

PRESS RELEASE

Rousset, July 29, 2010, 6:00 p.m.



Turnover improves in second quarter

DreamNex has reported revenues for the second quarter 2010:

<i>EUR millions (IFRS)</i>	2010	2009	Change
First quarter	15.288	17.494	-12.6%
Second quarter	15.414	16.034	- 3.9%

<i>EUR millions (IFRS)</i>	Q2 2010	Q2 2009	Change Q2 2010 vs Q2 2009	Q1 2010	Change Q2 2010 vs Q1 2010
Interactive services (VOD, Photos, Webcams, WebTV, Dating)	14.128	14.507	- 2.6%	13.149	+ 7.4%
Physical products	1.286	1.527	- 15.8%	2.139	- 39.9%
TOTAL REVENUES	15.414	16.034	- 3.9%	15.288	+ 0.8%

Second quarter revenues were EUR 15.4 million. After falling off significantly in Q1, the sales trend began to reverse in Q2 with revenue just 3.9% below the second quarter 2009. Quarter-on-quarter, the revenue trend is also encouraging: Q2 revenue showed a modest 0.8% rise on Q1.

The interactive services business, which includes VOD, photos, webcams and dating, turned over EUR 14.1 million. Second quarter revenues from these business lines were down by a modest 2.6% on Q2 2009 but up by 7.4% on the first quarter 2010. Measures taken by the Group were quick to bear fruit: the Group responded to the difficult first quarter by running more aggressive marketing to its affiliates and maximising the effectiveness of its campaigns.

Revenue from the entertainment lines (VOD and webcams) has been stable since May. The webcams service also benefited from the progressive roll-out of new video streaming technology, greatly improving image flow and hence the user-experience.

The dating business was particularly dynamic in the second quarter, largely thanks to new marketing tools based on the geographical location of visitors. In light of the strong performance of the site in its current version, the upload of the new version and the UK site has been put back to the third quarter,

which will allow additional time for fine-tuning and a simultaneous launch across several new countries: in the UK, as announced, but also in the Netherlands, Italy and Spain.

Revenues from product sales were EUR 1.3 million in Q2, traditionally the slowest quarter, a 15.8% reduction on Q2 2009. The implementation of stricter commercial conditions on the affiliate network early in the quarter impacted sales by these operators, who took several months to adapt to the new terms for paying commissions. The decline also reflected a later start to the summer sales, put back from late June in 2009 to early July in 2010. In the first 3 weeks of the sales, however, the boutique turned over 10% more than in the first 3 weeks of the 2009 sales.

As a first step in its stated strategy of diversifying into online gambling, DreamNex today agreed the takeover of E-tainment, a young company based in Malta. The key purpose of the deal, done at insignificant cost, was to save the Group time in implementing its strategy by giving it immediate access to an operating structure with four employees. The structure is located at the home of the gambling industry where the core skills and main market operators are based. It is therefore an ideal entry point for the development of this business within the Group, which will now be able to address this market faster and more effectively, either obtaining its own licences or operating through already licensed partners.

Patrice Macar, Chairman and CEO, concludes: *“The third quarter will be especially strong for the dating service, with its international roll-out and a new version of the site going online as well as the launch of the iPhone version. Thanks to the healthy structural margins achieved by the Group in 2009 and our quick response to the dip early on in the year, we can reaffirm our confidence that DreamNex will be reporting operating margins of over 20% for the first half 2010.”*

Next publication: first half 2010 results
September 16, 2010

About DreamNex:

In February 2000, Patrice Macar (the current Chairman and CEO of DreamNex) launched SexyAvenue.com, the first serious, high-quality, high-end website for adults only. The site offers a lingerie and sex toys boutique, a photo and video distribution service, and an online dating service. DreamNex has rapidly risen to become the sector leader in France. In January 2008, DreamNex acquired Belgian company Enjoy, the largest network of erotic webcams in Europe, making it the European leader in adult internet services, with revenues of over EUR 67 million in 2009.

Ticker: DNX

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