**PRESS RELEASE**
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# H1 2010
# OPERATING INCOME: +12.5%
# NET INCOME: +14.8%

DreamNex, the online adult entertainment specialist, announces its results for the first half, ended 30th June 2010 (*):

| *IFRS Audited figures* | **H1 2010 €K** | H1 2009 €K | Change H1 2010/H1 2009 |
|---|---|---|---|
| **Revenues** | **30,706** | 33,529 | -8.4% |
| **Recurring operating income** | **6,847** | 6,585 | +4.0% |
| % of revenues | **22.3%** | 19.6% | |
| **Operating income** | **7,301** | 6,490 | +12.5% |
| % of revenues | **23.8%** | 19.4% | |
| **Income before corporation tax** | **7,389** | 6,533 | +13.1% |
| % of revenues | **24.1%** | 19.5% | |
| **Net income** | **5,006** | 4,359 | **+14.8%** |
| % of revenues | **16.3%** | 13.0% | |

H1 2010 revenues totalled € 30.7 million, down 8.4% vs. 2009. After a significant decline in Q1, Q2 saw a reversal in the trend, with a limited 3.9% decline in revenues vs. the same period in 2009. The trend in the level of activity was also encouraging in sequential terms: Q2 revenues were slightly higher (+0.8%) than the previous quarter.

### Further increase in operating margin

Operating income amounted to € 7.3 million in H1 2010, up 12.5% vs. the previous financial year. This significant increase helped DreamNex post a higher operating margin than the targets announced, representing 23.8% of revenues.

This good margin performance is due primarily to measures to optimise the Group's organisational structure implemented during 2009. As a result, operating expenses fell 9.5% vs. H1 2009, and a further 1.3% vs. H2. Operating expenses represented 77.7% of total revenues vs. 78.6% in H1 2009.

Marketing costs fell 17.6% year-on-year. This improvement is the result of the more effective acquisition of traffic after the merger of the teams implemented as part of the reorganisation process. Although there was a further slight fall in marketing costs (-3.4%) vs. H2 2009, their percentage of revenues increased from 43.5% to 46.2%, reflecting the Group's initial investment efforts to return to growth in interactive services.

With the strengthening of the teams, payroll costs rose 18.5% vs. H1 2009. However, they were down 10.5% vs. H2 2009 which was impacted by non-recurrent costs (recruitment expenses, relocations).
Content and moderation costs were significantly reduced, following European harmonisation and the decline in repayments to animators in mid-2009: they represented 12.7% of H1 revenues.

Net income totalled € 5.0 million (up 14.9%), resulting in an exceptional net margin of 16.3% of revenues.

### Healthy balance sheet

Operating flows totalled € 1.4 million in H1, with WCR remaining substantially negative at € -5.3 million. Seller credits, corresponding to the balances on the payment of acquisitions, amounted to € 4.4 million, and will be paid off in April 2011. The Group has no bank debt.
DreamNex has a comfortable cash position (€ 10.6 million).

### Dividend distribution: € 1.17 per share

In accordance with the distribution policy applied since the stock market listing, and thanks to its continuing strong profitability and healthy cash position, DreamNex will propose a dividend payment of € 1.17 per share for H1 2010 at the AGM. This equates to 66% of net income. Including the latest half-year dividend paid in July 2010, the yield for the year amounts to 9.2% (based on the average price for the last 30 days).

### Outlook

The Group reacted swiftly to the turmoil at the beginning of the year, by adopting a more commercially aggressive approach and working on the performance of its entertainment sites. Marketing investment will be increased in H2, while maintaining an operating margin target of 20% over the period.
With the new version of the "encounters" site having been finalised, its imminent rollout will be an opportunity to launch a second brand, positioned on traditional amorous encounters, complementing the initial EdenFlirt brand and aimed at sensual encounters. Launched directly in five languages, this new site will mark the internationalisation of the encounters activity for the Group, enabling it to profit even more from the strong growth of this activity.
H2 will also see a wealth of new mobile phone offerings, with the launch of the smartphone webcam service, as well as a mobile phone version of the new "encounters" site.
In gambling, after the acquisition of E-tainment in July, DreamNex will embark on the next stage with the implementation of strategic partnerships in order to rapidly acquire access to successful white label services.

Next publication: Q3 revenues
Wednesday, 28th October 2010

* The financial statements for H1, ended 30th June 2010, were approved during the Board of Directors' meeting on 13/09/10 and have been the subject of a limited examination by the Statutory Auditors.

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**Dreamnex: the online specialist in adult entertainment**

In February 2000, Patrice Macar, DreamNex's current Chairman and CEO, launched SexyAvenue.com, the first site with a high class, sober and quality positioning, aimed at adults. The site offers a boutique of lingerie and sex toys, a service for the distribution of photos and videos, and an "encounters" service. DreamNex has rapidly become the sector leader in France. In 2008, DreamNex purchased the Belgian group Enjoy, the largest webcam network in Europe, and became the European leader in adult entertainment: revenues reached € 67 million the following year. DreamNex is extending its activities in 2010 and turning towards the flourishing online gambling market.

MNEMO Code: DNX    ISIN CODE: FR0010436584    Corporate site: www.dreamnex.com

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