

Paris, November 3 2010

HI-MEDIA GROUP POSTED A 25% 2010 THIRD QUARTER SALES GROWTH TO 48.8 MILLION EUROS

- **Positive outcomes from the first half of the year operational issues**
- **Gross margin resilience**
- **Continuous strong organic growth of the Payments activity**

Paris, November 3 2010 – The on-line media group Hi-media (ISIN Code FR0000075988 - HIM, HIM.FR), the European leader in monetising the Internet audience, releases its activity figures for the third quarter of 2010.

Main consolidated figures (in million of euros)

| Q3 2009 | Q3 2010 | Variation |
|---------|---------|-----------|
|---------|---------|-----------|

Sales

| | | | |
|----------------|------|------|-----|
| Advertising | 15.6 | 21.7 | 40% |
| Payments | 23.5 | 27.1 | 15% |
| Total | 39.1 | 48.8 | 25% |
| Total proforma | 46.0 | 48.8 | 6% |

| Q3 2009 | Q3 2010 |
|---------|---------|
|---------|---------|

Proforma gross margin¹

| | | |
|-------------|-------|-------|
| Advertising | 40.9% | 44.6% |
| Payments | 27.9% | 24.6% |
| Total | 34.2% | 33.5% |

Commenting on the 2010 third quarter figures, Hi-media Group's founder and CEO Cyril Zimmermann declares:

« Over the first nine months of the year Hi-media Group posted 157 million euro in sales, growing by 39% compared to last year. In parallel we have conducted the necessary changes in the business units that had registered deceiving results during the first half of the year. We also worked on the gross margins aspect of our businesses with the first tangible results currently foreseen. Thus Hi-media is confident in its end of the year activity and is actively pursuing its development with stronger operational structures and large growth opportunities among which the performance marketing segment and the European expansion of the Payments activity. »

¹ Including the gross profit coming from the own and operated websites of the Group (Hi-media Publishing)

Hi-media Advertising: Gross margin improvement

The Group Advertising activity continues to post a strong sales growth with a 40% growth rate for the third quarter of 2010. The success of its newly launched performance marketing, based on a proprietary technology, is confirmed. This sales and technological initiative will constitute a strong growth driver in 2011 in all the countries where the Group is present.

In the Netherlands and in Germany where Hi-media during the first half of the year had encountered operational difficulties, some management and organizational changes have been implemented. The Group is expecting a progressive activity turn around and these two countries should not negatively impact anymore the Group growth level and results in 2011.

The first nine months of the year have been dedicated to the integration of AdLINK Media, acquired in September 2009. Over this period of time the ad network activity demonstrates a stable level of activity in proforma (excluding sponsored links/search marketing).

| Ad network sales growth Excl. search marketing/sponsored links | Q1 2010 | Q2 2010 | Q3 2010 |
|---|---------|---------|---------|
| Variation in % vs. 2009 | 0.5% | -0.3% | -0.6% |

Over the third quarter, management especially focused on the Advertising gross profit by renegotiating some contracts and by not renewing some others that appeared to be little contributive on a gross profit stand point. **The Hi-media Advertising gross profit thus increased by 5% (9.7 million euros in proforma Q3 2010 vs. 9.2 million euros in proforma Q3 2009) and reached a gross margin level of 44.6% vs. 40.9% in the third quarter of 2009.**

Following the actions taken during the last months and their results, **management foresees an activity proforma growth starting with the fourth quarter while continuing to benefit from improved gross margins.** The Advertising activity profitability should strongly increase.

Hi-media Payments: a continuous strong growth

The Group online Payments activity based on the Allopass (www.allopass.com) and Hipay (www.hipay.com) platforms continues to demonstrate strong organic growth with more than 15% growth rate during the summer quarter despite the fact that it is not a favorable period to gain and implement new clients.

| Payments activity sales growth | Q1 2010 | Q2 2010 | Q3 2010 |
|--------------------------------|---------|---------|---------|
| Variation in % vs. 2009 | 15.8% | 26.8% | 15.3% |

New product developments and new client signatures are in final stage. They will have a positive impact by the end of the year or beginning of next year. They will feed the dynamism of this activity which, after the video games and professional information universes, also tend to develop itself into the media industry.

Hi-media Publishing: back to profitability

The Publishing activity has been reengineered during the summer period in order to solely focus on the profitable websites or the ones that have a net positive contribution at the Group level. Some sites have been repositioned and teams have been reduced. Fotolog should thus be neutral, slightly contributive to the Group starting end of the year and in 2011.

After a large decrease during the first half of the year, the Publishing sales level has been stabilized during the third quarter (3.8 million euros in Q3 2010 vs. 3.7 million euros in Q3 2009) and represents 8% of the Group total consolidated sales.

The overall activity generates a positive current operational result for the third quarter period which should be significant over the end of the year.

Financial situation

The Advertising activity proforma gross margin rebounds to 44.6% thanks to AdLINK Media gross margin improvement and to the termination of contracts that appeared to be not that contributive.

| | Q1 2010 | Q2 2010 | Q3 2010 |
|---------------------------------------|---------|---------|---------|
| Advertising gross margin ² | 45.7% | 40.7% | 44.6% |

The Payments activity gross margin remains stable at c.25%, in line with the past quarters and the observed average over the last two years (quarterly gross margin varied between 23% and 28% between 2009 and 2010).

| | Q1 2010 | Q2 2010 | Q3 2010 |
|------------------------------------|---------|---------|---------|
| Payments gross margin ² | 24.9% | 24.2% | 24.6% |

The Group improved its consolidated gross margin to 33.5% for the third quarter of 2010 compared to the last quarter (32.5%).

Perspectives

The last months have been focused on reviewing operations of certain countries and business units. The restructuring costs and the activity level consecutive to the implemented decisions are in line with the Group forecasts.

Hi-media Group enters the fourth quarter with reengineered and reinforced structures, satisfying gross margins level and good growth perspectives. The Group is confident in its capacity to rapidly improve its profitability thanks to the development of the Advertising market and especially of the performance marketing and to the growth of the Payments segment in a context of a European deployment.

² Including the gross profit coming from the own and operated websites of the Group (Hi-media Publishing)



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About Hi-media Group :

Hi-media, the online media group, is one of the top Internet publisher in the world with nearly 50 million unique visitors per month on its proprietary websites. Hi-media is also the leading European player in online advertising and electronic payment. Its business model relies thus on two different sources of revenues: online advertising via its dedicated ad network Hi-media Advertising and online content monetization via its micropayment platform Allopas. The group which operates in 10 European countries, USA and Brazil employs more than 500 people and posted in 2009 206 million euros in sales (proforma). Independent since its creation in 1996, the company is listed since 2000 on the Euronext Eurolist Paris (Eurolist B) and is included in the SBF 250, CAC IT and CAC Small 90. ISIN code: FR0000075988. Hi-media qualifies for FCPI as it received the OSEO label of "innovating company".

Site : www.hi-media.com

Financial communication

Sales information for the fourth quarter of 2010: Tuesday, January 25, 2011 after market closure.

Investor contacts:

Cyril Zimmermann

President and CEO.

David Bernard

Chief Operating Officer

Tel: (33) 1 73 03 89 00,

Fax: (33) 1 73 03 89 54

E-mail: infofin@hi-media.com