

HIMEDIA GROUP: BALANCED EBITDA AND CONFIRMATION OF THE NEW STRATEGIC GUIDELINES

- **Strong increase of the gross margin**
 - Gross margin: +69% in Q1 2016 vs. Q1 2015 with constant perimeter
 - Revenue: €13.3 million, a 13% decline in Q1 2016 vs. Q1 2015 with constant perimeter
- **A balanced EBITDA in Q1 2016**
- **Ramp-up of the growth activities⁽¹⁾ (local, native, North America)**
 - Growth activities represent 42% of the activity and 46% of the Group's margin
 - Revenue of growth activities improved by 74% in Q1 2016 vs. Q1 2015 with constant perimeter
 - The traditional advertising activities are seeing an improving margin despite a volume contraction

Paris, 27 April 2016, 5:40 PM – The digital advertising group HiMedia Group (ISIN code FR0012821890 - HIM, HIM.FR), has published its revenue figures for the first quarter of the 2016 financial year.

Main consolidated data (in millions of euros)

	Q1 2016⁽²⁾	Q1 2015 <i>Constant perimeter⁽⁴⁾</i>	Change <i>Constant perimeter⁽⁴⁾</i>	Q1 2015 <i>Pro forma⁽⁵⁾</i>	Change <i>Pro forma⁽⁵⁾</i>
Revenue	13.3	15.3	-13%	14.5	-9%
Gross margin	6.4	3.8	+69%	3.6	+78%
EBITDA ⁽³⁾	0.0	-3.5	-	-3.8	-

⁽¹⁾ The growth activities include the companies Admoove, Local Media, HiMedia Sweden, Latam Digital Ventures and Quantum.

⁽²⁾ Based on non audited financial statements on 31th March 2016.

⁽³⁾ Current operating income before allocations and reversals of depreciation, amortisation and provisions

	Q1 2016 ⁽²⁾	Q1 2015 <i>Constant perimeter</i> ⁽⁴⁾	Change <i>Constant perimeter</i> ⁽⁴⁾	Q1 2015 Pro forma ⁽⁵⁾	Change Pro forma ⁽⁵⁾
Revenue from growth activities ⁽¹⁾	5.6	3.2	+74%	2.5	+126%
Growth activities gross margin ⁽¹⁾	2.9	1.7	+69%	1.5	+92%
EBITDA ⁽³⁾ growth activities ⁽¹⁾	-0.2	-0.2	-	0.0	-
Revenue from traditional advertising activities	7.7	12.1	-37%	12.1	-36%
Traditional advertising gross margin	3.5	2.1	+69%	2.1	+69%
EBITDA ⁽³⁾ traditional advertising	0.2	-3.3	+106%	-3.7	+105%

⁽⁴⁾ The constant perimeter figures have been calculated by taking into account the exit from the perimeter of HiMedia Deutschland and HiPay Group and they also took into account the inclusion within the perimeter of Quantum, Orange networks in Spain, the USA and Mexico.

⁽⁵⁾ The pro forma data have been prepared with the historical financial statements of the HiMedia group decreased to the figures of HiPay Group.

Commenting on the first quarter figures, Cyril Zimmermann, Chief Executive Officer of HiMedia Group, stated: "Our figures are confirming the company's quick turnaround after the completed in-depth reorganisation and validating the strategic investments reorientation with its focus on growth activities such as local and native advertising and the activities in North America, which now represent 42% of our activity and are growing very rapidly."

RAMP-UP OF THE GROWTH ACTIVITIES

The strategic orientation decided in the summer of 2015 was intended to restructure the traditional activities of the classical advertising that generated significant losses, and to accelerate the development of activities positioned on promising niches: local advertising and native advertising applied on mobile and desktop. The management is also working to develop the Group's American activities, while targeting the Spanish-speaking community in the United States.

With the subsidiaries (Admoove on mobile, Local Media, HiMedia Sweden, Latam Digital Ventures and Quantum) specialised in these domains, HiMedia now has a new foundation of

strongly growing activities (+74% of revenue with constant perimeter) that are ensuring the Group's future.

The traditional activities and trading of advertising spaces, are contracting (-37% of revenue with constant perimeter) as a result of the withdrawal from many loss-generating contracts but are seeing a strongly increase of the gross margin (+69% of gross margin with constant perimeter). As previously mentioned, these activities are subject of strategic reflections.

For the future, HiMedia is therefore focusing on promising niches such as native and local advertising (or community advertising for Spanish speakers in the United States), that provide advertisers with better performances and are better accepted by users.

BALANCED EBITDA AS OF THE FIRST QUARTER

On the basis of non-audited financial statements, the company attained a balance point in the first quarter in terms of current earnings before depreciations and amortisations (EBITDA). Also, no non-recurring depreciation or amortisation was recorded over the period. Business has therefore been cleaned up, restructured and repositioned on promising niches.

This result was obtained thanks to the savings policy implemented in the second half of 2015, as well as a strong increase of the gross margin. The latter can be explained by the good margin level of the growth activities and by the end of the guaranteed minimums on traditional advertising activities.

The increase of the margin rate is also explained by the recognition as revenues of just the gross margin from certain commercial contracts, such as the ones recently signed with Microsoft for Portugal and Belgium, or the main part of the business of the Swedish subsidiary. These activities are therefore providing an overall weighting that goes beyond the advertising market's margin rates of close to 30%.

PROSPECTS

The Q1 results are in line with the Group's objective of generating a positive EBITDA (current operating earnings before amortisation and depreciation) in 2016.

The financing of the working capital requirements for Q1, which its traditionally lower activity than at the end of the year, resulted in the Group having a cash position of €5.8M on 31th March 2016.

The strategy of repositioning HiMedia as a digital marketing actor positioned on high growth niches is therefore bearing fruit, and the company is starting a new phase of its history and a new rebound.

About HiMedia:

A pioneer in the sector, HiMedia is a European leader in digital marketing.

Present in 6 European countries, the United States and Latin America, the HiMedia company generated a turnover of 65 million euros in 2015.

Independent since its creation, the company is listed in the Euronext Paris compartment C, and is included in the CAC Small, CAC All-Tradable and CAC SME indices. ISIN code: FR 0012821890 / Trading symbol: HIM

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Next financial communication: financial results for the first half-year of 2016, on 28 July 2016 before the market opening.

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