

HIMEDIA GROUP: A first quarter turnover of 42.8 million Euros

- 6 % decline in the overall activity due to a peculiar seasonality
- Acceleration of the transformation of the advertising and online paying markets anticipated: strong progression in new offers and contraction of historical activities
- Confirmation of the 2014 net result improvement target and the medium-term strategy

Paris, May 6, 2014, 7AM – The online media group HiMedia Group (code ISIN: FR0000075988 - HIM, HIM.FR) releases its results for the first quarter of 2014.

Main consolidated data (in millions of Euros)

Q1 2014	Q1 2013	Q1 Variation
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Sales

	Q1 2014	Q1 2013	Q1 Variation
Advertising	19.6	21.4	-8%
Volume of transactions	127.1	111.3	+14%
Payments	23.2	24.4	-5%
Total	42.8	45.8	-6%

Q1 2014	Q1 2013	Q1 Variation
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Gross Profit¹

	Q1 2014	Q1 2013	Q1 Variation
Advertising	8.9	10.1	-12%
Payments	6.3	6.7	-5%
Total	15.2	16.8	-9%

Regarding the figures for the first quarter of 2014, Cyril Zimmermann, Founder and Chief Executive Officer of HiMedia Group, indicates:

“Each month, we observe the advertising and online payment market transformations that we had anticipated, with more automation and technology allowing a real-time optimisation. Despite a peculiar seasonality, added to an unfavourable basis effect, which both hindered the beginning of the 2014 results, the company remains confident regarding its 2014 net result improvement target, and its medium-term strategy”.

¹ Including 100% gross margin generated on owned & operated websites (Hi-Media Publishing)

ACTIVITY ANALYSIS

Over the 2014 first quarter, HiMedia Group generated a consolidated turnover of 42.8 million Euros.

HiMedia (Advertising)

The trends observed in 2013, announcing a strong automation of the selling space (*Real Time Biding*) and an increase in the video and mobile advertising were confirmed in the first quarter, with at the same time a constant decline in the traditional display.

Consequently, following the 2013 growth recovery, the overall activity declined by 9% in the first quarter for two main reasons: a slow start in the French advertising market and a drop in the traditional advertising display buys (excluding RTB). However, there is a positive outlook for the rest of the year, with a higher commercial visibility for the second half as well as significant events such as the Football Worldcup and new signed contracts: the INA or Media365 in France, LinkedIn and Universia in Spain, Kinopolis and Resto.be in Belgium or Melty and Twitter in Italy.

Across the Group's European markets, the RTB, the video and the mobile account for 60% of the Group's overall activity, whilst their share in the revenue are expected to increase in the following quarters. The 2014 year will show a special seasonality with, in the second half, a concentrated advertising investments and an overall activity at a higher level than in the previous years.

Given this outlook, the Group remains positive for the 2014 results and expects new opportunities regarding its market share consolidation, allowing an increase in growth.

The gross profit remains at its 45% standard level.

HiPay (payments)

The transition effect between a mature and declining activity and the emergence of new rapidly growing activities is also noticeable on the Group's payment activity.

During the first quarter, the volume of transactions increased by 14% to reach 127 million Euros. New banking solutions (e-wallet and online payment) increased by 37% and now account for more than 60% of the volume of transactions. Meanwhile, the payment solutions via telecom dropped by 17%.

Given the unfavorable anticipated basis effect compared to the first quarter of 2013, the revenue decreased by 5%. The margin dropped by 5% in value, but the change in the product mix allowed a **27% gross margin level**. In absolute value and according to the Group's market expectations, the gross profit should start to increase again as of the start of the second quarter.

Although the traditional activities are progressively eroding, they remain profitable whilst the emergence of the new payment solutions, the Group's growth drivers, is definite. New contracts recently negotiated will significantly foster the Group's activity in the upcoming months. The volume of transactions will therefore keep increasing with a volume target close to 700 million Euros in the last months of the year, at an annual rate.

OUTLOOK

HiMedia Group pursues its strategy by developing new rapidly growing activities that are shaping the Group's future whilst still operating with its profitable yet mature traditional activities.

A particular seasonality and an unfavourable anticipated basis effect hindered the first quarter of the 2014 results but do not call into question the advertising and payment markets positive perspectives nor the Group's pursued strategy. The company therefore remains confident regarding its 2014 improved result target.

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 Euronext Paris Compartment C and is included in the CAC Small, CAC-All Tradable and CAC-PME indices. Code ISIN: FR 0000075988 / Mnémo: HIM.

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Next financial communication: Quarterly information (2nd quarter 2014) published on the 30th of July before market opening.

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