



2013 INTERIM FINANCIAL REPORT

A corporation with a capital of 4.562.864,50 euros
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Management report

PRESENTATION OF EARNINGS FOR THE FIRST HALF OF 2013

I. Comments concerning the income statement

Sales by activity

<i>In thousands of euro</i>	H1 2013	H2 2012	H1 2012
Advertising	45 033	43 740	44 357
Payments	48 042	50 157	56 482
Sales	93 075	93 897	100 839

At the end of the period, total sales amounted to 93 075 thousand Euros, stable compared to 2012 second semester, low point of the Group activity.

The Group advertising activity has recovered in 3% vs H2 2012 despite the continuing difficult environment and cutbacks in advertising investments in Europe, especially in South Europe.

The payment activity, second pillar of the Group, has decreased due to a consolidation trend and maturity of the micropayment segment, while the electronic banking activity has seen a significant increase.

The Group gross profit amounts to 34.1 million Euros in growth versus the 2012 second semester (31.2 millions). The gross margin has reached 37%, which represents a four basis points growth versus the second semester 2012 (33%). The gross profit of the Advertising activity amounts to 21.3 million Euros. The gross margin has reached 47%, increasing by three basis points versus last year second semester (44%).

The gross profit of the Payment activity amounts to 12.7 million Euros which represents a margin of 27%, increasing of four basis points versus last year second semester (23%).

The general expenses which amount to 13.2 million Euros are increasing by 10% versus last year second semester (12 million Euros), as a result of the expenses related to the migration to new technologic platforms for the Group both in Advertising and Payment. The HR related expenses amount to 14.4 million Euros (13.4 million Euros as of H2 2012), due to the Group's desire to have the dedicated skills for all of its new business units for both Advertising and Payment. The level of depreciations and provisions, 2.1 million Euros is the result of necessary investments related to new platforms development.

The current operating result amounts to 4.4 million Euros, which represents an increase versus the 2012 second semester (3.4 millions Euros).

The consolidated net income amounts to 2.2 million Euros (versus 0.5 million Euros for the 2012 second semester).

This net result can be detailed as follow:

- The current operating profit (4.4 million Euros versus 3.4 million Euros for the 2012 second semester)
- The non current result of -0.7 million Euros which includes a stock based compensation of 0.3 million Euros (versus -1,4 million Euros for the 2012 second semester)
- The financial income: -0,6 million Euros (versus -1 million Euros for the 2012 second semester), mainly related to the repayment of bank loans dedicated to financing of the acquisitions
- The result of the equity accounted companies: -21 thousand Euros (vs -0.3 million Euros for the 2012 second semester)
- The income tax expenses of -0.8 million Euros (versus -0.2 million Euros for the 2012 second semester)

II. Internal developments and innovations

During the first half of the year 2013, Hi-Media communicated on the following developments:

- With respect to the Payment activity:
 - o Launch of a Third Party Processing offer

- With respect to the Advertising activity:
 - o Launch of four business units dedicated to video, mobile, special operations and the Real Time Bidding (RTB)

III. Significant events of the period

On February 12th, 2013, Hi-Media SA acquired TheBluePill, specialized in direct marketing and affiliation. This acquisition was realized for an initial price of 200 K€. A complementary pricing clause, capped at 200k€, is established in the acquisition protocol.

IV. Important events since 30 June 2013

On July 24th, 2013, Hi-Media SA sold its participation in La Tribune Nouvelle share capital. This operation does not affect the share of profit associated value as of 30 June 2013.

MAIN RISKS AND UNCERTAINTIES CHARACTERISING THE SECOND HALF OF 2013

The main risks to which the Group is exposed for the second half of 2013 are detailed in the section concerning "Risk factor" of the 2012 Annual Report filed with the Financial Markets Authority on 26 April 2013 and available on the company's website www.Hi-media.com. The company is unaware of any other risks and uncertainties for the remaining six months of the financial year.

PROSPECTS

The advertising market has to face the current economic situation. It tends to be in favor of performance marketing and special operations in a still complicated market. Nonetheless, innovation technologies (principally the real time billing), demographic and market trends are robust and offer significant growth perspectives for the online advertising market especially the graphical ad market. Thanks to its leading position across Europe with its 160 million users (Comscore, January 2012), Hi-Media Group is ideally placed to benefit from these structural trends.

The newly launched solutions (2013) such as video, mobile, special operations and the RTB (Real Time Bidding) generate growth and offer strong perspectives.

Concerning the Payment business line, a consolidation trend and maturity of the micropayment segment impact in a negative way the market. Nevertheless, the Internet trends, especially in Entertainment (video games, music...) and news/press, offer substantial growth potential for a player such as Hi-Media.

The new solutions launched, such as bank payment, should cultivate the growth for the coming months and years.

TRANSACTIONS BETWEEN AFFILIATED PARTIES

The affiliated parties of Hi-media group correspond to the authorized agents, senior managers and directors of the group, as well as the companies in which they exercise control, notable influence, or hold a significant voting right.

I. Compensation of management members

The compensation includes the remuneration paid to the Chairman of the Board of Directors, the attendance fees paid to the directors and are not remunerated by the Company (4 directors). The compensation and benefits relating to members of the management organs posted to the income statement amount to 186 thousand Euros (against 197 thousand Euros on 30 June 2012).

II. Transactions with the subsidiaries

Hi-media SA invoices its subsidiaries for holding expenses as well as for trademark expenses, eliminated in the consolidated financial statements.

III. Other affiliated parties

During the first half of 2013, no significant operation has been carried out with:

- shareholders holding a significant voting right in the Hi-media S.A. capital,
- members of the management organs, including the directors,
- entities over which one of the main senior managers exercises control, or notable influence, or holds a significant voting right.

Group's summary consolidated financial statements

Consolidated income statements for the half-years ending on 30 June 2013, 2012 second semester and 30 June 2012

<i>In thousands of euro</i>	Notes	H1 2013	H2 2012 ⁽¹⁾	H1 2012
Sales	3	93 075	93 897	100 839
Charges invoiced by the media		-59 007	-62 689	-65 142
Gross profit		34 067	31 208	35 696
Purchases		-13 182	-11 992	-12 300
Payroll charges	4	-14 391	-13 449	-14 992
Depreciation & Amortization		-2 126	-2 350	-1 690
Current operating profit		4 368	3 417	6 714
<i>(before stock based compensation)</i>				
Stock based compensation		-248	-346	-322
Other non-current income and charges	5	-425	-1 123	725
Operating profit		3 695	1 948	7 117
Cost of indebtedness	6	-678	-796	-889
Other financial income and charges		44	-172	-107
Earnings of consolidated companies		3 062	980	6 120
Share in the earnings of the companies treated on an equity basis		-21	-298	-340
Earnings before taxes of the consolidated companies		3 041	682	5 780
Income tax	7	-819	-212	-321
Income tax on non recurring items		0	0	0
Net income of the consolidated companies		2 222	470	5 459
Including minority interests		203	227	220
Including Group Share		2 019	244	5 240
		H1 2013	H2 2012	H1 2012
Weighted average number of ordinary shares		45 628 645	45 628 645	45 624 819
Earnings per share, Group share (in euro)		0,04	0,01	0,11
Weighted average number of ordinary shares (diluted)		46 452 265	46 037 784	46 185 219
Diluted earnings per share, Group share (in euro)		0,04	0,01	0,11

⁽¹⁾ H1 2012 was presented in order to have a better comparative analysis; the figures presented for H2 2012 were calculated by difference between the 31 December 2012 figures and those from 30 June 2012.

Statement of Comprehensive Income for the half years ending on 30 June 2013 and on 30 June 2012

<i>In thousands of euro</i>	30 June 2013	30 June 2012
Net result	2 019	5 459
Other elements of the global result		
<i>Items that may be reclassified subsequently to profit or loss</i>		
- Hedge accounting on financial instruments	249	-203
- Translation adjustments	-183	-49
- Other	-	-60
- Taxes on other elements of the global result	-	-
<i>Items that will not be reclassified to profit or loss</i>		
- Actuarial gain and losses related to post-employment benefits	-	-
Other elements of the global result, net of tax	66	-312
Group share	66	-312
Minority interests	0	-
Global result	2 085	5 147

Consolidated balance sheets as of 30 June 2013 and 31 December 2012

ASSETS - In thousands of euro	Notes	30 June 2013	31 Dec 2012
Net goodwill	8	121 995	121 315
Net intangible fixed assets	9	11 327	10 873
Net tangible fixed assets		1 475	1 701
Deferred tax credits	10	8 010	7 362
Other financial assets		3 647	3 386
Non-current assets		146 455	144 637
Customers and other debtors	11	59 933	67 442
Other current assets	12	25 609	24 928
Current financial assets		14	15
Cash and cash equivalents	13	13 527	14 483
Assets held for sale and discontinued operations		1 529	1 529
Current assets		100 613	108 396
TOTAL ASSETS		247 068	253 033
LIABILITIES - In thousands of euro	Notes	30 June 2013	31 Dec 2012
Share capital		4 562	4 562
Premiums on issue and on conveyance		123 975	123 975
Reserves and retained earnings		-9 500	-15 255
Treasury shares		-3 810	-3 537
Consolidated net income (Group share)		2 019	5 483
Shareholders' equity (Group share)		117 247	115 228
Minority interests		1 000	1 237
Shareholders' equity		118 247	116 466
Long-term borrowings and financial liabilities	14	17 239	20 054
Non-current provisions		1 330	1 246
Non-current liabilities	15	478	727
Deferred tax liabilities	10	434	496
Non-current liabilities		19 482	22 522
Short-term financial liabilities and bank overdrafts	14	20 257	19 910
Current provisions		-	-
Suppliers and other creditors		70 169	74 970
Other current debts and liabilities	16	18 913	19 164
Current liabilities		109 339	114 045
TOTAL LIABILITIES		247 068	253 033

Table of consolidated cash flows for financial year 2012 and for the half-years ending on 30 June 2013 and on 30 June 2012

<i>In thousands of euro</i>	Notes	30 June 2013	31 Dec 2012	30 June 2012
Net income		2 222	5 930	5 459
<i>Adjustments for :</i>				
Depreciation of the fixed assets		1 959	3 609	1 244
Value losses		-	-	-
Investment income		-	-	-
Cost of net financial indebtedness		678	1 685	889
Share in associated companies		21	638	340
Net income on disposals of fixed assets		2	-529	-348
Costs of payments based on shares	5	248	669	322
Tax charge or proceeds	7	819	533	321
Operating profit before variation of the operating capital need		5 948	12 535	8227
Variation of the operating capital need		931	6 820	3 054
Cash flow coming from operating activities		6 879	19 354	11 281
Interest paid		-705	-1 692	-912
Tax on earnings paid		-1 163	-3 392	-1 633
NET CASH FLOW RESULTING FROM OPERATING ACTIVITIES		5 012	14 271	8 737
Income from disposals of fixed assets		0	1	-
Valuation at fair value of the cash equivalents		-	-	-
Proceeds from disposals of financial assets		0	1	-
Disposal of subsidiary, after deduction of cash transferred		-	-	-
Acquisition of a subsidiary		-263	-1 952	-1 129
Acquisition of fixed assets	9	-2 454	-5 249	-2 716
Variation of financial assets		-231	147	13
Variation of suppliers of fixed assets		-125	-18	150
Effect of the perimeter variations		-	-	-
NET CASH FLOW COMING FROM INVESTMENT ACTIVITIES		-3 072	-7 070	-3 682
Proceeds from share issues		10	-1	-1
Redemption of own shares		-273	-2 332	-1 994
New borrowings	14	1 782	1 983	-
Repayments of borrowings	14	-3 669	-6 758	-3 236
Other financial liabilities variation		-554	-3 065	-4 227
Dividends paid to minority interests		-194	-442	-399
NET CASH FLOW COMING FROM FINANCING ACTIVITIES		-2 898	-10 616	-9 857
Effect of exchange rate variations		3	-10	-
NET VARIATION OF CASH AND OF CASH EQUIVALENTS		-955	-3 425	-4 802
Cash and cash equivalents on January 1		14 483	14 739	17 908
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD ⁽¹⁾		13 527	14 483	13 106

⁽¹⁾ Positive cash flow reduced by bank overdrafts. Cf. Note 13

Table showing the variation of consolidated shareholders' equity for the half years ending on 30 June 2013 and on 30 June 2012

In thousands of euro	Numbers of shares	Share capital	Additional paid-in-capital	Treasury stock	Stock options and free shares reserves	Income and charges directly posted in shareholder's equity	Earnings and retained earnings	Shareholder's equity Group share	Shareholder's equity <i>Minority interests</i>	Total shareholder's equity
1 Jan 2012	45 622 145	4 562	123 975	- 951	3 555	4 219	- 22 818	112 541	1 074	113 616
Dividends paid to the minorities	-	-	-	-	-	-	-	-	- 441	- 441
Call exercise	6 500	1	-	-	1	-	-	-	-	-
Shares redemptions (1)	-	-	-	- 1 779	-	-	-	- 1 779	-	- 1 779
Stock options and free shares impact (2)	-	-	-	-	288	-	-	288	-	288
Perimeter variation	-	-	-	-	-	-	- 307	- 307	-	- 307
Income and charges directly posted in shareholder's equity	-	-	-	-	-	312	-	- 312	-	- 312
Net income of the period	-	-	-	-	-	-	5 240	5 240	219	5 459
Total global income	-	-	-	-	-	312	5 240	4 928	219	5 147
30 June 2012	45 628 645	4 563	123 975	- 2 730	3 843	3 907	- 17 885	115 671	852	116 523
Dividends paid to the minorities	-	-	-	-	-	-	-	-	- 158	- 158
Call exercise	-	-	-	-	-	-	-	-	-	-
Shares redemptions (1)	-	-	-	- 307	-	-	-	- 307	-	- 307
Stock options and free shares impact (2)	-	-	-	-	262	-	-	262	-	262
Perimeter variation	-	-	-	-	-	-	- 638	- 638	-	- 638
Income and charges directly posted in shareholder's equity	-	-	-	-	-	618	-	- 618	-	- 618
Net income of the period	-	-	-	-	-	-	244	244	227	471
Total global income	-	-	-	-	-	618	244	- 375	227	- 147
31 Dec 2012	45 628 645	4 563	123 975	- 2 422	4 104	3 289	- 18 279	115 228	1 237	116 466
Dividends paid to the minorities	-	-	-	-	-	-	-	-	- 409	- 409
Call exercise	-	-	-	-	-	-	-	-	-	-
Shares redemptions (1)	-	-	-	- 273	-	-	-	- 273	-	- 273
Stock options and free shares impact (2)	-	-	-	-	248	-	-	248	-	248
Perimeter variation	-	-	-	-	-	42	-	42	- 31	- 73
Income and charges directly posted in shareholder's equity	-	-	-	-	-	66	-	- 66	-	- 66
Net income of the period	-	-	-	-	-	-	2 019	2 019	203	2 222
Total global income	-	-	-	-	-	66	2 019	2 085	203	2 288
30 June 2013	45 628 645	4 563	123 975	- 2 695	4 352	3 313	- 16 260	117 247	1 000	118 247

(1) As of June 30, 2013, Hi-Media SA holds 813,935 actions treasury shares. Moreover within the framework of the liquidity contract, Hi-media holds 122,170 of its own shares as of June 30, 2013.

(2) See Note 18 in connection with the share subscription option plans and the allocations of free shares.

Notes concerning the Group's summary consolidated interim financial statements

Accounting principles and methods

i. Preparation bases for the summary financial statements

The interim financial statements for the 1st half of 2013 are to be read as a complement to the audited consolidated financial statements for the financial year ending on 31 December 2012 as appearing in the reference document filed with the Financial Markets Authority (AMF) on April 26th 2013.

The interim consolidated financial statements as of June 30th 2013 are established in accordance with the accounting and valuation principles of the IFRS international accounting standards adopted by the European Union. Those international accounting standards consist of the IFRS (International Financial Reporting Standards), of the IAS (International Accounting Standards), as well as of their interpretations adopted by the European Union on 30 June 2013 (publication in the Official Journal of the European Union).

The interim consolidated financial statements for the half-year ending on June 30th 2013 have been prepared in accordance with the provisions of standard IAS 34 concerning "Interim financial information".

Hi-media group's consolidated financial statements include the financial statements of Hi-media S.A. and of its subsidiaries (the whole being designated as "the Group"), as well as the Group's holdings in its affiliated companies or companies under joint control. They are presented in thousands of euro.

The interim consolidated financial statements dated June 30th 2013 as well as the notes relating thereto have been established on the responsibility of the Board of Directors, and were closed out at its meeting held on August 26th 2013. They were the object of a limited examination by the auditors.

ii. Accounting principles and valuation methods

Hi-media group has applied the same accounting methods as in its consolidated financial statements for the financial year ending on 31 December 2012 and detailed in the 1.2 notes, except for standards, amendments and interpretations applicable for the first time as from January 1, 2013.

Standards, amendments and interpretations, whose application is mandatory as of January 1, 2013

- Amendment to IAS 1 on the presentation of other comprehensive income;
- IAS 19, Employee benefits particularly for defined benefit plans;
- IFRS 13, Fair Value Measurement;
- Amendment to IFRS 7 on financial assets and financial liabilities offsetting.

The application of these standards, amendments and interpretations to be applied as from January 1, 2013 did not have a material impact on the Group's condensed interim consolidated financial statements as of and for the six-month period ended June 30, 2013.

Standards, amendments and interpretations, whose application is not mandatory as of January 1, 2013 but which may be adopted earlier

- IFRS 10, Consolidated financial statements;
- IFRS 11, Joint Arrangements;
- IFRS 12, Disclosure of interests in other entities;
- Revised IAS 28, Investments in associates and joint ventures;
- Amendment to IAS 32 on offsetting Financial Assets and Financial Liabilities.

The Group did not exercise the option to adopt in advance these standards, amendments and interpretations in the condensed interim consolidated financial statements as of and for the six-month period ended June 30, 2013, and does not expect that they would have a material impact on its results and financial position.

In addition, the IASB has published standards, amendments and interpretations that are applicable as of January 1, 2013, but not yet adopted by the European Union:

- IFRS 9, Financial instruments;
- Revised IAS 27, Consolidated and Separate Financial Statements;
- Amendment to IAS 36 on recoverable amount disclosures for non-financial assets

iii. Use of estimates and judgments

Preparation of the financial statements in accordance with the IFRS standards requires Management to take account of estimates and of assumptions for determination of the amounts to be posted with regard to certain assets, liabilities, income and charges, as well as of certain information provided in notes attached to the assets and liabilities, in particular :

- The goodwill and the depreciation tests relating thereto,
- The share of profit associated,
- The intangible assets acquired,
- The deferred tax credits,
- The depreciation of receivables,
- The provisions for risk,
- The charge for stock options and free shares,
- The financial instruments.

The estimates and underlying assumptions are developed on the basis of past experience and other factors, such as events to come, considered reasonable in light of the circumstances. They are also used as the basis for exercise of the judgment necessary for determination of the book values of assets and liabilities, which cannot be obtained directly from other sources. In view of the inherently uncertain nature of these valuation procedures, the definitive amounts may prove to be different from the ones initially estimated.

The estimates and the underlying assumptions are continuously reconsidered. The impact of the changes in accounting estimates is directly entered in the accounting during the period of the change if it affects only said period, or during the period of change and in subsequent periods if they are also affected by the change.

Note 2. Consolidation base

Corporate name	Country	% held directly and indirectly on 30/06/13	% held directly and indirectly on 31/12/12	Consolidation method	Date of creation or of acquisition	Date of financial year closeout
Created companies						
Hi-media Belgium SPRL	Belgium	100%	100%	FC	09.03.00	31.12
Hi-media Portugal LTDA	Portugal	53.9%	53.9%	FC	31.10.00	31.12
Hi-Pi SARL	France	100%	100%	FC	13.05.02	31.12
Hi-media Advertising Web SL	Spain	100%	100%	FC	29.12.06	31.12
HPMP SPRL	Belgium	100%	100%	FC	17.09.07	31.12
HPME SA	Belgium	100%	100%	FC	08.05.08	31.12
Allopass Scandinavia AB	Mexico	100%	100%	FC	17.07.09	31.12
Allopass Mexico SRLCV	Sweden	100%	100%	FC	30.09.09	31.12
Hi-media Payment do Brasil LTDA	Brazil	99.99%	99.99%	FC	16.11.11	31.12
Hi-media Regions SAS	France	49%	49%	EM	06.12.12	31.12
Mobvious Italia SRL	Italy	75%	-	FC	17.05.13	31.12
Acquired companies						
Hi-media Network AB	Sweden	100%	100%	FC	11.12.00	31.12
Hi-media Deutschland AG	Germany	100%	100%	FC	30.04.01	31.12
Europemission SL	Spain	50%	50%	EM	25.03.04	31.12
Hi-Midia Brasil SA	Brazil	14%	14%	EM	18.07.05	31.12
Hi-media China Limited	France	49%	49%	EM	01.05.06	31.12
Allopass SAS	China	100%	100%	FC	08.02.06	31.12
L'Odyssee Interactive SAS	France	88%	88%	FC	31.05.06	31.12
Hi-media Sales AB	Sweden	100%	100%	FC	04.09.06	31.12
Groupe Hi-media USA Inc	USA	100%	100%	FC	27.11.07	31.12
Vivat SPRL	Belgium	44%	44%	EM	14.03.08	31.12
Bonne Nouvelle Editions SARL	France	100%	100%	FC	06.06.08	31.12
Hi-media Nederland BV	Holland	100%	100%	FC	31.08.09	31.12
Hi-media Italia SRL	Italy	100%	100%	FC	31.08.09	31.12
Hi-media Network Internet España SL	Spain	100%	100%	FC	31.08.09	31.12
Hi-media LTD	England	50%	50%	EM	31.08.09	31.12
Local Media SAS	France	45%	45%	EM	02.12.11	31.12
Pragma Consult SPRL	Belgium	100%	100%	FC	30.01.12	30.09
Semilo BV	Holland	36.3%	36.3%	EM	01.02.12	31.12
La Tribune Nouvelle SAS	France	27.8%	27.8%	EM	13.02.12	31.12
New Movil Media SL	Spain	55.02%	55.02%	FC	13.12.12	31.12
TheBluePill SAS	France	100%	-	FC	13.02.13	31.03

On February 12th, 2013, Hi-Media SA acquired TheBluePill, specialized in direct marketing and affiliation. This acquisition was realized for an initial price of 200 K€. A complementary pricing clause, capped at 200k€, is established in the acquisition protocol.

Note 3. Sales

The breakdown of sales by activities is as follows:

<i>In thousands of euro</i>	30 June 2013	30 June 2012
Advertising	45 033	44 357
Payments	48 042	56 482
Sales	93 075	100 839

Note 4. Payroll charges

The breakdown of the payroll charges between salaries, social security charges and provision for end-of-career indemnities look as follows:

<i>In thousands of euro</i>	30 June 2013	30 June 2012
Salaries	10 031	10 433
Social security charges	4 289	4 518
Provision for end-of-career indemnities	71	41
Payroll charges	14 391	14 992

Staff changes were as follows :

	31 Dec 2012	Incoming	Outgoing	30 June 2013
France	253	10	-16	247
Foreign	192	32	-21	203
Staff	445	42	-37	450

Note 5. Other non-current income and expenses

The non recurring expenses (-0.4M€) mainly result from Income/expenses from activities/entities which had to proceed to a strategic restructuring (-0.6M€).

Note 6. Financial result

The financial result (-0.6M€) mainly result from the cost of indebtedness for -0.7m€ vs -0.9m€ as of June 30, 2012.

Note 7. Tax on earnings

The tax charge breaks down as follows:

<i>In thousands of euro</i>	30 June 2013	30 June 2012
Current taxes	-1 528	-1 714
Deferred taxes	710	1 394
Tax (charge)/Proceeds	-819	-321
<i>Effective tax rate (%)</i>	27%	6%

The difference between the effective tax rate and the theoretical tax rate is to be analyzed as follows:

<i>in thousands of euro</i>	30 June 2013	30 June 2012
Tax rate in France	33,33%	33,33%
Theoretical tax (charge)/proceeds	- 1 021	- 1 927
<i>Elements concerning the comparison with the effective rate:</i>		
Effect of non-current write-downs on assets	-	-
Effect of change in rates	- 25	-
Earnings charged to losses subject to carryover not previously recorded	119	3
Recognition of deferred tax credits on losses carried over	309	1 731
Difference of tax rate between the countries	81	- 1 512
Effect of non-asset deficit transfers from the fiscal year	- 64	238
Permanent differences and other elements	61	1 420
Taxes without basis	- 278	- 274
Real tax (charge)/proceeds	- 819	- 321
<i>Effective tax rate</i>	26,9%	6%

Hi-media France SA, Allopass SAS, Hi-Pi SARL, Mobile Works SAS and Bonne Nouvelle Editions SARL have been consolidated for fiscal purposes.

Note 8. Goodwill

<i>In thousands of euro</i>	31 déc. 2012	Forex	Ch. In scope	Transfert	Increases	Decreases	30 juin 2013
Goodwill	186 183	-	680	-	-	-	186 863
Impairment	-64 869	-	-	-	-	-	-64 869
Net goodwill	121 315	-	680	-	-	-	121 995

The change in scope is related to the acquisition of TheBluePill SAS in France. The amounts allocated to the acquired identifiable assets and liabilities and to goodwill may be adjusted during a period of one year from the date of this acquisition.

Note 9. Intangible fixed assets

Development costs capitalized in the period are mainly related to:

- The automation of the tasks around the integration of the platform Appnexus
- The development of new reporting tools
- The development of new invoicing tools and website expenses in Telecom and Payment activity
- The integration of new payment solutions within payment platforms
- The development of the TPP platform
- The development of the BigData infrastructure and the Data Management Platform project

<i>In thousands of euro</i>	30 June 2013	31 Dec 2012
Software and licences	7 165	6 523
Trademarks	1 350	1 350
Customer relations	96	137
Fixed assets in progress	2 691	2 834
Other	25	30
Total	11 327	10 873

Note 10. Deferred taxes

- i. Recognized deferred tax credit and liabilities

The details concerning the deferred taxes posted to earnings are presented Note 7 above.

The sources of the net deferred tax credit and liabilities recognized as of June 30, 2013 are as follows:

NET DEFERRED TAX CREDITS		
<i>In thousands of euro</i>	30 June 2013	31 Dec 2012
Tax loss carryovers	8 640	7 767
Intangible fixed assets	-131	-135
Other timing differences	-498	-270
Deferred tax credits	8 010	7 362

The net deferred tax liabilities stand at 0.4m€ (vs 0.5m€ as of December 31, 2012) and are mainly composed by deferred tax related to intangible fixed assets.

- ii. Unrecognized deferred tax credits

As of June 30, 2013, the unrecognized deferred tax credits consisted mainly of the undefined losses carried forward of Fotolog for 20.4 million euros.

Note 11. Trade and other receivable

<i>In thousands of euro</i>	30 June 2013	31 Dec 2012
Customers	62 855	70 172
Depreciation	-2 922	-2 730
Customers and other debtors	59 933	67 442

The accounts receivable include the invoices transferred under a factoring contract concluded in 2010 by Hi-Media, and in 2012 by Hi-Pi, for which societies have taken out credit insurance in advance, and hence have not transferred the credit risk to the Factor.

The amount of the receivables transferred came to 11 616 k€ as of June 30, 2013.

On the other hand, the contractual conditions of the factoring contracts (concluded in 2008) of Allopass SAS make it possible to transfer the main risks and advantages connected with the transferred receivables, and hence to take them off the balance sheet.

The accounts receivable which are derecognized in this way in accordance with IAS 39 under the terms of factoring contracts come to 14.3 M€ as of June 30, 2013.

The cash available under these contracts comes to 4.8 M€ as of June 30, 2013.

Note 12. Autres actifs courants

All of the other current assets are at less than one year.

The prepaid charges correspond mainly to overheads relative to the period after the 30 June 2013.

<i>in thousands of euros</i>	30 June 2013	31 Dec 2012
Financial and corporate assets	11 501	11 347
Current accounts	461	420
Prepaid charges	1 757	435
Factor guarantee fund	1 249	1 390
Hi-pay available cash balance	5 825	6 282
Others	4 815	5 053
Other current assets	25 609	24 928

Note 13. Cash and cash equivalents

<i>In thousands of euro</i>	30 June 2013	31 Dec 2012
"OPCVM" fund shares	2 005	2 000
Reserve at factor's	4 821	4 567
Liquid assets	6 701	7 916
Cash and cash equivalents	13 527	14 483

Note 14. Borrowings and financial liabilities

Hi-media signed a syndicated loan of 40 million Euros in June 16, 2011.

This syndicated loan is computed as following:

- A first line of 31.6 million euro (Trench A)
- A second line of 8.4 million euro (Trench B)

Both lines have duration of five years.

Trench A has been entirely called as of June 16, 2011.

Trench B should help the Group in financing investments and acquisitions and has been entirely called as of June 30, 2013. 1.8 million euro has been called during 2013 first semester.

<i>In thousands of euro</i>	Balance sheet balance on 30 June 2013		<i>Issue currency</i>	<i>Expiration</i>	<i>Effective rate</i>
	<i>Non- current</i>	<i>Current</i>			
Syndicated loan	17 239	8 606	EUR	2016	Eur3M + 1,5% à +2%
Accrued interest on debts		35	EUR	Sept. 2013	variable
Financing connected with factoring		11 616	EUR	Short-term	Eur3M + 0,9 %
Bank overdrafts		0	EUR		variable
Total	17 239	20 257			

The amount shown in "Repayments of borrowings" line in the cash flow statement as of June 30th 2013 is mainly related to the resolution of the H1 2013 term related to the syndicated loan signed in 2011, amounting to 3.7 million euro .

The following were concluded pursuant to the loan agreement signed in June 2011:

- an initial interest rate swap fixed payer / variable recipient 3-month Euribor (due in June 2016) for a notional amount of 16 M€
- a second interest rate swap fixed payer / variable recipient 3-month Euribor (due in June 2016) for a notional amount of 15.6 M€

Note 15. Non current liabilities

The non-current liabilities consist mainly of the fair value of the hedging financial instruments concluded in connection with the borrowing (cf Note 14).

Note 16. Other current debts and liabilities

All other debts and liabilities are due at less than one year.

<i>In thousands of euro</i>	30 June 2013	31 Dec 2012
Taxation and social liabilities	17 040	16 779
Debts on fixed assets	181	305
Prepaid income	526	311
Other liabilities	1 167	1 768
Other current liabilities	18 913	19 164

Note 17. Segment information

Operational sectors are presented according to the methods described in the 2012 annual report and correspond to the 3 operational poles to which resources are affected.

	Advertising		Micropayment		Publishing		Eliminations		Total	
	S1 13	S1 12	S1 13	S1 12	S1 13	S1 12	S1 13	S1 12	S1 13	S1 12
Revenue	47 492	47 190	47 936	56 262	5 311	5 662	(7 706)	(8 275)	93 033	100 839
<i>including share generated on the Group's sites</i>	<i>4 564</i>	<i>4 425</i>	<i>137</i>	<i>554</i>	<i>5 311</i>	<i>5 662</i>	<i>(4 040)</i>	<i>(4 413)</i>	<i>5 972</i>	<i>6 228</i>
Gross profit	18 230	17 572	11 970	13 837	3 867	4 287			34 067	35 696
Operating profit by activity	4 059	4 791	2 952	4 716	1 070	1 138			8 081	10 645
Restatement of the margin generated by the Publishing entities over the other entities in the group	(1 369)	(1 327)	(27)	(80)	1 396	1 408			-	-
Operating profit by restated activity	2 690	3 463	2 925	4 636	2 466	2 546			8 081	10 645
Unallocated income and charges excluding stock options and free shares									(3 713)	(3 931)
Operating profit before valuation of stock options and free shares									4 368	6 714
Valuation of stock options and free shares									(248)	(322)
Non-current income and charges									(425)	725
Operating profit									3 695	7 117
Financial net income									(634)	(997)
Share of earnings, equity basis									-	(340)
Taxes									(819)	(321)
Net income									2 243	5 459
Group share									2 040	5 240

Note 18. Stock option plan and allocations of free shares**a. Stock options**

	Plan no. 7	Plan no. 8	Plan no. 9	Plan no. 10	Plan no. 11	Plan no. 12	Total
Meeting date	25 Apr. 03	25 Apr. 03	25 Apr. 03	24 Apr. 08	3 May 11	3 May 11	
Date of Board of Directors meeting	26 May 03	10 Jul. 03	12 Jan. 05	19 Dec. 08	31 Jan. 12	27 Aug 12	
Total number of shares allocated ⁽¹⁾	500 000	350 000	150 000	50 000	385 000	105 000	1 540 000
Total number of shares available for subscription	-	-	47 500	50 000	339 003	105 000	541 503
Including number of shares that could be acquired by authorized agents	-	-	-	-	-	70 000	70 000
Including number of shares that could be acquired by the ten leading employee	-	-	42 500	-	209 813	-	252 313
Beginning of exercise of the options	26 May 05	10 Jul. 05	12 Jan. 07	19 Dec. 08	31 Jan. 12	27 Aug 12	
Date of expiration	25 May 13	10 Jul. 13	12 Jan. 15	14 May 18	31 Jan. 22	27 Aug 22	
Subscription price (in euro) ⁽²⁾	0.33	0.35	1.14	1.81	2.13	1,93	
Exercise procedures ⁽³⁾	A	A	A	C	A	A	
Number of shares subscribed to on 30/06/13	500 000	350 000	65 500	-	-	-	915 500
Options cancelled during the period	-	-	-	-	45 997	11 875	57 872
Remaining options non subscribed	-	-	47 500	50 000	339 003	93 125	529 628

⁽¹⁾ Options allocated to the employees currently present in the company, the employees having left the company being unable to retain the benefit of such options.

⁽²⁾ Subscription price of the options calculated on the day of award of the options and corresponding to the weighted average of the market prices during the last 20 trading sessions (for certain plans, a 5% reduction has been made).

⁽³⁾ Procedure A: 100% of the options may be exercised at the end of a 2-year period following the meeting of the Board of Directors having allocated the said options.

Procedure B: 1/3 of the options may be exercised at the end of a 2-year period following the meeting of the Board of Directors having awarded the said options, then 1/3 the following year, and the remaining 1/3 four years after allocation.

Procedure C: 1/6 at the end of each quarter-year following the beginning time for exercise of the options.

The number of options and the weighted average of the exercise prices are as follows:

	1 st half of 2013		2012	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Options in circulation at the opening	637 500	1,86	147 500	1,09
Options allocated during the period	-	-	490 000	2,09
Options exercised during the period	50 000	0,33	-	-
Options cancelled during the period	57 872	2,09	-	-
Options in circulation at the close	529 628	1,98	637 500	1,86
Options that could be exercised at the close	97 500	1,48	147 500	1,09

The parameters adopted for valuing the share option plans granted after 7 November 2002 are as follows:

Date of the Board of Directors meeting	26 May 03	10 July 03	12 Jan. 05	19 Dec. 08	31 jan. 12	27 Aug. 12
Number of options allocated	500 000	350 000	150 000	50 000	385 000	105 000
Fair value of an option on the allocation date	0,36	0,36	1,45	0,06	0,42	0,45
Fair value of the plan on the allocation date	179 424	125 034	217 270	3 000	228 611	47 250
Exercise price of the option	0,33	0,35	1,14	1,81	2,13	1,93
Anticipated volatility of the option price	212%	208%	184%	51%	55%	51%
Anticipated lifetime	4 ans	4 ans	4 ans	2 ans	2 ans	2 ans
Dividend expected on the options	-	-	-	-	-	-
Option lapse rate adopted	-	-	-	-	-	-
Risk-free interest rate adopted	3,11%	2,80%	2,94%	3,51%	0,96%	0,10%

b. Allocation of free shares

Pursuant to IFRS 2, the plans for allocation of free shares are valued on the basis of the Hi-media share price on the day of the meeting of the Board of Directors deciding on allocation of the said free shares.

	Plan n°19	Plan n°20	Plan n°21	Plan n°22	Plan n°23	Plan n°24	Total
Meeting date	24 avr. 08	24 avr.08	24 avr.08	24 avr.08	3 mai 11	3 mai 11	
Date of the Board of Directors' meeting	30 nov.09	19 juil.10	02 déc.10	26 janv.11	31 janv. 12	27 août 12	
Total number of shares allocated	346 000	15 000	55 000	80 000	351 500	140 000	987 500
Including the number of shares that can be subscribed to by the authorised agents	-	-	-	-	-	70 000	70 000
Including the number of shares that can be subscribed to by the leading ten employee allocatees	-	-	-	-	243 000	-	243 000
Number of cancelled shares	248 400	2 500	23 000	46 666	37 334	12 500	370 400
Number of shares that can be definitively allocated 30 June 2013	97 600	-	-	-	-	-	97 600
Number of shares that can be definitively allocated	-	12 500	32 000	33 334	314 166	127 500	519 500
End of acquisition period	30 nov.12 30 nov.13	19 juil.13	02 déc.13	26 janv.14	31 janv.14	27 août.16	
End of retention period	30 nov.13	19 juil.14	02 déc. 14	26 janv. 15	31 janv. 16	27 août. 16	
Share price on the date of the board meeting	4,68	4,4	3,28	3,97	2,24	2,16	
Non-transferability discount	Oui	Oui	Oui	Oui	Oui	Oui	
Fair value of the free share	3,58	3,54	2,39	2,98	1,91	1,84	

Note 19. Off balance sheet commitments**a. Commitments received**

In context of the acquisition of the AdLink Internet Media AG Group, Hi-Media benefits from a tax liability guarantee provision up to the end of the prescription.

Under the agreement signed on February 17th 2012, Hi media has an option to sell La Tribune Nouvelle shares to its main shareholder (Cf. **Erreur ! Source du renvoi introuvable.**).

b. Commitments given

The lease signed May 15, 2008 concerning the premises of the French activities of the Group represents a commitment of 1.6M€ per year (not index linked) until December 15, 2017.

Under the agreement signed on May 25th 2011, a shareholder of Hi-midia Brasil has an option to buy Hi-midia Brasil shares held Hi-media SA.

c. Covenants

The subscription of the syndicated loan, referred into Note 14 Borrowings and financial liabilities induces the obligation for Hi-media to respect the covenants based on the following financial ratios, calculated according to the definitions of the banking contract:

- Ratio of financial debt R1 (Consolidated Net Debt/Consolidated EBITDA) less than or equal to 2.5
- Gearing Ratio R2 (Consolidated Net Debt/Consolidated Equity) less than or equal to 0.65

On June 30, 2013, Hi-media meets these both ratios.

d. Nantissements

Within the framework of the syndicated credit line subscribed by Hi-Media (cf Note 14), Hi-Media pledged, to the benefit of the participating credit institutions, the securities of its subsidiaries Allopass SAS, L'Odyssee Interactive SAS and Hi-Pi SARL as well as the Hi-media SA business.

e. Litiges

Some labor relations litigations have arisen with former employees disputing the legitimacy of their dismissals. The company has set aside the provisions it considers necessary in the light of its judgment of the justification for the plaintiffs' demands.

Note 20. Events that have occurred since June 30, 2013

On July 24th, 2013, Hi-Media SA sold its participation in La Tribune Nouvelle share capital. This operation does not affect the share of profit associated value as of 30 June 2013.

Statement by the person responsible for the interim financial report

I hereby attest that to my best knowledge, the summary financial statements presented in the 2013 semiannual financial report are established in accordance with the applicable accounting standards and give a fair representation of the property, financial situation and earnings of the company and of the set of companies included in the consolidation, and that the semiannual financial report offers a fair representation of the important events occurring during the first six months of the financial year and of their effect on the semiannual financial statements, of the main risks and uncertainties for the remaining six months of the financial year, and of the main transactions between affiliated parties.

Cyril Zimmermann
Chairman of the Board of Directors and Managing Director of Hi-media S.A.

Statutory Auditors' Review Report on the 2013 half-yearly consolidated financial statements

To the Shareholders,

Following our appointment as statutory auditors by the Shareholders and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Hi-Media S.A. for the six-month period ended 30 June 2013,
- the verification of information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

II. Specific verification

We have also verified information given in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements subject to our review.

Paris La Défense and Courbevoie, on the 28 August 2013

K P M G A U D I T I S

Stéphanie Ortega

M A Z A R S

Jérôme de Pastors