a plurality of the votes cast by the stockholders entitled to vote at such election, stockholders shall not be permitted to vote “against” a nominee. A meeting of stockholders shall be a “Contested Election Meeting” if there are more persons nominated for election as directors at such meeting than there are directors to be elected at such meeting, determined as of the tenth day preceding the date of the Corporation’s first notice to stockholders of such meeting sent pursuant to Section 1.4 of these By-Laws (the “Determination Date”); provided, however, that if in accordance with these By-Laws stockholders are entitled to nominate persons for election as director during a period of time that ends after the otherwise applicable Determination Date, the Determination Date shall instead be as of the end of such period. For the purposes of this paragraph, Broker Non-Votes represented at a meeting but not permitted to vote on a particular matter, together with “abstentions” and “withheld votes” on the particular matter, shall not be counted, with respect to the vote on such matter, in the number of (a) votes cast, (b) votes cast affirmatively, or (c) votes cast negatively.

**1.10 Introduction of Business at Meetings.**

**A. Annual Meetings of Stockholders.**

(1) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this Section 1.10, who is entitled to vote at the meeting and who complies with the procedures set forth in this Section 1.10.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A)(1) of this Section 1.10, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the one hundred twentieth (120th) day nor earlier than the close of business on the one hundred fiftieth (150th) day prior to the first anniversary of the date of the proxy statement delivered to stockholders in connection with the preceding year's annual meeting provided, however, that if either (i) the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such an anniversary date or (ii) no proxy statement was delivered to stockholders in connection with the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the ninetieth (90th) day prior to such annual meeting and not later than the close of business on the later of the sixtieth (60th) day prior to such annual meeting or the close of business on the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this Section 1.10 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least seventy (70) days prior to the first anniversary of the preceding year's annual meeting (or, if the annual meeting is held more than thirty (30) days before or sixty (60) days after such anniversary date, at least seventy (70) days prior to such annual meeting), a stockholder's notice required by this Section 1.10 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive office of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

**B. Special Meetings of Stockholders.**

Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of

meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice of the special meeting, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 1.10. If the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by this Section 1.10 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the ninetieth (90th) day prior to such special meeting nor later than the later of (x) the close of business on the sixtieth (60th) day prior to such special meeting or (y) the close of business on the tenth (10th) day following the day on which public announcement is first made of the date of such special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

**C. General.**

(1) To be a valid notice to the Secretary pursuant to this Section 1.10, a stockholder's notice to the Secretary shall set forth (a) as to each matter the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting; (b) as to the stockholder giving notice and the beneficial owner, if any, on whose behalf the proposal is made, (i) the name and address of such person, (ii) the class and number of all shares of the Corporation which are owned beneficially or of record by such person and any affiliates or associates of such person, (iii) the name of each nominee holder of shares of all stock of the Corporation owned beneficially but not of record by such person and any affiliates or associates of such person and the number of shares of stock of the Corporation held by each such nominee holder, (iv) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest or other transaction has been entered into by or on behalf of such person, or any affiliates or associates of such person, with respect to stock of the Corporation and (v) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock of the Corporation) has been made by or on behalf of such person, or any affiliates or associates of such person, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such person, or any affiliates or associates of such person, or to increase or decrease the voting power or pecuniary or economic interest of such person, or any affiliates or associates of such person, with respect to stock of the Corporation; (c) a description of all agreements, arrangements or understandings (whether written or oral) between or among such person, or any

affiliates or associates of such person, and any other person or persons (including their names) in connection with the proposal of such business and any material interest of such person or any affiliates or associates of such person, in such business, including any anticipated benefit therefrom to such person, or any affiliates or associates of such person; (d) a representation that the stockholder giving notice intends to appear in person or by proxy at the meeting to bring such business before the meeting; and (e) any other information relating to such person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies by such person with respect to the proposed business to be brought by such person before the meeting pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations thereunder. A stockholder providing notice of business proposed to be brought before a meeting of stockholders shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 1.10 shall be true and correct as of the record date for determining the stockholders entitled to receive notice of the meeting, and such update and supplement shall be delivered to or be mailed and received by the Secretary of the corporation at the principal executive offices of the corporation not later than five (5) business days after the record date for determining the stockholders entitled to receive notice of the meeting.

(2) To be a valid nominee to the Board of Directors, the candidate for nomination as a member of the Board of Directors, whether nominated by the Board of Directors or by a stockholder of record, must have previously delivered (in accordance with the time period prescribed for delivery in a notice to such candidate given by or on behalf of the Board of Directors), to the Secretary at the principal executive offices of the Corporation, a completed written questionnaire (in a form provided by the Corporation) with respect to the background, qualifications, stock ownership and independence of such proposed nominee.

(3) Only such persons who are nominated in accordance with the procedures set forth in this Section 1.10 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.10. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 1.10 and, if any proposed nomination or business is not in compliance herewith, to declare that such defective proposal or nomination shall be disregarded.

(4) For purposes of this Section 1.10, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

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(5) Notwithstanding the foregoing provisions of this Section 1.10, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 1.10 shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

**1.11 Action without Meeting.** Stockholders of the Corporation may not take any action by written consent in lieu of a meeting. Notwithstanding any other provision of law, the Certificate of Incorporation or these By-Laws, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the votes which all the stockholders would be entitled to cast at any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Section 1.11.

## **ARTICLE 2 - Directors**

**2.1 General Powers.** The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the Corporation except as otherwise provided by law or the Certificate of Incorporation. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law or the Certificate of Incorporation, may exercise the powers of the full Board of Directors until the vacancy is filled. Without limiting the foregoing, the Board of Directors may:

- (a) declare dividends from time to time in accordance with law;
- (b) purchase or otherwise acquire any property, rights or privileges on such terms as it shall determine;
- (c) authorize the creation, making and issuance, in such form as it may determine, of written obligations of every kind, negotiable or non-negotiable, secured or unsecured, to borrow funds and guarantee obligations, and to do all things necessary in connection therewith;
- (d) remove any officer of the Corporation with or without cause, and from time to time to devolve the powers and duties of any officer upon any other person for the time being;
- (e) confer upon any officer of the Corporation the power to appoint, remove and suspend subordinate officers, employees and agents;

(f) adopt from time to time such stock option, stock purchase, bonus or other compensation plans for directors, officers, employees, consultants and agents of the Corporation and its subsidiaries as it may determine;

(g) adopt from time to time such insurance, retirement, and other benefit plans for directors, officers, employees, consultants and agents of the Corporation and its subsidiaries as it may determine; and

(h) adopt from time to time regulations, not inconsistent herewith, for the management of the Corporation's business and affairs.

**2.2 Number; Election and Qualification.** The number of directors which shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors, but in no event shall be less than three. The number of directors may be decreased at any time and from time to time by a majority of the directors then in office, but only to eliminate vacancies existing by reason of the death, resignation, removal or expiration of the term of one or more directors. The directors shall be elected at the annual meeting of stockholders (or, if so determined by the Board of Directors pursuant to Section 1.10 hereof, at a special meeting of stockholders), by such stockholders as have the right to vote on such election. Directors need not be stockholders of the Corporation.

**2.3 Classes of Directors.** The Board of Directors shall be and is divided into three classes: Class I, Class II and Class III. No one class shall have more than one director more than any other class.

**2.4 Terms in Office.** Each director shall serve for a term ending on the date of the third annual meeting following the annual meeting at which such director was elected provided, however, that each initial director in Class I shall serve for a term ending on the date of the annual meeting next following the end of the Corporation's fiscal year ending December 31, 1996; each initial director in Class II shall serve for a term ending on the date of the annual meeting next following the end of the Corporation's fiscal year ending December 31, 1997; and each initial director in Class III shall serve for a term ending on the date of the annual meeting next following the end of the Corporation's fiscal year ending December 31, 1998.

**2.5 Allocation of Directors Among Classes in the Event of Increases or Decreases in the Number of Directors** In the event of any increase or decrease in the authorized number of directors, (i) each director then serving as such shall nevertheless continue as a director of the class of which he or she is a member until the expiration of such director's current term or his or her prior death, removal or resignation and (ii) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the three classes of directors, subject to the second sentence of Section 2.3. To the extent possible, consistent with the foregoing rule, any newly created directorships shall be added to those classes whose terms of office are to expire at the earliest dates following such allocation, unless otherwise provided for from time to time by resolution adopted by a majority of the directors then in office, although less than a quorum. No decrease in the number of directors constituting the whole Board of Directors shall shorten the term of an incumbent Director.



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**2.6 Tenure.** Notwithstanding any provisions to the contrary contained herein, each director shall hold office until his or her successor is elected and qualified, or until his or her earlier death, resignation or removal.

**2.7 Vacancies.** Unless and until filled by the stockholders, any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement thereof, may be filled by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office, if any, and a director chosen to fill a position resulting from an increase in the number of directors shall hold office until the next election of directors of the class for which such director was chosen and until his or her successor is elected and qualified, or until his or her earlier death, resignation or removal.

**2.8 Resignation.** Any director may resign by delivering his or her written resignation to the Corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

**2.9 Regular Meetings.** Regular meetings of the Board of Directors may be held without notice at such time and place, either within or without the State of Delaware, as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. Regular meetings of the Board of Directors shall be held at such place or places, on such date or dates, and at such time or times as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

**2.10 Special Meetings.** Special meetings of the Board of Directors may be held at any time and place, within or without the State of Delaware, designated in a call by the Chairman of the Board (if any), the President, two or more directors, or by one director in the event that there is only a single director in office.

**2.11 Notice of Special Meetings.** Notice of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (i) by giving notice to such director in person or by telephone at least 48 hours in advance of the meeting, (ii) by sending a telegram or delivering written notice by facsimile transmission or by hand, to his or her last known business or home address at least 48 hours in advance of the meeting, or (iii) by mailing written notice to his or her last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

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**2.12 Meetings by Telephone Conference Calls.** Directors or any members of any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall be deemed to constitute presence in person at such meeting.

**2.13 Quorum.** A majority of the total number of the whole Board of Directors shall constitute a quorum at all meetings of the Board of Directors. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each such director so disqualified; provided, however, that in no case shall less than one-third (1/3) of the total number of the whole Board of Directors constitute a quorum. In the absence of a quorum at any such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

**2.14 Action at Meeting.** At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of those present shall be sufficient to take any action, unless a different vote is specified by law, the Certificate of Incorporation or these By-Laws.

**2.15 Action by Written Consent.** Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee of the Board of Directors may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent to such action in writing, and the written consents are filed with the minutes of proceedings of the Board of Directors or committee.

**2.16 Removal.** Unless otherwise provided in the Certificate of Incorporation, any one or more or all of the directors may be removed, only for cause, by the holders of at least seventy-five percent (75%) of the shares then entitled to vote at an election of directors.

**2.17 Committees.** The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members of such committee present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at such meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of the General Corporation Law of the State of Delaware, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except

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as the Board of Directors may otherwise determine or as provided herein, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-Laws for the Board of Directors. Adequate provisions shall be made for notice to members of all meeting of committees. One-third (1/3) of the members of any committee shall constitute a quorum unless the committee shall consist of one (1) or two (2) members, in which event one (1) member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of such committee.

**2.18 Compensation of Directors.** Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the Corporation or any of its parent or subsidiary corporations in any other capacity and receiving compensation for such service.

**2.19 Amendments to Article.** Notwithstanding any other provisions of law, the Certificate of Incorporation or these By-Laws, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of a least seventy-five percent (75%) of the votes which all the stockholders would be entitled to cast at any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article 2.

### **ARTICLE 3 - Officers**

**3.1 Enumeration.** The officers of the Corporation shall consist of a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including, but not limited to, a Chairman of the Board, a Vice-Chairman of the Board, and one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

**3.2 Election.** The President, Treasurer and Secretary shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board of Directors at such meeting or at any other meeting.

**3.3 Qualification.** No officer need be a stockholder. Any two or more offices may be held by the same person.

**3.4 Tenure.** Except as otherwise provided by law, by the Certificate of Incorporation or by these By-Laws, each officer shall hold office until his or her successor is elected and qualified, unless a different term is specified in the vote choosing or appointing such officer, or until his or her earlier death, resignation or removal.

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**3.5 Resignation and Removal.** Any officer may resign by delivering his or her written resignation to the Chairman of the Board (if any), to the Board of Directors at a meeting thereof, to the Corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

Any officer may be removed at any time, with or without cause, by vote of a majority of the entire number of directors then in office.

Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following his or her resignation or removal, or any right to damages on account of such removal, whether his or her compensation be by the month or by the year or otherwise, unless such compensation is expressly provided in a duly authorized written agreement with the Corporation.

**3.6 Vacancies.** The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of President, Treasurer and Secretary. Each such successor shall hold office for the unexpired term of his predecessor and until his or her successor is elected and qualified, or until his or her earlier death, resignation or removal.

**3.7 Chairman of the Board and Vice-Chairman of the Board.** The Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and stockholders at which he or she is present and shall perform such duties and possess such powers as are designated by the Board of Directors. If the Board of Directors appoints a Vice-Chairman of the Board, he or she shall, in the absence or disability of the Chairman of the Board, perform the duties and exercise the powers of the Chairman of the Board and shall perform such other duties and possess such other powers as may from time to time be designated by the Board of Directors.

**3.8 President.** The President shall, subject to the direction of the Board of Directors, have general charge and supervision of the business of the Corporation. Unless otherwise provided by the Board of Directors, and provided that there is no Chairman of the Board or that the Chairman and Vice-Chairman, if any, are not available, the President shall preside at all meetings of the stockholders, and, if a director, at all meetings of the Board of Directors. Unless the Board of Directors has designated another officer as the Chief Executive Officer, the President shall be the Chief Executive Officer of the Corporation. The President shall perform such other duties and shall have such other powers as the Board of Directors may from time to time prescribe. The President shall have the power to enter into contracts and otherwise bind the Corporation in matters arising in the ordinary course of the Corporation's business.

**3.9 Vice Presidents.** Any Vice President shall perform such duties and possess such powers as the Board of Directors or the President may from time to time prescribe. In the event of the absence, inability or refusal to act of the President, the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall

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perform the duties of the President and, when so performing, shall have all the powers of and be subject to all the restrictions upon the President. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors. Unless otherwise determined by the Board of Directors, any Vice President shall have the power to enter into contracts and otherwise bind the Corporation in matters arising in the ordinary course of the Corporation's business.

**3.10 Secretary and Assistant Secretaries.** The Secretary shall perform such duties and shall have such powers as the Board of Directors or the President may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the President or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the person presiding at the meeting shall designate a temporary secretary to keep a record of the meeting.

**3.11 Treasurer and Assistant Treasurers.** The Treasurer shall perform such duties and shall have such powers as the Board of Directors or the President may from time to time prescribe. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the Corporation, to deposit funds of the Corporation in depositories selected in accordance with these By-Laws, to disburse such funds as ordered by the Board of Directors, to make proper accounts for such funds, and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the Corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the President or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

**3.12 Salaries.** Officers of the Corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

**3.13 Action with Respect to Securities of Other Corporations.** Unless otherwise directed by the Board of Directors, the President or any officer of the Corporation authorized by the President shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which the Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

#### **ARTICLE 4 - Capital Stock**

**4.1 Issuance of Stock.** Unless otherwise voted by the stockholders and subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the Corporation or the whole or any part of any issued, authorized capital stock of the Corporation held in its treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such consideration and on such terms as the Board of Directors may determine.

**4.2 Certificates of Stock.** Every holder of stock of the Corporation shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, certifying the number and class of shares owned by such stockholder in the Corporation. Each such certificate shall be signed by, or in the name of the Corporation by, the Chairman or Vice-Chairman, if any, of the Board of Directors, or the President or a Vice President, and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation. Any or all of the signatures on such certificate may be a facsimile.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, the By-Laws, applicable securities laws or any agreement among any number of shareholders or among such holders and the Corporation shall have conspicuously noted on the face or back of such certificate either the full text of such restriction or a statement of the existence of such restriction.

**4.3 Transfers.** Except as otherwise established by rules and regulations adopted by the Board of Directors, and subject to applicable law, shares of stock may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate representing such shares, properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the Corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these By-Laws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote

with respect to such stock, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the Corporation in accordance with the requirements of these By-Laws.

**4.4 Lost, Stolen or Destroyed Certificates.** The Corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen, or destroyed, upon such terms and conditions as the President may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity as the President may require for the protection of the Corporation or any transfer agent or registrar.

**4.5 Record Date.** The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or, to the extent permitted by the Certificate of Incorporation and these By-Laws, to express consent (or dissent) to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action to which such record date relates.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting (to the extent permitted by the Certificate of Incorporation and these By-Laws) when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

#### **ARTICLE 5 - General Provisions**

**5.1 Fiscal Year.** The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

**5.2 Corporate Seal.** The corporate seal shall be in such form as shall be approved by the Board of Directors.

**5.3 Notices.** Except as otherwise specifically provided herein or required by law or the Certificate of Incorporation, all notices required to be given to any stockholder, director,

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officer, employee or agent of the Corporation shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage paid, or by sending such notice by prepaid telegram or facsimile transmission. Any such notice shall be addressed to such stockholder, director, officer, employee or agent at his or her last known address as the same appears on the books of the Corporation. The time when such notice is received shall be deemed to be the time of the giving of the notice.

**5.4 Waiver of Notice.** Whenever any notice whatsoever is required to be given by law, by the Certificate of Incorporation or by these By-Laws, a waiver of such notice either in writing signed by the person entitled to such notice or such person's duly authorized attorney, or by telegraph, facsimile transmission or any other available method, whether before, at or after the time stated in such waiver, or the appearance of such person or persons at such meeting in person or by proxy, shall be deemed equivalent to such notice.

**5.5 Evidence of Authority.** A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the Corporation shall, as to all persons who rely on the certificate in good faith, be conclusive evidence of such action.

**5.6 Facsimile Signatures.** In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these By-Laws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

**5.7 Reliance upon Books, Reports and Records.** Each director, each member of any committee designated by the Board of Directors, and each officer of the Corporation shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees or committees of the Board of Directors so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

**5.8 Time Periods.** In applying any provision of these By-Laws that requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

**5.9 Certificate of Incorporation.** All references in these By-Laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended and in effect from time to time.

**5.10 Transactions with Interested Parties.** No contract or transaction between the Corporation and one or more of the directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of the



directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because such director or officer is present at or participates in the meeting of the Board of Directors or a committee of the Board of Directors which authorizes the contract or transaction or solely because his, her or their votes are counted for such purpose, if:

(1) The material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors be less than a quorum;

(2) The material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(3) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee of the Board of Directors, or the stockholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

**5.11 Severability.** Any determination that any provision of these By-Laws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these By-Laws.

**5.12 Pronouns.** All pronouns used in these By-Laws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the persons or persons so designated may require.

#### **ARTICLE 6 - Amendments**

**6.1 By the Board of Directors.** Except as is otherwise set forth in these By-Laws, these By-Laws may be altered, amended or repealed, or new by-laws may be adopted, by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present.

**6.2 By the Stockholders.** Except as otherwise set forth in these By-Laws, these By-Laws may be altered, amended or repealed or new by-laws may be adopted by the affirmative vote of the holders of seventy-five percent (75%) of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote at any regular meeting of stockholders, or at any special meeting of stockholders, provided notice of such alteration, amendment, repeal or adoption of new by-laws shall have been stated in the notice of such special meeting.

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Updated January 19, 2011 (Section 1.2)

Updated July 17, 2013 (Section 1.9)

Updated December 6, 2016 (Section 1.10)



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**NEWS RELEASE**

## **SEACHANGE INTERNATIONAL REPORTS THIRD QUARTER FISCAL 2017 RESULTS**

**ACTON, Mass. (Dec. 6, 2016)** – SeaChange International, Inc. (NASDAQ: SEAC) today reported third quarter fiscal 2017 revenue of \$20.0 million and U.S. GAAP loss from operations of \$8.4 million, or \$0.24 per basic share, compared to third quarter fiscal 2016 revenue of \$28.7 million and U.S. GAAP loss from operations of \$11.8 million, or \$0.35 per basic share.

The Company's U.S. GAAP third quarter fiscal 2017 results included non-GAAP charges of \$4.1 million, which consisted primarily of severance and other restructuring costs, stock-based compensation, amortization of intangible assets from prior acquisitions, and other non-operating expense professional fees, while the third quarter fiscal 2016 results included \$12.2 million of similar non-GAAP charges as well as a provision for loss contract of \$9.2 million. Non-GAAP loss from operations for the third quarter of fiscal 2017 was \$4.3 million, or \$0.13 per basic share, compared to the third quarter of fiscal 2016 non-GAAP income from operations of \$0.4 million, or \$0.01 per diluted share.

For the first nine months of fiscal 2017, the Company posted revenue of \$60.0 million and a U.S. GAAP loss from operations of \$29.7 million, or \$0.85 per basic share compared to revenue of \$79.8 million and U.S. GAAP loss from operations of \$26.1 million, or \$0.78 per basic share in the same prior period. The Company posted a non-GAAP loss from operations for the first nine months of fiscal 2017 of \$18.7 million, or \$0.54 per basic share compared to a non-GAAP loss from operations of \$7.7 million, or \$0.23 per basic share for the same period of the prior fiscal year.

"While we are disappointed with our year to date revenue performance, we continue to make good progress with our turnaround efforts and our initiatives to drive costs down and return to profitability and cash flow positive performance," said Ed Terino, Chief Executive Officer, SeaChange. "During the third quarter we continued to strengthen our sales and engineering organizations, while reducing our cost structure. We remain on track to complete our cost reduction efforts by fiscal year-end that will yield approximately \$30 million in annual cost savings. These efforts have already yielded results with increased sales leads, a growing revenue pipeline, and improved product quality. New business in the third quarter included a Latin American video-on-demand and

advertising customer upgrade to our Adrenalin and Infusion platforms, as well as our content management system. In North America, we won another new customer for Adrenalin, replacing a video back office competitor in the process. In addition, we are very pleased to welcome Mark Tubinis as Senior Vice President of Engineering & Global Services, and believe that his extensive experience will enhance our ability to optimize quality and product innovation.”

Peter Faubert, Chief Financial Officer, SeaChange, said, “We made substantial progress in improving our working capital management and remain on track to be cash flow positive in the fiscal fourth quarter. Contributing to the improvements in working capital management, we reduced our unbilled receivables in the third quarter, which will provide a positive impact to our cash flow going forward.”

SeaChange ended the third quarter of fiscal 2017 with cash, cash equivalents, restricted cash and marketable securities of approximately \$38 million, and no debt outstanding.

#### **Outlook**

SeaChange anticipates fourth quarter fiscal 2017 revenue to be in the range of \$22 million to \$24 million, U.S. GAAP loss from operations to be in the range of \$0.13 to \$0.18 per basic share, and non-GAAP loss from operations to be in the range of \$0.05 to \$0.10 per basic share. For full fiscal 2017, SeaChange now anticipates revenue to be in the range of \$82 million to \$84 million, U.S. GAAP loss from operations to be in the range of \$0.99 to \$1.04 per basic share, and non-GAAP operating loss to be in the range of \$0.60 to \$0.65 per basic share.

These GAAP estimates are subject to a number of variables that are outside of management’s control, including the size of restructuring expenses, which are influenced by the timing and scope of restructuring activities, and stock price fluctuations. The Company has made no provision for restructuring expense in its outlook for the fourth quarter of fiscal 2017.

#### **Conference Call**

The Company will host a conference call to discuss its third quarter fiscal 2017 results at 5:00 p.m. ET today, Tuesday, December 6, 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](http://www.schange.com/IR). A replay of the conference call will be available through December 20, 2016 at 877-660-6853 (U.S.) or 201-612-7415 (international), conference ID 1364-9586. The webcast will be archived on the investor relations section of the Company’s website at [www.schange.com/IR](http://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 23 years of experience, we give media businesses the content management, delivery and monetization 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](http://www.schange.com).

**Safe Harbor Provision**

Any statements contained in this press release that do not describe historical facts, including regarding anticipated revenue, operating loss, cost saving initiatives and related costs savings and other financial matters, 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 datacenter hosting facilities; the implementation of restructuring programs; disruptions to the Company's information technology systems; uncertainties of regulation of Internet and data traveling 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.

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 13, 2016. 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.

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

	<u>October 31,</u> 2016 (Unaudited)	<u>January 31,</u> 2016
<b>Assets</b>		
Cash and cash equivalents	\$ 27,484	\$ 58,733
Restricted cash	108	82
Marketable securities	10,270	12,268
Accounts and other receivables, net	25,020	26,331
Unbilled receivables	7,913	10,680
Inventories, net	998	1,682
Asset held for sale	235	—
Prepaid expenses and other current assets	3,374	3,827
Property and equipment, net	12,089	14,129
Goodwill and intangible assets, net	51,074	44,301
Other assets	4,922	5,636
Total assets	<u>\$ 143,487</u>	<u>\$ 177,669</u>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable and other current liabilities	\$ 17,458	\$ 23,546
Deferred stock consideration	—	3,205
Deferred revenues	13,634	17,410
Deferred tax liabilities and income taxes payable	16,593	1,389
Other long term liabilities	1,255	1,101
Total liabilities	<u>48,940</u>	<u>46,651</u>
Total stockholders' equity	<u>94,547</u>	<u>131,018</u>
Total liabilities and stockholders' equity	<u>\$ 143,487</u>	<u>\$ 177,669</u>

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

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2016	2015	2016	2015
<b>Revenues:</b>				
Products	\$ 3,746	\$ 6,195	\$ 10,481	\$ 16,314
Services	16,215	22,552	49,502	63,481
Total revenues	<u>19,961</u>	<u>28,747</u>	<u>59,983</u>	<u>79,795</u>
<b>Cost of revenues:</b>				
Products	1,824	1,528	4,506	4,766
Services	8,036	10,963	27,982	33,829
Provision for loss contract	—	9,162	—	9,162
Amortization of intangible assets	315	184	947	557
Stock-based compensation expense	(26)	33	131	61
Total cost of revenues	<u>10,149</u>	<u>21,870</u>	<u>33,566</u>	<u>48,375</u>
Gross profit	<u>9,812</u>	<u>6,877</u>	<u>26,417</u>	<u>31,420</u>
<b>Operating expenses:</b>				
Research and development	7,325	8,273	23,751	26,176
Selling and marketing	3,422	3,965	10,841	11,263
General and administrative	3,673	3,648	11,579	11,446
Amortization of intangible assets	540	1,038	1,572	3,003
Stock-based compensation expense	791	1,104	1,685	2,943
Earn-outs and change in fair value of earn-outs	—	492	249	1,475
Professional fees—other	24	1	328	145
Severance and other restructuring costs	2,373	197	5,991	1,026
Loss on impairment of long-lived assets	99	—	99	—
Total operating expenses	<u>18,247</u>	<u>18,718</u>	<u>56,095</u>	<u>57,477</u>
Loss from operations	(8,435)	(11,841)	(29,678)	(26,057)
Other (expenses) income, net	(67)	38	220	(390)
Loss before income taxes and equity income in earnings of affiliates	(8,502)	(11,803)	(29,458)	(26,447)
Income tax (benefit) provision	(420)	(1,228)	14,415	(1,003)
Equity income in earnings of affiliates, net of tax	—	10	—	27
Net loss	<u>\$ (8,082)</u>	<u>\$ (10,565)</u>	<u>\$ (43,873)</u>	<u>\$ (25,417)</u>
<b>Net loss per share:</b>				
Basic	<u>\$ (0.23)</u>	<u>\$ (0.31)</u>	<u>\$ (1.26)</u>	<u>\$ (0.76)</u>
Diluted	<u>\$ (0.23)</u>	<u>\$ (0.31)</u>	<u>\$ (1.26)</u>	<u>\$ (0.76)</u>
<b>Weighted average common shares outstanding:</b>				
Basic	<u>35,186</u>	<u>33,636</u>	<u>34,889</u>	<u>33,440</u>
Diluted	<u>35,186</u>	<u>33,636</u>	<u>34,889</u>	<u>33,440</u>



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

	Nine Months Ended October 31,	
	2016	2015
<b>Cash flows from operating activities:</b>		
Net loss	\$(43,873)	\$(25,417)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization of property and equipment	2,289	2,554
Provision for loss contract	—	9,162
Provision for inventory obsolescence	318	65
Amortization of intangible assets	2,519	3,560
Fair value of acquisition-related contingent consideration	249	1,475
Stock-based compensation expense	1,816	3,004
Deferred income taxes	14,649	(960)
Other	113	61
Changes in operating assets and liabilities, excluding impact of acquisition:		
Accounts receivable	1,987	895
Unbilled receivables	2,913	(5,743)
Inventories	338	(1,207)
Prepaid expenses and other assets	428	(158)
Accounts payable	(2,102)	718
Accrued expenses	(4,942)	(4,056)
Deferred revenues	(3,864)	(2,770)
Other	173	(625)
Total cash used in operating activities	<u>(26,989)</u>	<u>(19,442)</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(521)	(1,140)
Investment in capitalized software	—	(2,030)
Purchases of marketable securities	(2,252)	(3,005)
Proceeds from sale and maturity of marketable securities	4,249	4,503
Cash paid for acquisition of business, net of cash acquired	(5,243)	(11,686)
Other investing activities	2	453
Total cash used in investing activities	<u>(3,765)</u>	<u>(12,905)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of common stock relating to stock option exercises	64	88
Other financing activities	(4)	—
Total cash provided by financing activities	<u>60</u>	<u>88</u>
Effect of exchange rate changes on cash	(555)	270
Net decrease in cash and cash equivalents	<u>(31,249)</u>	<u>(31,989)</u>
Cash and cash equivalents, beginning of period	58,733	90,019
Cash and cash equivalents, end of period	<u>\$ 27,484</u>	<u>\$ 58,030</u>

**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 plus stock-based compensation expenses, amortization of intangible assets, provision for loss contract, earn-outs and change in fair value of earn-outs, non-operating expense professional fees 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, 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-price customer contract on a multi-year arrangement, which included multiple vendors. As the system integrator on the project, we are subject to any costs 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 recorded an estimated charge of \$9.2 million in the third quarter of fiscal 2016. We believe that the exclusion of this expense allows a comparison of operating results that would otherwise impair comparability between periods.

***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 operating 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 considered significant non-operating expenses.

**Severance and Other Restructuring Costs.** 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 estimated U.S. GAAP loss from operations to the Company's non-GAAP (loss) income from operations:

**SeaChange International, Inc.**  
**Preliminary Reconciliation of GAAP to Non-GAAP**  
(Unaudited, amounts in thousands, except per share and percentage data)

	Three Months Ended October 31, 2016			Three Months Ended October 31, 2015		
	GAAP As Reported	Adjustments	Non- GAAP	GAAP As Reported	Adjustments	Non- GAAP
<b>Revenues:</b>						
Products	\$ 3,746	\$ —	\$ 3,746	\$ 6,195	\$ —	\$ 6,195
Services	16,215	—	16,215	22,552	—	22,552
<b>Total revenues</b>	<u>19,961</u>	<u>—</u>	<u>19,961</u>	<u>28,747</u>	<u>—</u>	<u>28,747</u>
<b>Cost of revenues:</b>						
Products	1,824	—	1,824	1,528	—	1,528
Services	8,036	—	8,036	10,963	—	10,963
Provision for loss contract	—	—	—	9,162	(9,162)	—
Amortization of intangible assets	315	(315)	—	184	(184)	—
Stock-based compensation	(26)	26	—	33	(33)	—
<b>Total cost of revenues</b>	<u>10,149</u>	<u>(289)</u>	<u>9,860</u>	<u>21,870</u>	<u>(9,379)</u>	<u>12,491</u>
<b>Gross profit</b>	<u>9,812</u>	<u>289</u>	<u>10,101</u>	<u>6,877</u>	<u>9,379</u>	<u>16,256</u>
<b>Gross profit percentage</b>	49.2%	1.4%	50.6%	23.9%	32.6%	56.5%
<b>Operating expenses:</b>						
Research and development	7,325	—	7,325	8,273	—	8,273
Selling and marketing	3,422	—	3,422	3,965	—	3,965
General and administrative	3,673	—	3,673	3,648	—	3,648
Amortization of intangible assets	540	(540)	—	1,038	(1,038)	—
Stock-based compensation expense	791	(791)	—	1,104	(1,104)	—
Earn-outs and change in fair value of earn-outs	—	—	—	492	(492)	—
Professional fees—other	24	(24)	—	1	(1)	—
Severance and other restructuring costs	2,373	(2,373)	—	197	(197)	—
Loss on impairment of long-lived assets	99	(99)	—	—	—	—
<b>Total operating expenses</b>	<u>18,247</u>	<u>(3,827)</u>	<u>14,420</u>	<u>18,718</u>	<u>(2,832)</u>	<u>15,886</u>
<b>(Loss) income from operations</b>	<u>\$ (8,435)</u>	<u>\$ 4,116</u>	<u>\$ (4,319)</u>	<u>\$ (11,841)</u>	<u>\$ 12,211</u>	<u>\$ 370</u>
<b>(Loss) income from operations percentage</b>	(42.3%)	20.7%	(21.6%)	(41.2%)	42.5%	1.3%
<b>Weighted average common shares outstanding:</b>						
<b>Basic</b>	<u>35,186</u>	<u>35,186</u>	<u>35,186</u>	<u>33,636</u>	<u>33,636</u>	<u>33,636</u>
<b>Diluted</b>	<u>35,186</u>	<u>35,209</u>	<u>35,186</u>	<u>33,636</u>	<u>33,835</u>	<u>33,835</u>
<b>Non-GAAP operating (loss) income per share:</b>						
<b>Basic</b>	<u>\$ (0.24)</u>	<u>\$ 0.11</u>	<u>\$ (0.13)</u>	<u>\$ (0.35)</u>	<u>\$ 0.36</u>	<u>\$ 0.01</u>
<b>Diluted</b>	<u>\$ (0.24)</u>	<u>\$ 0.11</u>	<u>\$ (0.13)</u>	<u>\$ (0.35)</u>	<u>\$ 0.36</u>	<u>\$ 0.01</u>

**SeaChange International, Inc.**  
**Preliminary Reconciliation of GAAP to Non-GAAP**  
(Unaudited, amounts in thousands, except per share and percentage data)

	Nine Months Ended October 31, 2016			Nine Months Ended October 31, 2015		
	GAAP As Reported	Adjustments	Non- GAAP	GAAP As Reported	Adjustments	Non- GAAP
<b>Revenues:</b>						
Products	\$ 10,481	\$ —	\$ 10,481	\$ 16,314	\$ —	\$16,314
Services	49,502	—	49,502	63,481	—	63,481
<b>Total revenues</b>	<u>59,983</u>	<u>—</u>	<u>59,983</u>	<u>79,795</u>	<u>—</u>	<u>79,795</u>
<b>Cost of revenues:</b>						
Products	4,506	—	4,506	4,766	—	4,766
Services	27,982	—	27,982	33,829	—	33,829
Provision for loss contract	—	—	—	9,162	(9,162)	—
Amortization of intangible assets	947	(947)	—	557	(557)	—
Stock-based compensation	131	(131)	—	61	(61)	—
<b>Total cost of revenues</b>	<u>33,566</u>	<u>(1,078)</u>	<u>32,488</u>	<u>48,375</u>	<u>(9,780)</u>	<u>38,595</u>
<b>Gross profit</b>	<u>26,417</u>	<u>1,078</u>	<u>27,495</u>	<u>31,420</u>	<u>9,780</u>	<u>41,200</u>
<b>Gross profit percentage</b>	44.0%	1.8%	45.8%	39.4%	12.2%	51.6%
<b>Operating expenses:</b>						
Research and development	23,751	—	23,751	26,176	—	26,176
Selling and marketing	10,841	—	10,841	11,263	—	11,263
General and administrative	11,579	—	11,579	11,446	—	11,446
Amortization of intangible assets	1,572	(1,572)	—	3,003	(3,003)	—
Stock-based compensation expense	1,685	(1,685)	—	2,943	(2,943)	—
Earn-outs and change in fair value of earn-outs	249	(249)	—	1,475	(1,475)	—
Professional fees—other	328	(328)	—	145	(145)	—
Severance and other restructuring costs	5,991	(5,991)	—	1,026	(1,026)	—
Loss on impairment of long-lived asset	99	(99)	—	—	—	—
<b>Total operating expenses</b>	<u>56,095</u>	<u>(9,924)</u>	<u>46,171</u>	<u>57,477</u>	<u>(8,592)</u>	<u>48,885</u>
<b>(Loss) income from operations</b>	<u>\$ (29,678)</u>	<u>\$ 11,002</u>	<u>\$ (18,676)</u>	<u>\$ (26,057)</u>	<u>\$ 18,372</u>	<u>\$ (7,685)</u>
<b>(Loss) income from operations percentage</b>	(49.5%)	18.4%	(31.1%)	(32.7%)	23.1%	(9.6%)
<b>Weighted average common shares outstanding:</b>						
<b>Basic</b>	<u>34,889</u>	<u>34,889</u>	<u>34,889</u>	<u>33,440</u>	<u>33,440</u>	<u>33,440</u>
<b>Diluted</b>	<u>34,889</u>	<u>34,955</u>	<u>34,889</u>	<u>33,440</u>	<u>33,615</u>	<u>33,440</u>
<b>Non-GAAP operating (loss) income per share:</b>						
<b>Basic</b>	<u>\$ (0.85)</u>	<u>\$ 0.31</u>	<u>\$ (0.54)</u>	<u>\$ (0.78)</u>	<u>\$ 0.55</u>	<u>\$ (0.23)</u>
<b>Diluted</b>	<u>\$ (0.85)</u>	<u>\$ 0.31</u>	<u>\$ (0.54)</u>	<u>\$ (0.78)</u>	<u>\$ 0.55</u>	<u>\$ (0.23)</u>

The following table reconciles the Company's forecasted U.S. GAAP loss from operations to the Company's forecasted non-GAAP loss from operations for the Company's fourth fiscal quarter and full fiscal 2017:

**SeaChange International, Inc.**  
**Reconciliation of GAAP to Non-GAAP Guidance**  
(Unaudited, amounts in thousands except per share data)

	Three Months Ended		Twelve Months Ended			
	January 31, 2017		January 31, 2017			
GAAP revenue guidance	\$22,000	to	\$24,000	\$82,000	to	\$84,000
GAAP loss from operations per basic share	\$ (0.18)		\$ (0.13)	\$ (1.04)		\$ (0.99)
Exclude stock compensation expense	0.03		0.03	0.08		0.08
Exclude amortization of intangible assets	0.02		0.02	0.09		0.09
Exclude earnouts	—		—	0.01		0.01
Exclude professional fees associated with divestitures	—		—	0.01		0.01
Exclude restructuring costs	0.03		0.03	0.20		0.20
Non-GAAP loss from operations per basic share	<u>\$ (0.10)</u>		<u>\$ (0.05)</u>	<u>\$ (0.65)</u>		<u>\$ (0.60)</u>

**SeaChange International, Inc.**  
**Supplemental Schedule—Revenue Breakout**  
**(Unaudited, amounts in thousands)**

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2016	2015	2016	2015
<b>Product Revenues:</b>				
Video Platform	\$ 1,797	\$ 3,051	\$ 6,148	\$ 8,222
Advertising	98	650	219	987
User Experience	189	168	481	53
Hardware	1,209	2,146	2,141	5,741
Third-party Products	453	180	1,492	1,311
<b>Total Product Revenues</b>	<u>3,746</u>	<u>6,195</u>	<u>10,481</u>	<u>16,314</u>
<b>Service Revenues:</b>				
Maintenance and Support	8,768	10,724	27,521	30,289
SaaS	692	1,967	2,487	3,280
Professional Services—Video Platform	5,206	8,063	15,571	18,500
User Experience	1,549	1,798	3,923	11,412
<b>Total Service Revenues</b>	<u>16,215</u>	<u>22,552</u>	<u>49,502</u>	<u>63,481</u>
<b>Total Revenues</b>	<u>\$19,961</u>	<u>\$28,747</u>	<u>\$59,983</u>	<u>\$79,795</u>