

2014 ANNUAL RESULTS

- Operating income at €14.9M and net income Group share at €6.3M
- Strengthened financial structure with €49M in cash and cash equivalents
- Ongoing separation project of the online advertising and payment activities
- Return to growth and profitability for each activity

Paris, March 18, 2015, 7:45 AM – The online media group HiMedia Group (Code ISIN FR0000075988 – HIM, HIM.FR), released its annual results for the 2014 fiscal year.

Main consolidated data

<i>Period from January 1 to December 31 – (in €M)</i>	2014 proforma*	2013 proforma*	2014 published	2013 published
Turnover*	163.7	182.7	165.8	184.3
Gross profit*	44.0	57.1	47.2	63.8
EBITDA¹	(5.3)	7.5	(4.6)	10.7
Depreciation and amortization	(4.4)	(4.4)	(4.5)	(4.9)
Current operating income²	(9.7)	3.0	(9.1)	5.8
Stock based compensation	-	(0.5)	-	(0.5)
Other non-current earnings and charges	24.6	(1.6)	23.1	(1.7)
Operating income	14.9	0.9	14.0	3.6
Financial result	(1.7)	(0.2)	(1.7)	(1.7)
Pre-tax earnings	13.2	0.7	12.3	1.9
Net income of the consolidated companies	6.3	0.7	5.3	0.9

*Proforma figures taking into account the sale of jeuxvideo.com over 2013 and 2014, in order to make the data comparable.

Commenting on the full year 2014 figures, Cyril Zimmermann, founder and CEO of HiMedia Group, said: « Our Group has completed the full reorganisation of its activities and strengthened its financial structure in order to have both its main businesses listed on the Stock Exchange. Both companies, HiMedia et HiPay, online advertising and payment solutions specialists, have been successfully repositioned and have quasi-historical financial, human and technological means to continue their autonomous development ».

1 Current operating income before depreciation and amortization

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

2014 OVERVIEW AND 2015 OUTLOOKS PER BUSINESS

HiMedia (online advertising)

	2014 proforma	2013 proforma	Change
Sales (€M) ³	74	87	-15%
Gross profit (€M) ³	21	33	-36%
Gross margin (%) ³	28%	38%	

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 2014, online video advertising, mobile advertising and programmatic (RTB) confirmed their strong growth with turnover up almost 20% at €40 million. Accounting for 55% of the Group's advertising activity, they will more than ever drive the growth of the business.

At the same time, traditional display continues to decline in France and in Europe. Consequently, the Group has decided to accelerate this trend by ending or renegotiating some onerous display "with minimum guaranteed revenue" contracts. This policy, conducted at year-end, and the one-off costs linked, have led to a strong decrease of the gross profit. The profit margin rate is set at 28%. The gross margin is at 28% and will return to its previous levels in 2015.

Starting in 2015, HiMedia will focus on product innovation and the deployment in new territories more dynamic than European markets as growth drivers. Since the beginning of the year, HiMedia has completed the acquisition of Admoove, the French leader location-based mobile advertising, as well as Orange's digital advertising networks in Spain, in Miami and in Mexico, enabling the Group to cover North and South American Hispanic markets.

For the coming year, HiMedia has set as an objective to revive global growth of turnover, which should reach €85-90 million thanks to the progression of its activities based on 2014 perimeter and its acquisitions. HiMedia also targets significant improvement of its operating profitability with an EBITDA between -€3 and -€1 million in 2015 and a return to positive profitability in 2016 based on the actual perimeter.

HiPay (online payments)

	2014	2013	Change
Volume of transactions €M	580	440	+32%
Turnover (€M) ⁴	90	95	-5%
Gross profit (€M) ⁴	23	24	-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).

In 2014, the number of transactions processed showed a strong performance, benefiting from a significant acceleration at the end of the year (+51% in the last quarter) thanks to the growing success of the *Full Service* offer (Third Party Processing and e-wallet).

Gross profit, representative of all payments methods developed by the Group, recorded downturn of 4% in 2014, due to HiPay Mobile's (micropayment) activity slowdown. The *Full Service* activity contribution is still growing and now represents almost 35% of the payment gross profit.

For 2015, the commercial success of *Full Service* activities should continue to support the activity's growth and ensure a profitability level in line with the sector standards.

ANALYSIS OF THE PROFIT AND LOSS STATEMENT

In 2014, HiMedia Group generated a consolidated turnover proforma of €163.7 million (restated from jeuxvideo.com sale), down 10% and a gross profit of €44 million compared to €57 million in 2013. The gross margin reached 27% compared to 31% over the same period in 2013.

Operating expenses (purchases and HR expenses) are stable overall, while depreciations are slightly decreasing due to investments in technology carried out over the past few years.

Current operating income amounted to -€9.7 million in proforma, a €13 million drop compared to 2013, because of the business reorganisation.

In 2014, the Group recorded several non-recurrent elements, making an extraordinary profit of €24.6 million (mainly linked to proceeds from the sale of jeuxvideo.com and to an impairment loss on goodwill in Spain and Germany).

Operating income amounted to €14.9 million.

The financial result, mainly consisting of expenses related to the Group's debt amounted to -€1.7 million.

The income tax expense came out at €6.8 million resulting from the non recognition of the deferred tax asset of €5.6 million. Net income after tax amounted to €6.3 million compared to €0.7 million in 2013.

SOUND FINANCIAL SITUATION

In 2014, the Group proceeded with early reimbursement of the rest of the existing syndicated loan which amounted to around €22 million and repurchased €4.5 million of its own shares.

HiMedia Group has a very solid and strengthened financial structure with €49 million in cash and cash equivalents available at December 31st 2014, a limited long-term debt (€2 million) compared to the shareholder equity (€114 million).

PRECISION OVER THE SEPARATION OF THE PAYMENT ACTIVITY

The separation project which has been approved by employee representative councils, and which will be submitted to prudential control authorities and the group's shareholders, could reach a positive outcome by the end of the first half of 2015. This should happen through the distribution, to HiMedia SA shareholders, of shares of the entity consolidating all of the payment activities which would take the form of a dividend in kind and a reimbursement of capital contribution. The share could be listed on Euronext Paris, following this distribution.

Furthermore, the group constituted of entities from the payment activity should, in the context of a recent European legislative change, from 2015, modify the recognition of its turnover from so-called "micropayment" activities using telecom resources, thus going from recognition of gross sales to a net recognition as is already the case for other sources of income from payment activities. The net turnover corresponds to the current gross profit.

An audit has been performed by the Group auditors on the full year 2014 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 16, 2015. The financial report relative to the financial statements closed on December 31, 2014 is available on the Company's website, at the address www.himediagroup.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 Europe, in the United States and in Latin America, the Group employs approximately 410 people and generated sales of €166 million in 2014. Independent since its creation, the company is listed on the Euronext Paris Compartment C and is included in the CAC Small, CAC-All Tradable indices and CAC PME.

Code ISIN: FR 0000075988 / Mnémono: HIM

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Next financial communication:

2015 Q1 sales – May 6, 2015 after market closing.

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