

ANNUAL RESULTS 2013: ACTIVITY RECOVERY AT YEAR END AND UPTURN OUTLOOKS IN PROFITABILITY IN 2014

- The recovery of the activity at the end of the year 2013 is driven by HiMedia and Hipay's successful new offers.
- End of the technological investments program in 2013.
- An upturn in profitability is expected for 2014.

Paris, March 13, 2014, 7.45 am – Online media group HiMedia Group (ISIN Code FR0000075988 - HIM, HIM.FR), releases its annual results for the 2013 fiscal year.

Main consolidated data (€ million)

<i>Period from 1 January to 31 December - in €M</i>	2013	2012
Group's turnover	185,3	194,7
Gross profit	64,9	66,9
EBITDA¹	11,7	14,2
Depreciation and amortization	-4,9	-4,0
Current operating income²	6,8	10,1
Stock based compensation	-0,5	-0,7
Other non-current earnings and charges	-1,7	-0,4
Operating income	4,6	9,1
Financial result	-1,7	-2,0
Share in SME income	-	-0,6
Pre-tax earnings	2,9	6,5
Net income of the consolidated companies	1,9	5,9

Profit and loss statement, cash-flow statement and consolidated balance sheet provided in the appendix to this press release

Commenting on the full year 2013 figures, founder and CEO of HiMedia Group Cyril Zimmermann said: *"Over the past two years, we have sacrificed our profitability for significant investments and a deep mutation. Today, the Group approaches 2014 with optimism since the changes completed have allowed driving activity and margins up progressively. The 2013 exercise has thus represented a low point from which the company initiates a full recovery of its financial performances"*.

¹ Current operating income before depreciation and amortization

² Before stock based compensation and non-current earnings and charges

BUSINESS ANALYSIS

HiMedia (online advertising)

	2013	2012	Var.
Sales (€M) ³	89.1	88.1	+1%
Gross profit (€M) ³	39.6	40.5	-2%
Gross margin (%) ³	45%	46%	

³ According to the IFRS international accounting standards, in certain cases, the company books the gross volume of the sales of advertising spaces, while in other cases it books the gross profit generated on the sale of spaces (notably in Sweden and on the Group's proprietary sites).

In 2013, the advertising operations have increased by 1% to €89 million, an improvement that was gradually sustained along the year.

The success of the new offers has been confirmed and compensates with the traditional display operations contraction. Overall the 4 growth pillars improved by +78% over 12 months and now account for 40% of the Group's advertising activity (vs. 23% in 2012).

Geographically, France's and Northern European countries' dynamism compensate with the still standing issues encountered in Southern Europe. The latter should see improvements in 2014 and benefit from the more recent launch of new offers.

The gross margin has stabilized at a 45% solid level.

HiPay (online payments)

	2013	2012	Var.
Volume of transactions €M	447	404	+11%
Turnover (€M) ⁴	96.2	106.6	-10 %
Gross profit (€M) ⁴	25.2	26.4	-4%
Gross margin (%) ⁴	26%	25%	

⁴ According to the IFRS international accounting standards, the company books the gross volume of transactions in certain cases and only the gross profit on transactions in other cases (notably within the framework of banking payment activities).

The volume of transactions increased at a sustained rate in 2013 (+11%). The gross profit, representative of the overall payments methods developed by the Group, declined by 4% over the year, yet with a rise of 14% over the last quarter due to the considerable boost of the new offers in banking payment.

In 2014, the Group should see its business volume improve and its gross profit is predicted to grow again.

ANALYSIS OF THE PROFIT AND LOSS STATEMENT

In 2013, HiMedia Group achieved a consolidated turnover of €185 million, a 4.8% dip, and a gross profit of €64.9 million, limiting the downturn to 3%. The gross margin reaching 35% has therefore slightly improved.

Despite a deep mutation of the company and the current unfavourable economic climate to growth, the Group managed to keep focus on its investments priorities set to reach its transformation of its technological and human assets.

Operational charges (purchases and HR expenses) remained stable yet the depreciation rose by 0.9 million Euros (+22%), result of technological investments carried out over the past few years. The Current Operating Income represents €6.8 million (vs. €10.1 M in 2012).

In addition, the Group has recorded exceptional charges essentially linked to activities or entities which have encountered strategic and operational restructuring, litigation and default on partnerships for a global amount of €1.7 M. The operating income amounted at €4.6 M.

The financial results improved by €0.5 million taking into account the debt reduction (-8 million Euros). The income tax charges almost doubled to €1 million due to the decline of the capitalisation of losses carried forward on the period, taking the net result after tax to €1.9 million.

FINANCIAL SITUATION

HiMedia Group has a solid financial structure with a limited long-term debt (€13 Million) compared to the shareholder equity (€117 million).

The available cash flow reached 10 million Euros on the 31st of December 2013.

OUTLOOKS

Over the past two years the group has sacrificed its profitability in order to rethink its business model in the light of an unfavourable economic climate and a very sluggish advertising market.

Based on solid and renewed fundamentals – new technological platform and new range of products – HiMedia Group's strategic choices and efforts started paying in 2013. They should consolidate in 2014 and along the following years, allowing the group to significantly improve its financial performances.

An audit has been performed by the Group auditors on the full year 2013 accounts from which the corresponding report will be issued. The full year accounts have been approved by Hi-Media SA's Board of Directors on March 11,

2014. The financial report relative to the financial statements closed on December 31, 2013 is available on the Company's website, at the address www.hi-media.com under the "Investors" heading.

About HiMedia Group

HiMedia Group guides advertisers, publishers and retailers on the development of their digital strategies. Operating in two business areas, digital advertising - HiMedia - and online payment - HiPay, its experts offer the solutions that are best adapted to boosting clients' revenues.

Established in 8 European countries, the group employs approximately 470 people and generated sales of €185 million in 2013. Independent since its creation, the company is listed on the NYSE Euronext Paris Compartment C and is included in the CAC Small and CAC-All Tradable indices.
Code ISIN: FR 0000075988 / Mnémo: HIM.

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Next financial communication: Quarterly information (1st quarter 2014) published on the 6th of May 2014

Contact Citigate Dewe Rogerson

Agnès VILLERET (IR): 0033 (0)1 53 32 78 95 – 0033 (0)6 66 58 82 61 – agnes.villeret@citigate.fr
Audrey BERLADYN (PRESS): 0033 (0)1 53 32 84 76 – 0033 (0)6 68 52 14 09 – audrey.berladyn@citigate.fr

This press release does not constitute an offer to sell, or a solicitation of an offer to buy Hi-Media shares. If you wish to obtain more complete information about HiMedia Group, please refer to our Internet site <http://www.hi-media.com> under the Investors heading.

This press release may contain some forward-looking statements. Although HiMedia Group considers that these statements are based on reasonable hypotheses on the publication date of this release, they are by their very nature subject to risks and uncertainties that could cause the actual results to differ from those indicated or projected in these statements. HiMedia Group operates in a continually changing environment and new risks could potentially emerge. HiMedia Group assumes no obligation to update these forward-looking statements, whether to reflect new information, future events or other circumstances.

Consolidated Financial Statements for FY 2013 and 2012

<i>in thousands of Euro</i>	31 Dec.2013	31 Dec.2012
Sales	185 319	194 736
Charges invoiced by the media	-120 466	-127 831
Gross profit	64 852	66 904
Purchases	-24 524	-24 292
Payroll charges	-28 642	-28 441
Depreciation and amortization	-4 886	-4 040
Current operating profit (before stock based compensations)	6 800	10 132
Stock based compensation	-503	-669
Other non-current income and charges	-1 654	-398
Operating profit	4 644	9 065
Cost of indebtedness	-1 281	-1 685
Other financial income and charges	-411	-279
Earning of the consolidated companies	2 952	7 100
Share in the earnings of the companies treated on an equity basis	-21	-638
Earnings before tax of the consolidated companies	2 931	6 462
Income Tax	-1 004	-533
Income Tax on non-recurring items	-	-
Net income of the consolidated companies	1 927	5 930
Including minority interests	349	446
Including Group share	1 578	5 483

Consolidated Balance Sheets as at December 31st, 2013 and December 31st, 2012

ASSETS - in thousands of euro	31 Dec.2013	31 Dec.2012
Net Goodwill	121 997	121 315
Net intangible fixed assets	12 437	10 873
Net tangible fixed assets	1 449	1 701
Deferred tax credits	9 024	7 362
Other financial assets	3 417	3 386
Non-current assets	148 325	144 637
Customers and other debtors	52 928	67 442
Other current assets	23 470	24 928
Current financial assets	14	15
Cash and cash equivalents	10 207	14 483
Assets held for sale and discontinued operations	640	1 529
Current assets	87 258	108 396
TOTAL ASSETS	235 583	253 033
LIABILITIES - in thousands of euro	31 Dec.2013	31 Dec.2012
Share capital	4 511	4 562
Premiums on issue and on conveyance	128 215	123 975
Reserves and retained earnings	-14 694	-15 255
Treasury shares	-2 254	-3 537
Consolidated net income (Group share)	1 578	5 483
Shareholders' equity (Group share)	117 357	115 228
Minority interests	971	1 237
Shareholders' equity	118 328	116 466
Long-term borrowings and financial liabilities	12 933	20 054
Non-current Provisions	907	1 246
Non-current liabilities	369	727
Deferred tax liabilities	438	496
Non-current liabilities	14 647	22 522
Short-term financial liabilities and bank overdrafts	8 659	19 910
Current provisions	5	-
Suppliers and other creditors	76 230	74 970
Other current debts and liabilities	17 715	19 164
Current liabilities	102 609	114 045
TOTAL LIABILITIES	235 583	253 033

Table of Consolidated Cash Flows for FY 2013 and 2012

<i>in thousands of euro</i>	31 Dec.2013	31 Dec.2012
Net income	1 927	5 930
<i>Adjustments for:</i>		
Depreciation of the fixed assets	3 708	3 609
Value losses	-	
Investment income	-	
Cost of net financial indebtedness	1 281	1 685
Share in associated companies	21	638
Net income on disposals of fixed assets	839	-529
Costs of payments based on shares	503	669
Tax charge or proceeds	1 004	533
Operating profit before variation of the operating capital need and provisions	9 283	12 535
Variation of the operating capital need	694	6 820
Cash flow coming from operating activities	9 977	19 354
Interest paid	-1 311	-1 692
Tax on earnings paid	-1 800	-3 392
NET CASH FLOW RESULTING FROM OPERATING ACTIVITIES	6 866	14 271
Income from disposals of fixed assets	10	1
Valuation at fair value of the cash equivalents	-	
Proceeds from disposals of financial assets	-	1
Disposal of subsidiary, after deduction of cash transferred	-	
Acquisition of a subsidiary, after deduction of cash acquired	-294	-1 952
Acquisition of fixed assets	-5 190	-5 249
Variation of financial assets	-185	147
Variation of suppliers of fixed assets	-209	-18
Effect of the perimeter variations	-	
NET CASH FLOW RESULTING FROM INVESTMENT ACTIVITIES	-5 868	-7 070
Proceeds from share issues	22	-1
Repurchase of own shares	-87	-2 332
New borrowings	1 782	1 983
Repayments of borrowings	-8 103	-6 758
Other financial liabilities variation	1 579	-3 065
Dividends paid to minority interests	-409	-442
NET CASH FLOW COMING FROM FINANCIAL ACTIVITIES	-5 216	-10 616