



2010/2011 half year results In line with our forecast

<i>in K €</i>	12/31/2010 6 months	12/31/2009 6 months
SALES	6 849	9 220
Marketing expenses	(250)	(379)
Repayments to partners	(1 797)	(3 070)
Other purchases and external expenses	(2 349)	(3 056)
Tax and duties	(292)	(347)
Personnel expenses	(2 450)	(2 039)
<i>EBITDA current*</i>	236	(157)
Operating income/loss	(1 173)	(148)
Financial income/loss	(95)	(64)
Taxes	(42)	7
Income/loss before discontinued operations	(1 310)	(205)
Net income/loss of discontinued operations CAT and TAKTIL	(648)	502
Net consolidated result	(1 958)	297

* EBITDA current: Operating result before amortization and redundancy plan

The Board of Directors meeting held on February 28, 2011 chaired by Mr. Tanimoto, has closed the summary half year financial statements 2010/2011.

Main events of the period

In line with the third step of its strategic plan, the Index Multimedia Group has continued during the first half year 2010/2011 the standardization of its new organization and has accelerated its refocusing towards the *Digital Entertainment*.

The Group has namely sold on December 10, 2010 its Well-Being and Mass-Market direct marketing activity as well as its Taktil subsidiary, to focus its efforts on the launch of new functionalities of its community services and online games activities.

End of December 2010, the Group has in particular officially launched its first online game inspired by the Japanese blockbuster « Tower of Druaga ». True source of recurrent revenues by its subscription/pay per game business model, *Tower of Druaga* initiates in France a successful concept already validated in many countries.

As announced, the Shareholders General Meeting of December 17, 2010 has decided to appoint Mr. Claude YOSHIZAWA as independent director for a period of 6 years. Moreover, Mr. Fumiaki YAMATO, appointed last year as Directeur Général Délégué, has resigned on December 31, 2010; his resignation was approved by the Board of Directors meeting of January 28, 2011.

Results in line with forecast

As forecast, the results of the first half year 2010/2011 of Index Multimedia include all the restructuring operations without getting the first effects of the new perimeter.

Actually, the revenues generated by the new activities of the Group, launched mainly at the end of the year 2010, are not integrated in this period. Therefore, without surprise the sales of the first half year is of 6.8 M€, against 9.2 M€ last year.

The Group has also continued its cost rationalisation plan allowing a new reduction of the main expenses items. The marketing expenses are decreasing by 34% compared with HY1 2009/2010, the repayments to partners are of 1 797 K€ representing a decrease of 41% over the same period while the other purchases and external expenses are decreasing by 23 %.

All these reductions are leading to an increase of the EBITDA current* of 393 K€ compared with the first half year 2009/2010, i.e. from -157K€ to 236 K€.

The operating result of - 1 173 K€ was mainly impacted by the absence of revenue from the new businesses and the high personnel expenses (2 450 K€). The latter include a non-recurrent provision of 977 K€ related to the redundancy plan approved on November 8, 2010 in order to adapt the staff number to the new size of the Group and a provision of 540 K€ related to a litigation with an employee.

Mechanically, the net result of Index Multimedia for the 1st half year 2010/2011 shows a loss of 1 958 K€ including 648 K€ corresponding to the loss of discontinued activities (CAT and TAKTIL).

Thus, the result of the Group - exceptional items excluded - bears the essence of the new model of the Group now turned towards the *Digital Entertainment*.

The financial structure remains solid with equity of 17 262 K€, a negative gearing (net debt/equity) and a cash position of 1 808 K€ at the closing of the half year.

Outlook

Capitalizing on its new perimeter, now made lighter and on clearly identified growth drivers, the Group can now better anticipate for the 2nd half year 2010/2011 a return to break-even of its operating result.

The SFAF presentation meeting will be held on March 30 at 2:30 p.m.

INDEX MULTIMEDIA is specialized in the development and sale of multimedia products and services

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