hi media
investir les nouveaux espaces

Paris, 12 March 2007

Annual earnings for 2006:

Sales + 190%: 71.8 M (Million) euros

Fivefold increase in operating profit: 7.2 M euros [1]

Proposed shareholder dividend: 10 cents

Simplified income statement on IFRS standards

Figures in M€ (Millions of Euros)	**2005**	**2006**	**2005 proforma**	**2006 proforma**
Sales	**24.8**	**71.8**	**54.8**	**78.7**
Gross margin	**8.7** *35%*	**27.5** *38%*	**21.0** *38%*	**32.4** *41%*
Operating profit [2]	**1.5** *5.9%*	**7.2** *10.1%*	**4.3** *7.9%*	**8.8** *11.1%*
Cost of stock options and free shares	0.2	2.5	0.2	2.5
Other operating charges	0.2	-	1.4[3]	-
Pre-tax earnings	1.1	4.8	2.7	6.4
Net income	**2.3**	**6.7**	**3.1**	**7.8**

[1], [2] : before taking the cost of stock options and of free shares into account

[3] : restatement of the Eurovox financial statements on the basis of group accounting standards, cf. annual report for 2005

I – 2006: a milestone in profitability improvement

With sales coming to almost 71.8 million euros against 24.8 million euros for the previous financial year, **the increase in the group's business reaches 190%**, boosted by the acquisitions (Allopass, Jeuxvideo.com or Medianet) and by very strong organic growth (53%). The sites of the group's publishing sector now make it possible to target 2.8 million monthly unique users, and generate almost 11.3% of the proforma gross margin.

The group's acquisition policy and business dynamism have been accompanied by a sharp rise in the margin rate, standing at **38% en 2006** (against 35% in 2005). This advance is connected with the incorporation of activities marked by higher margin rates, such as publishing or the sale of Internet advertising at local level, but also with a favourable trend of margins for the historical activities. The margin rate for the network increases to 44% on proforma basis (against 40% in 2005), for direct marketing to 46% (39%), while micro-payments stand at 28.5% (26.5%). Altogether, the proforma gross margin rate increases from 38% in 2005 to 41% in 2006.

Payroll charges (224 people at the end of 2006) increased significantly, because of the inclusion of the acquired companies but also due to a desire to strengthen the group structures so that the group could get through a significant phase properly. The other expenses are up strongly because of the changes of consolidation perimeter, and of certain non-recurrent charges connected with the inclusion of acquired companies or due to specific developments (China, blog platform).

However, the increase in operating charges was absorbed by the strong growth of the gross margin, which increased threefold. Operating profitability (before valuation of stock options and free shares) thus comes to 7 232 k€ (10.1%), against 1 458 k€ (5.9%) one year previously.

The impact of the valuation of the stock options and of the free shares is 2.5 million euros, reducing the net income before taxes to 4.8 million euros, to which one must add tax proceeds of 1.9 million euros connected with the continued activation of the group's tax loss carryovers (for the third straight financial year). The net income after taxes stands at 6.7 million euros. The company's Board of Directors, confident of the group's continued development, will put a proposal to its shareholders to pay a dividend of 10 cents per share at the Shareholders' Meeting to be held on 18 April 2007.

II – 2007: Continued external growth and better profitability

The goal of increasing profitability markedly will be pursued in 2007 under conditions of continuing large sustained growth. Particular emphasis will be put on improving synergies resulting from the various acquisitions made in 2006, as well as on international deployment of the group's various activities.

The gross margin rate should continue to increase, while payroll charges should increase more slowly than activity. The increase posted by the other operating charges should decline markedly. Among other things, the company anticipates a sharp reduction in the operating costs of the Chinese subsidiary, in step with the decision to continue development of business on that market. The investments connected with development of the advertising server and of the electronic wallet announced in September 2006 are maintained, and will make it possible to put those two services into production at the end of the year 2007.

The group is setting a goal of posting sales of more than 100 million euros for 2007, the current operating profit on its part (before the cost of free shares and of stock options) reaching 15 million euros.

The external growth policy will focus on Services (advertising and micro-payments) abroad and publishing in France, thanks to available cash (16.6 million euros on 31 December 2006), to the cash to be generated thanks to operations that have become quite profitable, as well as to the group's debt capacity.

The company will release its quarterly sales figures on 24 April 2007.

About Hi-Media:

Hi-Media is a publisher of Internet sites and a services company specialising in Internet advertising and e-commerce, with a presence in 8 countries. The company is the leading independent interactive advertising network in France, and number three in Europe, and also the leading services provider for French electronic micro-payment solutions. The company has also developed a complete range of tools and services in the direct marketing field
Hi-Media is listed on the Euronext Paris B Eurolist, and is a member of the SBF 250, CAC IT, and CAC Small 90 indices.

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