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2014 CONSOLIDATED FINANCIAL STATEMENTS

Joint-stock company with capital of € de 4,525,352.30
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Consolidated Financial Statements for FY 2014 and 2013

<i>in thousands of Euros</i>	Notes	31 Dec.2014	31 Dec.2013 restated ⁽¹⁾
Sales	Note 4	165 810	184 312
Charges invoiced by the media		- 118 565	- 120 466
Gross profit		47 246	63 846
Purchases		- 25 618	- 24 524
Payroll charges	Note 5	- 26 234	- 28 642
EBITDA		- 4 606	10 680
Depreciation and amortization		- 4 480	- 4 886
Current operating profit (before stock based compensations)		- 9 085	5 794
Stock based compensation		- 81	- 503
Other non-current income and charges	Note 6	23 147	- 1 654
Operating profit		13 981	3 638
Cost of indebtedness	Note 7	- 1 201	- 1 281
Other financial income and charges	Note 7	- 492	- 411
Earning of the consolidated companies		12 288	1 946
Share in the earnings of the companies treated on an equity basis		8	- 21
Earnings before tax of the consolidated companies		12 296	1 925
Income Tax	Note 8	- 7 011	- 1 004
Income Tax on non-recurring items	Note 8	-	-
Net income of the consolidated companies		5 285	921
Including minority interests		91	349
Including Group share		5 194	572

	31 Dec.2014	31 Dec.2013 restated ⁽¹⁾
Weighted average number of ordinary shares	45 049 047	44 544 882
Earnings per share, Group share (in euro)	0,12	0,01
Weighted average number of ordinary shares (diluted)	45 454 987	44 941 314
Diluted earnings per share, Group share (in euro)	0,11	0,01

⁽¹⁾ See Note 1.3

Statement of Comprehensive Income for FY 2014 and 2013

<i>in thousands of euro</i>	31 Dec.2014	31 Dec.2013 restated ⁽¹⁾
Net result	5 194	572
Other element of the global result		
- Hedge accounting on financial instruments	369	358
- Exchange differences	- 409	- 274
- Other	-	-
- Taxes on other elements of the global result	- 30	131
- Actuarial gain and losses related to post-employment benefits	76	105
Other elements of the global result, net of tax	6	321
Group share	6	321
Minority interests	-	-
Global result	5 200	893

⁽¹⁾ See Note 1.3

Consolidated Balance Sheets as at December 31st, 2014 and December 31st, 2013

ASSETS - in thousands of euros	Notes	31 Dec.2014	31 Dec.2013 restated ⁽¹⁾
Net Goodwill	Note 9	86 447	121 997
Net intangible fixed assets	Note 10	7 720	12 437
Net tangible fixed assets	Note 11	1 382	1 449
Deferred tax credits	Note 12	3 332	9 024
Other financial assets	Note 13	822	3 417
Non-current assets		99 703	148 325
Customers and other debtors	Note 14	57 242	52 928
Other current assets	Note 15	28 082	23 470
Current financial assets		13	14
Cash and cash equivalents	Note 16	48 733	10 207
Assets held for sale and discontinued operations		716	640
Current assets		134 786	87 258
TOTAL ASSETS		234 489	235 583

LIABILITIES - in thousands of euros	Notes	31 Dec.2014	31 Dec.2013 restated ⁽¹⁾
Share capital		4 525	4 511
Premiums on issue and on conveyance		128 992	128 215
Reserves and retained earnings		- 18 626	- 16 906
Treasury shares		- 6 646	- 2 254
Consolidated net income (Group share)		5 194	572
Shareholders' equity (Group share)		113 439	114 138
Minority interests		676	971
Shareholders' equity	Note 17	114 115	115 109
Long-term borrowings and financial liabilities	Note 18	2 263	12 933
Non-current Provisions	Note 19	835	907
Non-current liabilities		-	369
Deferred tax liabilities	Note 12	74	438
Non-current liabilities		3 172	14 647
Short-term financial liabilities and bank overdrafts	Note 18	-	8 659
Current provisions		-	5
Suppliers and other creditors		91 228	76 230
Other current debts and liabilities	Note 20	25 974	20 934
Current liabilities		117 202	105 827
TOTAL LIABILITIES		234 489	235 583

⁽¹⁾ See Note 1.3

Table of Consolidated Cash Flows for FY 2014 and 2013

in thousands of euros	31 dec.2014	31 Dec.2013 restated ⁽¹⁾
Net income	5 285	921
<i>Adjustments for:</i>		
Depreciation of the fixed assets	5 848	3 708
Value losses	15 247	-
Investment income	6 081	-
Cost of net financial indebtedness	1 201	1 281
Share in associated companies	2 596	21
Net income on disposals of fixed assets	- 55 495	839
Costs of payments based on shares	81	503
Tax charge or proceeds	7 011	1 004
Operating profit before variation of the operating capital need and provisions	- 12 144	8 277
Variation of the operating capital need	897	1 700
Cash flow coming from operating activities	- 11 247	9 977
Interest paid	- 1 152	- 1 311
Tax on earnings paid	- 747	- 1 800
Net Cash Flow Resulting From Operating Activities	- 13 145	6 866
Income from disposals of fixed assets	-	10
Valuation at fair value of the cash equivalents	-	-
Proceeds from disposals of financial assets	1 859	-
Disposal of subsidiary, after deduction of cash transferred	81 540	-
Acquisition of a subsidiary, after deduction of cash acquired	- 98	- 294
Acquisition of fixed assets	- 4 194	- 5 190
Variation of financial assets	- 7	- 185
Variation of suppliers of fixed assets	515	- 209
Effect of the perimeter variations	-	-
Net Cash Flow Resulting From Investment Activities	79 615	- 5 868
Proceeds from share issues	13	22
Repurchase of own shares	- 4 378	- 87
New borrowings	2 292	1 782
Repayments of borrowings	- 21 572	- 8 103
Other financial liabilities variation	- 4 080	1 579
Dividends paid to minority interests	- 234	- 409
Net Cash Flow Coming From Financial Activities	- 27 959	- 5 216
Effect of exchange rates variation	17	- 58
Net Variation Of Cash And Cash Equivalents	38 527	- 4 276
Cash and cash equivalents on January 1	10 207	14 483
Cash And Cash Equivalents At The End Of The Period (1)	48 733	10 207

⁽¹⁾ Cf. Note 1.3

Table of Changes in Consolidated Shareholder's Equity for FY 2014 and 2013

<i>in thousands of euros</i>	Number of shares	Share capital	Premiums	Treasury shares	Reserve for options and free shares	Income and expenses on equity	Reserves and consolidated earnings restated	Shareholders' equity restated (Group share)	Shareholders' equity <i>Minority interests</i>	Shareholders' equity restated
January 1, 2013	45 628 645	4 563	127 765	- 2 422	314	3 289	- 20 492	113 016	1 237	114 253
Dividends paid by subsidiaries to the minorities	-	-	-	-	-	-	-	-	- 409	- 409
Call exercise	-	-	-	-	-	-	-	-	-	-
Shares redemptions ⁽¹⁾	- 516 000	- 52	-	- 35	-	-	-	- 87	-	- 87
Stock options and free shares impact ⁽²⁾	-	-	116	-	387	-	-	503	-	503
Perimeter variation	-	-	-	-	-	- 187	-	- 187	- 207	- 393
Income and charges directly posted in shareholders' equity	-	-	-	-	-	321	-	321	-	321
Net income of the period	-	-	-	-	-	-	572	572	349	921
Total global income	-	-	-	-	-	321	572	893	349	1 241
December 31, 2013 ⁽³⁾	45 112 645	4 511	127 881	- 2 457	701	3 423	- 19 919	114 138	970	115 108
Dividends paid by subsidiaries to the minorities	-	-	-	-	-	-	-	-	- 234	- 234
Call exercise	-	-	-	-	-	-	-	-	-	-
Shares redemptions ⁽¹⁾	140 878	14	-	- 4 392	-	-	-	- 4 378	-	- 4 378
Stock options and free shares impact ⁽²⁾	-	-	-	-	81	-	-	81	-	81
Perimeter variation	-	-	-	-	-	- 1 603	-	- 1 603	- 152	- 1 754
Income and charges directly posted in shareholders' equity	-	-	-	-	-	6	-	6	-	6
Net income of the period	-	-	-	-	-	-	5 194	5 194	91	5 285
Total global income	-	-	-	-	-	6	5 194	5 200	91	5 291
December 31, 2014	45 253 523	4 525	127 881	- 6 849	782	1 827	- 14 726	113 439	676	114 115

⁽¹⁾ On December 31st, 2014, Hi-Media SA holds 1,625,683 shares plus 144,945 own shares acquired under the contract of liquidity.

⁽²⁾ See Note 23 in connection with the share subscription option plans and the allocations of free shares.

⁽³⁾ Cf. Note 1.3

Notes concerning the Group's consolidated financial statements

The consolidated financial statements for financial year 2014, as well as the notes relating to them have been established under the responsibility of the Hi-media SA Board of Directors, closed out at its meeting held on March 16th, 2015 and submitted for approval to the Shareholders' Meeting which will rule on the closed accounts on December 31st, 2014.

Note 1. Accounting principles and methods

1.1. Reporting entity financial statements

Hi-media ("The Company") is a business domiciled in France. The Company's registered office is located at 6, Place colonel Bourgoïn, 75012 Paris. The Company's consolidated financial statements for the financial year ended on December 31st, 2014 include the Company and its subsidiaries (together referred to as "the Group" and each individually as "the Group entities") and the Group's share in the associated companies and joint ventures.

1.2. Basis of preparation

In application of the European regulation n° 1606/2002 of July 19, 2002, the consolidated financial statements published for financial year 2014 are established in accordance with the international accounting standards set forth by the IASB (International Accounting Standards Board). These international accounting standards consist of IFRS (International Financial Reporting Standards), IAS (International Accounting Standards), and their interpretations, which were adopted by the European Union on December 31st, 2014 (published in the Official Journal of the European Union).

The consolidated financial statements are prepared on the historical cost basis, with the exception of the following:

- derivative financial instruments, at fair value,
- financial instruments at fair value through profit or loss, measured at fair value,
- financial assets available for sale, at fair value,
- the liabilities resulting from transactions for which payment is based on shares and which will be paid in cash, at fair value.

The consolidated financial statements are presented in euro, which is the Company's operating (functional) currency. All financial information presented in euro is rounded off to the nearest thousand Euros.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements, except for changes in accounting policies relating to the implementation of new standards and amendments that entered into force on January 1st, 2014 and listed below.

The accounting methods are applied uniformly by the Group entities.

Hi-Media Group has applied the same accounting methods as in its consolidated financial statements for the year ending on December 31st, 2013. It should be noted that:

a) The following new standards, amendments and interpretations, must be applied but had no significant effect on the Group financial statements:

- IFRS 10, Consolidated financial statements;
- IFRS 11, Joint Arrangements;
- IFRS 12, Disclosure of interests in other entities;
- Amendment to IFRS 10 – IFRS 12 and IAS 27, Investment Entities;
- Amendment to IAS 28, Investments in Associates and Joint Ventures ;
- Amendment to IAS 32, Offsetting financial assets and liabilities;
- Amendment to IAS 36, Recoverable amount disclosures for non-financial assets;
- Amendment to IAS 39, Novation of derivatives and continuation of hedge accounting.

b) The following new standards, amendments and interpretations published, which were not optionally applied:

- IFRIC 21, Levies;
- Amendment to IAS 16 and IAS 38;
- Amendment to IFRS 11, Acquisition of an interest in a joint operation.

The Group did not exercise the option to adopt in advance these standards, amendments and interpretations in the annual consolidated financial statements summarized on December 31st, 2014, and estimates that they should not have a significant impact on its results and financial position.

1.3. Restatement on December, 31th 2013

In accordance with IAS 8, the financial statements at December 31th, 2013 were regularized on VAT. The turnover in 2013 was reduced by an amount of €1m (net income was reduced of the same amount). "Retained earnings" at January 1st, 2013 are €2.2m and its counterpart is shown in the increase of the "Other liabilities and current liabilities."

1.4. Consolidation principles

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern financial and operating policies of the entity to obtain benefits from its activities. To appreciate the control, potential voting rights which can currently be exercised have been taken into consideration. Subsidiaries' financial statements are included in the consolidated financial statements from the date which control was gained through the date on which control ended. Subsidiaries' accounting methods are modified when necessary to align to those adopted by the Group.

1.4.1. Companies under exclusive control

The companies controlled directly or indirectly by Hi-media SA are fully consolidated.

1.4.2. Associate companies (companies accounted for under the equity method)

Associate companies are the entities in which the Company has significant influence over the financial and operating policies, without having control. Significant influence is presumed when the Group holds from 20% to 50% of the voting rights of an entity. Associate companies are accounted for under the equity method and are initially recorded at cost. The Group's investments include goodwill identified on acquisition, net of accumulated impairment losses. The consolidated financial statements include the Group's share in total profits and losses and movements in equity accounted by the equity method, after taking into account adjustments for compliance of accounting policies with those of Group, from the date that significant influence is exercised until the date that significant influence ceases.

If the Group's share of the losses exceeds its interest in the company under the equity method, the book value of equity affiliates (including any long-term investment) is reduced to zero, and the Group ceases to post its share of the future losses, unless the Group is obliged to take part in the losses or to make payments on behalf of the company.

1.4.3. Transactions eliminated in the consolidated financial statements

Balance sheet amounts and transactions, income and expenses resulting from intra-group transactions are eliminated during preparation of consolidated financial statements. Income from transactions with associate companies is eliminated through consideration of investments in equity shares up to the Group's interest in the company. Losses are eliminated in the same manner as income but only where they do not represent a loss in value.

1.5. Foreign currency

1.5.1. Foreign currency transactions

Exchange differences on receivables and liabilities denominated in foreign currency of an entity are recognized in earnings or financial results of the entity according to the nature of the underlying transaction.

The exchange differences relating to monetary elements forming part of the net investment in foreign subsidiaries are included in translation reserves at their amount net of tax.

The Balance sheet accounts expressed in foreign currency are converted into euro at the rate of the closing of the FY, excluding the net position which is maintained at its historical value. The income statement and cash flow expressed in foreign currencies are converted at the average monthly exchange rate, absenting significant changes in the exchange rate. Currency gains and losses resulting from application of these different rates are not included in the income statement for the period but directly allocated into conversion reserves in the consolidated financial statements.

1.5.2. Activities abroad

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from the acquisition, are translated into euro by using the exchange rate on the closing date. Revenues and expenses of a foreign operation, apart from overseas operations in a hyperinflationary economy are translated into euro using the exchange rates prevailing at the dates of transactions.

Exchange differences arising from the conversion are posted to the conversion reserve under shareholders' equity.

1.6. Use of estimates and judgments

Preparation of the financial statements in accordance with the IFRS standards requires Management to take account of estimates and of assumptions in determining the carrying amounts of certain assets, liabilities, income and charges, as well as of certain information provided in notes attached to the assets and liabilities, in particular:

- The goodwill and the related depreciation tests,
- The share of profit associated,
- The intangible assets acquired,
- The deferred tax credits,
- The depreciation of receivables,
- The provisions for risk,
- The charge for stock options and free shares.
- The financial instruments

The estimates and underlying assumptions are developed on the basis of past experience and other factors, such as events to come, deemed reasonable in light of the circumstances. They are also used as the basis for the exercise of judgments necessary for determination of the book values of assets and liabilities, which cannot be obtained directly from other sources. In view of the inherently uncertain nature of these valuation procedures, the definitive amounts may prove to be different from those originally estimated.

The estimates and the underlying assumptions are reviewed on an ongoing basis. The impact of the changes in accounting estimates is directly entered in the accounting during the period of the change if it affects only that period, or during the period of change and future periods if they are also affected by the change.

1.7. Intangible fixed assets

1.7.1. Goodwill

Business Combinations outlines the accounting when an acquirer obtains control of a business. Such business combinations are accounted for using the 'acquisition method'. Control is the ability to manage the financial and operating strategies of an entity in order to get a direct benefit from its activities. To measure this control, the Group takes into account the potential voting rights which are currently exercisable.

Goodwill is evaluated by the group at acquisition date as:

- The fair value of the consideration transferred; plus
- If the business combination is done step by step, the fair value of any participation previously held in the acquired company; minus
- The net amount accounted (generally at the fair value) for the identifiable acquired assets and liabilities

When the difference is negative, revenue can be directly booked in the result as a gain on a bargain purchase.

The acquisition costs, other than the ones related to a debt or capital account issuance, the group has to bear due to the business combination, are booked in expenses.

Any consideration to be paid, such as a price adjustment clause to be paid among the achievement of any performance ratio, is evaluated at the fair value at the acquisition date. The changes of the fair value of the consideration which could occur at a later date are booked in the P&L.

Impairment test methods of cash generating units are detailed in Note 1.9 below. In the event of impairment, depreciation is included in profit for the year.

Goodwill related to associate company acquisitions is included in the item "Equity method investments." They are tested through impairment test on the securities.

1.7.2. Other intangible assets

Research and development costs

Development costs, including those related to software and new sites or new versions of sites are capitalized as intangible assets as soon as the company can demonstrate:

- Its intention, financial and technical ability to conduct the development project to completion;
- Its ability to use or sell the intangible asset, once completed ;
- The availability of adequate technical and financial resources to complete the development and the sale;
- That it is likely that the future economic advantages attributable to the development expenditure will go to the company;
- And that the cost of the asset may be measured reliably.

Other research and development costs are expensed in the period in which they are incurred.

These intangible assets are depreciated over the estimated useful life according to the consumption of the economic benefits connected with them. They are impaired, if possible, if their recoverable value is less than their book value.

Other acquired intangibles

To satisfy the definition of an intangible fixed asset, an element must be identifiable (separable or arising from contractual or legal rights), controlled by the company, and it must be probable that future economic benefits attributable to them will go to the company.

An acquired intangible asset is recognized in the balance sheet as soon as its cost can be reliably measured, on the basis that in such a case the future economic benefits attributable to the asset will go to the company.

These intangible assets consist primarily of trademarks, licenses and software, and customer relations. Licenses, software and customer relations, which have a finite useful life, are amortized over a period of between 3 and 8 years.

1.8. Property, plant and equipment

The original value of PPE corresponds to their purchase cost.

Maintenance costs and repairs are expensed as incurred, except those incurred for increased productivity or to extend the useful life of the property.

Assets financed by finance leases, where risks and rewards have been transferred to the lessee, are presented to the asset for the present value of future payments or market value, whichever is lower. Corresponding debt is recognized under financial liabilities. These capital assets are amortized according to the method and useful life described below.

The depreciation is expensed over the estimated useful life for each asset.

The estimated useful lives are as follows:

Fixtures and facilities	5 to 10 years
Office and computer equipment	3 to 5 years
Furniture	4 to 8 years

1.9. Impairment of fixed assets

1.9.1. Financial assets

A financial asset is examined on each closing date to determine if there is an objective evidence of impairment. The Group considers that a financial asset is impaired if there is objective evidence that one or several events had a negative impact on the future estimated cash flows of the asset.

The loss of value of a financial asset measured at amortized cost is the difference between its carrying amount and the value of estimated future cash flows, discounted at the original effective interest rate on financial assets.

Impairment losses are recognized in earnings.

The impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

1.9.2. Non-financial assets

The carrying amounts of non-financial assets of the Group, other than deferred tax liability, are examined on each closing date to assess if there is any indication of an asset which has been impaired. If there is such an indication, the asset's recoverable amount is appraised. For goodwill, intangible assets with indeterminate useful life or which are not yet ready to be put on service, the recoverable amount is estimated on each closing date. The recoverable amount of an asset or cash generating unit is the greatest amount between its useful value and the depreciated fair value from sales costs. To assess the useful value, future estimated cash flows are updated at pre-tax rates reflecting current market appreciation of the time value of money and specific risks to the asset. For the purpose of impairment tests, assets are regrouped in the smallest group of assets generating cash inflows resulting from continued use, largely independent of cash inflows generated from other assets or groups of assets, i.e. cash generating units.

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit is greater than its recoverable amount. Impairment losses are recognized in the income statement. An impairment loss recognized as a cash generating unit (group of units) is allocated first to reduce the carrying amount of any goodwill allocated to cash generating unit, then the reduction in carrying value of other assets of the unit (group of units) pro rata to the carrying value of each asset in the unit (group of units).

An impairment loss recognized in connection with goodwill cannot be reversed. For other assets, on the closing date of each FY the Group assesses if there is an indication that impairment losses recognized during previous periods have decreased or no longer exist. An impairment loss is reversed if there is a change in assessments used to determine the recoverable amount. The carrying value of an asset, increased due to the reversal of impairment loss must not be greater than the carrying value which would have been determined, net of depreciation, if no impairment loss had been recognized.

1.10. Receivables

Trade receivables are initially assessed at their fair value then at the amortized cost and subject to individual consideration. Impairment is recognized when the current value (updated value of estimated future cash flows) is less than the book value.

The receivables transferred to third parties (billing contract) are removed from the Group's assets when the risks and benefits associated with them are substantially transferred to such third parties and if the factoring company in particular accepts the credit risk, the rate risk and the payback period.

The credit risk is the risk of non-recovering receivables. Under contracts deconsolidating the entities in the Group, the credit risk is supported by the factoring company. This means that the Group is no longer exposed to the risks of non-recovery, and, as a result, the disposal is regarded as being without recourse.

The rate risk and payback period risk corresponds to the transfer of the financial risk linked with the lengthening of the debt collection period and related carrying costs. Under the deconsolidating contracts of the entities in the Group, the commission rate for a given disposal is adjusted exclusively according to EURIBOR and the time it took to settle the previous disposal. The financing commission is paid at the start of the period and is not subsequently modified.

The risk of technical dilution is linked with non-payment of the receivable due to faults observed in services rendered or commercial disputes. For every deconsolidating contract signed by the entities in the Group, the warranty does not cover the general risks or the risk of delayed payment; the guarantee fund is made up to cover the debts (credit notes etc.) in a technical dilution.

1.11. Cash and cash equivalents and current financial assets

The cash and cash equivalents comprise the elements that are immediately liquid and whose changes in fair value are not significant, such as cash in bank deposit accounts, mutual fund shares and the available cash with the factor.

Current financial assets that do not meet the definition of cash equivalents and held for future transactions are valued at fair value and changes are recorded in the income statement.

1.12. Non-current assets and disposal group intended for sale

A non-current asset or a group of assets and liabilities is held for sale when its carrying value may be recovered principally through its divestiture and not by its continued utilization. To meet this definition, the asset must be available for immediate sale and the divestiture must be highly probable. These assets and liabilities are recognized as assets held for sale and liabilities associated with assets held for sale, without offset. The related assets recorded as assets held for sale are valued at the lowest value between the fair value (net of divestiture fees) and the carrying value, or cost less accumulated depreciation and impairment losses, and are no longer depreciated.

1.13. Capital

1.13.1. Common shares (common stock)

Common shares are classified as equity instruments. Incidental costs directly attributable to the issuance of common stock or stock options are deducted from equity, net of tax.

1.13.2. Repurchase of equity instruments (treasury shares)

If the Group repurchases its treasury stock, the compensation amount paid, including directly related costs, is recognized net tax, reduced by shareholders' equity. Shares repurchased are classified as treasury stock and deducted from shareholders' equity. When treasury stock is sold or reissued, the amount received is recognized via increasing shareholders' equity, and the transaction profit or loss is transferred as retained earnings increases or decreases.

1.14. Loans

All loans are initially recognized at the fair value of the received compensation corresponding to the cost, net of the fees directly tied to these loans. After initial recognition, loans are assessed at their amortized cost using the effective interest rate method. This rate corresponds to the internal rate of return allowing updating of the expected cash flows over the duration of the loan. Moreover, if the loan includes an incorporated derivative (in the case for example of an exchangeable bond) or if it includes a shareholders' equity component (in the case of a convertible bond), the amortized cost is calculated solely on the debt component once the derivative is incorporated or the shareholders' equity component is separated. In case of future expected cash flows changes (for example, anticipated reimbursement initially unforeseen), then the amortized cost is adjusted by compensating the result to reflect new expected cash flows, updated at initial effective interest rates.

1.15. Derivative financial instruments

Derivative financial instruments are used in the purpose to manage exposures to financial risk. All derivatives are assessed and recognized at their fair value: initially on the contract subscription date and subsequently during each closing. Processing of profit (loss) reevaluation depends on the designation or not of the derivative as a hedge and if that is the case, the nature of the hedged element.

Derivative fair value fluctuations not designated as hedge instruments are recognized in earnings during the period to which they are related. Fair value is based on market value for listed instruments or on mathematical models such as options pricing model or updating methods for cash flows for unlisted instruments.

Changes in fair value of derivatives designated as hedges of future cash flows are recognized in other comprehensive income and reported reserves within shareholders' equity for the effective portion of changes in fair value of financial instruments, and in profit gains and losses relating to the ineffective portion. The amounts recognized in equity are recycled in the income statement based on the income statement impact of hedged items.

1.16. Provisions

A provision is recognized when the Group has a current, legal or implicit bond resulting from a past event regarding a third-party, and about which it is likely or certain that it will provoke a resources outflow benefiting this third-party. In cases of restructuring, a bond is made when the restructuring has been subject of a detailed plan or a start of execution.

A provision for an onerous contract is posted when the economic benefits which the Group expects from the contract are lower than the costs which have to be assumed in order to satisfy contractual obligations. The provision is valued at the current value of the cost expected from termination or execution of the contract, whichever is the lower.

When companies are regrouped, a provision is also posted for purchase contracts held by the acquired company with unfavorable conditions compared to those of the market on the date of acquisition.

1.17. Employee benefits

1.17.1. Cost based plans

A cost based plan is a defined post-employment plan under which an entity pays fixed contributions to a separate entity and has no legal or constructive obligation to make additional contributions. Contributions payable to a defined contribution plan are recognized under charges related to employee benefits when due.

1.17.2. Defined-benefit pension plans

A defined-benefit plan refers to post-employment defined benefits other than defined contribution plan.

Group net bonds pursuant to defined benefit plans are assessed separately for each plan in assessing the amount of future benefits acquired by personnel in exchange for services rendered during the current and previous periods. This amount is updated to determine its current value. The fair value of plan assets is then deducted. Calculations are made every year by a qualified actuary, using the projected unit credit method.

The Group recognizes immediately in other comprehensive income of all actuarial gains and losses under defined benefit plans.

1.17.3. Benefits upon termination of the employment contract

Benefits at the end of the employment contract are recognized as expenses when the Group, without realistic possibility of retraction, is manifestly involved in a formalized and detailed plan either through redundancies before the normal retirement date or packages encouraging premature retirement to reduce payroll, and concerned persons must have been informed before the closing date. Preliminary retirement benefits are recognized as expenses if the Group has issued a package encouraging the early retirements, and it is likely the package will be accepted and the number of persons accepting it could be assessed in a reliable way.

1.17.4. Short-term benefits

The obligations in connection with the short-term benefits are valued on a non-discounted basis and are recognized when the corresponding service is rendered. A liability is recognized for the amount the Group expects to pay under profit-sharing and bonuses paid in treasury in the short term if the Group has a present legal or constructive obligation to make such payments in exchange for past services rendered by the staff member and the obligation can be reliably estimated.

1.17.5. Share-based payments

Buy options and share subscription options as well and bonus shares are granted to senior managers and to certain Group employees. In accordance with IFRS 2 "Share-Based Payment", options and shares are valued at fair value at the grant date. The related expense is recalculated each closing date in function of the levels reached from performance criteria and Sales rates. To determine the future expected expense on these plans, the parameters are recalculated at each closing in function of past completion and better estimate of management on that date. Parameters defined could thus appear different to those initially valued.

i. Instruments settled by issuing Hi-Media shares

To value these instruments, the Group uses the Black & Scholes mathematical model. Changes in market conditions subsequent to the date of grant shall not affect the initial assessment. In particular, plans to award free shares are valued on the basis of share price the day Hi-media board of directors has determined the allocation of bonus shares, taking into account the period -assignment of the share after the acquisition of rights and the expected dividends.

The fair value of these instruments, determined at the grant date is expensed in return on equity, and spread over the period during which the beneficiaries acquire their rights. The evaluation of the charges takes into account the probability of achieving performance and presence conditions.

The cumulative charge on these instruments is adjusted at each balance sheet according to the refresh rate affect performance and presence. This difference is recognized in the income statement.

ii. Instruments settled by cash remittances

Charges, measured at grant date are spread over the period during which the beneficiaries acquire their rights. The consideration of this charge is a debt. The evaluation of the charges takes into account the probability of achieving performance and presence conditions.

When these plans come from acquisitions of subsidiaries, the estimated life of the instrument is calculated on the basis of the plans originally granted to employees.

The cumulative charge on these instruments is revalued at each balance sheet. Where appropriate, the valuation difference is recognized in the income statement.

1.18. Segment information

In accordance with IFRS 8, the Group presents segment information based on internal reporting, as it is reviewed regularly by the Executive Board to assess the performance of each sector and allocate resources.

An operating segment is a component of the company:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same entity);
- Whose operating results are regularly reviewed by the chief operating decision maker of the entity to make decisions about resources to be allocated to the segment and assess its performance, and for which specific financial information is available.

In view of this definition, Hi-Media's operational sectors correspond to the following sectors:

- Advertising network
- Online payment
- Editing websites

This identification is based on the Group's internal organizational systems and management structure.

Accordingly, the Group provides in Note 22 the following information:

- segment sales, margin and the segment operating profit,
- segment assets,
- Reconciliations of the totals of segment information with the corresponding amounts of the Group.

No liability is assigned to the sectors in the internal system for monitoring results.

1.19. Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Tax is recognized in income/expense unless it relates to a business combination or to elements that are recognized directly in equity or in other comprehensive income in which case it is recognized in equity or other elements of comprehensive income.

Current tax is the estimated amount of tax payable in relation to taxable income of a period, and is determined using tax rates enacted or substantively enacted at the balance sheet date, any adjustment added to the amount tax payable with regard to previous periods.

Deferred tax is determined and recognized using the balance sheet approach of the liability method for all temporary differences between the carrying amounts of assets and liabilities and their tax bases. The following elements are not subject to deferred taxes: the initial recognition of an asset or liability in a transaction that is not a regrouping of businesses and that affects neither the

accounting profit nor the taxable income, and the temporary differences connected with investments in subsidiaries and joint ventures insofar as it is likely that they will not be reversed in the foreseeable future. Furthermore the deferred tax is not accounted for in case of a taxable temporary difference generated from the initial recognition of goodwill. The deferred tax credits and liabilities are valued at the tax rates that are expected to be applied for the period during which the asset is realized and the liability settled, on the basis of the taxation rules and regulations that have been adopted or virtually adopted as at the closeout date. The deferred tax credits and liabilities are offset if there is a legal enforceable right to offset the payable tax credits and liabilities, and if they concern taxes on earnings deducted by the same taxation authority, either in the same taxable entity, or in taxable entities that are different but that intend to settle the payable tax credits and liabilities on the basis of their net amount or to realize the credits and settle tax liabilities simultaneously.

A deferred tax credit is posted only insofar as it is likely that the Group will record future taxable profits to which the corresponding timing difference can be charged. The deferred tax credits are considered on each closeout date and are reduced to the extent that it is no longer likely that a sufficient taxable profit will be available.

1.20. Revenue recognition

Recognition of gross or net revenue

Under IAS 18-7/18-8, the company that acts as a principal in the transaction recognizes the revenue amounts billed to end customers. In order to determine whether the company is acting as a principal or as an agent, it should assess the risks and responsibilities taken by the company to deliver the goods or providing services. From that viewpoint, Hi-Media referred to EITF 99-19, within the framework of IFRS, which gives a list of indicators to determine whether the company is acting as a principal or as an agent. For the recognition of gross sales, HiMedia has ensured that its indicators are showing that the Company acts as a principal, and are indeed present in conducted transactions made with its customers, advertisers or users.

1.20.1. Advertising Activity

The advertising network business consists of providing advertisers with a comprehensive service on their advertising campaigns on websites, which HiMedia has already signed a management contract with them. As such, HiMedia generally intervenes as the single provider of the advertiser, and not as a commission agent. Hence, the advertiser does not have any contractual relationship with the website. The price of the services for which the advertiser is invoiced charged to the advertiser inseparably includes the price of the advertising space, the advice relative to the choice of the media as well as the cost of the technical services for getting items online, for distribution along with the following-up on the campaign (in both quantitative and qualitative terms) and the recovery of invoices issued. Sales correspond to the amounts charged to advertisers.

Under certain contracts, HiMedia intervenes as a mere business provider and distributor of the campaign. The represented websites assure itself the billing and the recovery of the campaigns. Hi-media intervenes only as an agent, and Sales correspond in this case to the charged commission by Hi-Media in the website.

The activity contains three marketing methods:

- sale of advertising spaces at the cost per thousand;
- sale of performance-based direct marketing operations;
- sponsoring contracts;

The sale of advertising space includes putting online and dissemination of advertising banners in different sizes, on one or more media supports (websites) by Hi-media in-house for a specified period. The value of the contracts depends on the cost per thousand for advertising displays and the volume purchased by the advertiser.

For contracts completed by the closing date, the revenue recognized in the income statement is the value of the contract or the value of the number of viewed pages if it is less than that specified in the contract.

For contracts outstanding at the reporting date, the revenues recognized to date is the value of the number of pages actually viewed at the closing date if the number of page viewed is less than or equal to that provided for the contract.

The sale of performance-based operations calls for a number of clicks on the advertisers' advertising messages. Only the clicks are measured, and as such, are recognized as revenue.

Sponsoring contracts provide for fixed compensation packages for the insertion of the logo or other distinguishing mark of advertisers on the medium concerned, governed by Hi-Media. The package is recognized as revenue over the term of service.

1.20.2. Online payment

Online payment activity involves three separate activities:

- HiPay Mobile allowing internet sites to provide users pay access to their content;
- HiPay Wallet, an e-wallet;
- HiPay TPP (*third party processing*) providing to the e-merchants a secure online payment solution

In the first case, sales are consistent with repayments made by telephone operators in respect of phone numbers or mobile payment solutions used via the Internet to access internet site content. HiPay then compensates the site to which the user gained access.

Sometimes HiPay intervenes to provide the customer with technical services and the Sales will be determined by finding the difference between the amount received from the telephone operators and the repayments made to the partners.

In the second and third case, through its e-wallet and acquired credit card solution, HiPay furnishes technical assistance to the client and sales will be determined through the difference between the amount receive from the users and consented payment to the partners.

HiPay owns two European licenses:

- Payment Institution. In August 2011, the company Allopass SAS (HiPay SAS) became a Payment Institution thanks to the ACPR (French Prudential Control Authority) which allows HiPay to provide payment services,
- E-money issuer. In December 2008, HPME obtained authorization from BNB (Belgium National Bank) coupled with a European passport that allows the Group to offer E-wallet solutions in all the European Union countries.

1.21. Operating profit

Operating profit is obtained by deducting, from the current operating profit, the charges for stock options and free shares and the other non-recurring charges. The other products and non-current charges, if any impairment of goodwill and other assets acquired, the capital gains or losses on disposal of consolidated companies or of activities, restructuring charges, the charges connected with exceptional terminations of contracts, business litigations or business associated failure.

1.22. Earnings per share

The Group presents basic and diluted earnings per share for its common shares. The basic earnings per share are calculated by dividing the earnings attributable to the Company's common shareholders by the weighted average number of common shares in circulation during the period. Earnings per diluted share is determined by adjusting the profit attributable to the holders of the common shares and the weighted average number of common shares in circulation for the effects of all dilutive potential common shares, which include the stock options and the free shares allocated to the members of the management and staff.

Note 2. Financial risk management

The Group is exposed to the following risks connected with to the use of financial instruments:

- credit risk
- liquidity risks
- market risk

This note provides information concerning the Group's exposure to each of the above risks, its objective, its policy and procedures for measuring and managing risk and capital. Quantitative information appears in other places in the consolidated financial statements.

It is incumbent on the Board of Directors to define and monitor the framework for the Group's risk management.

2.1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises mainly from client's receivables and short-term investment securities.

The Group's exposure to the credit risk is influenced mainly by the individual characteristics of the customers. The statistical profile of customers, particularly including the risk of default by activity sector and country in which the customers do business, has no real influence on the credit risk. There is no concentration of the credit risk, whether with respect to the customers or geographically speaking.

The Group has defined a credit policy under which the solvency of each new customer is analyzed individually before it can benefit from the payment and delivery conditions offered by the Group. To that end, the Group uses external ratings, when they are available. The customers are not meeting the Group demands, with respect to solvency may not conclude any transactions with the Group unless they pay for their orders in advance.

At each closing, the Group determines a level of impairment representing its estimate of the losses on receivables and other debts, and investments. This impairment is determined by an analysis of individualized significant risks.

To minimize credit risk, the Hi-media SA company has taken out credit insurance. The credit insurance contract concluded is based on three services: prevention, collection, compensation.

- **Prevention:** the credit insurer provides continuous monitoring and informs the company in case of a deterioration of its customers' creditworthiness.
- **Collection:** in case of default, the company forwards the legal proceedings consisting of all documents proving the claim to the insurance company, which intervenes with the defaulter and sees to collection by amicable or legal means.
- **Compensation:** the company will be indemnified in case of established insolvency or of judicial proceedings affecting the debtor. In the other cases, if it has been impossible to make collection within the waiting period defined in the contract, the insurance company will also provide a compensation for the claim. The insurance company bears 75% of the amount, including all taxes, namely 90% of the amount excluding taxes. The indemnification period is approximately from one to five months. To qualify for such coverage, the subsidiaries must first obtain the insurer's coverage approval customer by customer and making the unpaid declaration within 150 days after the term.

In addition, the companies Hi-Media, Hi-Pi and Hi-Pay have concluded factoring contracts for which the main risks and advantages have been transferred to the factoring companies (see note 1.10).

The maximum exposure to the credit risk on the closeout date is indicated in the following notes:

- Note 13 Other financial assets
- Note 14 Current trade and other **receivables**
- Note 15 Other current assets

2.2. Liquidity risk

The liquidity risk corresponds to the risk that the Group encounters difficulties in honoring its debts when they come due. The Group's approach for managing the liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they come due, under normal or "tense" conditions, without incurring any unacceptable losses or impairing the Group's reputation.

The Group has established management of the cash flow needs, aimed at optimizing its return of cash flow on investment. This excludes the potential impact of extreme circumstances, such as natural disasters, that one cannot be reasonably predict.

Moreover the Group has concluded, for certain subsidiaries, factoring contracts enabling it to obtain short-term financing and to be more flexible in daily management of its liquidity.

The group conducted a special review of its liquidity risk and deems that it is able to meet future scheduled payments.

On December 31st, 2014, the remaining contractual maturities of financial liabilities were as follows (including interest payments):

<i>(in thousands of euros)</i>	Book value	<i>Contractual cash flows</i>	<i>Less than 1 year</i>	<i>1-5 years</i>	<i>More than 5 years</i>
Zero-interest financing for innovation	2 263	2 263	-	1 560	703
Accrued interest on loans	-	-	-	-	-
Accounts payable & fixed assets payable	91 840	91 840	91 840	-	-
Taxation and social liabilities	19 725	19 725	19 725	-	-
Other liabilities	5 637	5 637	5 637	-	-
Bank overdrafts	-	-	-	-	-
Total	119 465	119 465	117 202	1 560	703

The loans and financial liabilities are detailed in the Note 18.

2.3. Market risk

2.3.1. Currency risk

Currency risk is the risk that changes in exchange rates and it affects the Group's earnings or the value of the financial instruments. Currency risk management aims to control market risk exposures in acceptable limits, while optimizing the couple (profitability/risk).

The Group is exposed to a currency risk:

- On the activities of its subsidiaries based in the US (Hi-Media Group USA Inc.), Sweden (Hi-Media Sales), fully consolidated and, to a lesser extent ;
- In connection with the activity carried on by his subsidiary consolidated on the basis of the equity method in Brazil (Hi-Midia Brazil) ;
- On revenue from the micro-activity outside the euro area (primarily Latin America and the United States).

100% of the purchases and sales, of capital expenditure, assets and liabilities of those subsidiaries and goodwill pertaining are denominated, respectively, in dollars and Swedish crowns.

Regarding the online payment business, the currency of repayment to partner sites may differ from the income received.

The Group's investments in its subsidiaries have a functional currency that is not the euro, and are not covered by the Group, considers that such exchange positions are long term in nature.

in thousands of euros

Sensitivity to exchange rate	USD	SEK
Total assets	2 419	18 546
Total liabilities	-9 072	-1 557
Net position	-6 653	16 990
Assumptions regarding changes against the euro	1%	1%
Impact on profit before tax	-12	-4
Impact on equity	66	-17

2.3.2. Interest rate risk

Following the repayment occurred on September 22th, 2014 of the syndicated loan signed in 2011, the company is no longer exposed to the risk of interest rates.

2.4. Categorization of financial instruments

<i>in thousands of euros</i>	Fair value by earnings	Assets available for sale	CATEGORIES			31 Dec.2014	
			Loans and receivables	Debts at amortized cost	Derivative instruments	value in balance sheet	Fair value
Other financial assets	-	339	560	-	-	899	899
Receivable	-	-	57 242	-	-	57 242	57 242
Other current assets	-	-	27 447	-	-	27 447	27 447
Current financial assets	-	-	-	-	-	-	-
Cash and cash equivalents	48 733	-	-	-	-	48 733	48 733
FINANCIAL ASSETS	48 733	339	85 249	-	-	134 322	134 322
Borrowings and financial debts	-	-	-	2 263	-	2 263	2 263
Non-current liabilities	-	-	-	-	-	-	-
Accounts payable	-	-	-	91 228	-	91 228	91 228
Other current debts and liabilities	-	-	-	25 699	-	25 699	25 699
FINANCIAL LIABILITIES	-	-	-	119 190	-	119 190	119 190

Fair value hierarchy

Financial instruments measured at fair value after initial recognition are arranged by hierarchy as follows:

- Level 1 : Short-term investments are valued at fair value through profit or loss by reference to quoted prices in active markets ;
- Level 2 : the derivatives instruments are evaluated by reference to observable prices in active markets ;
- Level 3 : the available financial assets for sale are measured at fair value based on valuation techniques using data on assets and liabilities that are not based on observable market.

Note 3. Consolidation scope**3.1. List of consolidated entities**

Company name	Country	2014	2013	Consolidation method	Date of creation / acquisition	Closing dates
Created companies						
Hi-media Belgium SPRL	Belgium	100%	100%	FC	09.03.00	31.12
Hi-media Portugal LTDA	Portugal	54%	54%	FC	31.10.00	31.12
Hi-Pi SARL	France	100%	100%	FC	13.05.02	31.12
Hi-media Advertising Web SL	Spain	100%	100%	FC	29.12.06	31.12
HPMP SPRL	Belgium	100%	100%	FC	17.09.07	31.12
HPME SA	Belgium	100%	100%	FC	08.05.08	31.12
Allopass Mexico SRLCV	Mexico	100%	100%	FC	17.07.09	31.12
Allopass Scandinavia AB	Sweden	100%	100%	FC	30.09.09	31.12
Hi-media Payment do Brasil LTDA	Brazil	100%	100%	FC	16.11.11	31.12
Local Media SAS	France	50%	50%	FC	02.12.11	31.12
Hi-media Regions SAS	France	49%	49%	EM	06.12.12	31.12
Mobvious Italia SRL	Italy	70%	75%	FC	17.05.13	31.12
Quantum SAS	France	49%	-	EM	23.04.14	31.12
Fotolog SAS	France	49%	-	EM	15.05.14	31.12
Adexpert SPRL	Belgium	50%	-	FC	06.06.14	31.12
Hi-media France Advertising SAS	France	100%	-	FC	02.12.14	31.12
Acquired companies						
Hi-media Deutschland AG	Germany	100%	100%	FC	30.04.01	31.12
Europemission SL	Spain	50%	50%	EM	25.03.04	31.12
Hi-Midia Brasil SA	Brazil	14%	14%	EM	18.07.05	31.12
Hipay SAS	France	100%	100%	FC	08.02.06	31.12
Hi-media China Limited	China	0%	49%	-	01.05.06	31.12
L'Odysée Interactive SAS	France	0%	88%	-	31.05.06	31.12
Hi-media Sales AB	Sweden	100%	100%	FC	04.09.06	31.12
Hi-media Group USA Inc	USA	100%	100%	FC	27.11.07	31.12
Vivat SPRL	Belgium	100%	100%	FC	14.03.08	31.12
Bonne Nouvelle Editions SARL	France	100%	100%	FC	06.06.08	31.12
Hi-media Nederland BV	the Netherlands	100%	100%	FC	31.08.09	31.12
Hi-media Italia SRL	Italy	100%	100%	FC	31.08.09	31.12
Hi-media Network Internet España SL	Spain	100%	100%	FC	31.08.09	31.12
Pragma Consult SPRL	Belgium	45%	100%	EM	30.01.12	30.09
Semilo BV	the Netherlands	36%	36%	EM	01.02.12	31.12
New Movil Media SL	Spain	100%	55%	FC	13.12.12	31.12
TheBluePill SAS	France	100%	100%	FC	13.02.13	31.03

During the period, Hi-media Sales AB absorbed Hi-media Network AB on May 7th, 2014.

On May 15th, 2014, HiMedia created a 100% subsidiary named Fotolog SAS.

On December 18th, HiMedia sold 51% of Fotolog SAS.

On June 5th, 2014, HiMedia sold 88% of its participation in L'Odyssee Interactive, publisher of the website jeuxvideo.com for 90 million Euros.

	L'Odyssee Interactive
Net assets disposed	
Net goodwill	20 302
Net intangible fixed assets	1 273
Net tangible fixed assets	264
Other financial assets	14
Customers and other debtors	1 687
Other current assets	906
Cash and cash equivalents	32
Non-current provisions	- 17
Deferred tax	- 395
Suppliers and other creditors	- 1 050
Other current debts and liabilities	1 747
Total (asset) / Net liabilities disposed	24 764
Minority	397
Total (asset) /Net liabilities disposed Group part	24 367
Transfer price less costs directly attributable	75 364
Proceeds	50 997

On June 6th, 2014, Hi-Media Belgium SPRL, subsidiary of the Group, has initiated the creation of the Adexpert SPRL, company in which Hi-Media Belgium owns 50.1% of the shares.

As of December 24th, 2014, Hi-Media Belgium SPRL sold 55% of Pragma Consult SPRL.

Note 4. Sales

The breakdown of sales by activities is as follows:

<i>in thousands of euros</i>	31 dec.2014	31 Dec.2013 restated ⁽¹⁾
Advertising network	75 582	89 085
Online payments	90 228	95 228
Sales ⁽²⁾	165 810	184 312

⁽¹⁾ Cf. Note 1.3

⁽²⁾ Included sales of L'Odyssee Interactive for €2,1m (versus €1.6m for the year 2013). HiMedia kept the Adnetwork contract with Jeuxvideo.com. The contract for which the margin rate is in line with the market price.

Note 5. Payroll charges

The breakdown of the payroll charges between salaries, social security charges and end-of-career indemnities appears as following:

<i>in thousands of Euros</i>	31 dec.2014	31 Dec.2013
Salaries	18 343	19 915
social security charges	7 818	8 579
Provision for end of career indemnities	72	147
Payroll charges	26 234	28 642

Staff changes were as follows:

	31 Dec.2013	Incoming	Outgoing	31 Dec.2014
France	270	68	-109	229
Foreign	181	40	-42	179
Staff	451	108	-151	408

Decrease is mainly due to the sale of L'Odysée Interactive Jeuxvideo.com on June 5th, 2014.

Note 6. Other non-current income and charges

The non-recurring expenses (€23.1m) mainly correspond to:

- The net income due to the sales including l'Odysée Interactive (Jeuxvideo.com) for €51 million ;
- The partial goodwill impairment of Spanish and German advertising entities for -€15.2 million ;
- Reorganization and moving costs for -€7 million ;
- Expenses related to litigations, technical failures with partner companies and to a lesser extent to external fraud for -€5.6 million.

Note 7. Financial net income

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
Investment products	243	94
Interest on borrowing	-1 201	-1 281
Other comprehensive income	-735	-505
Financial net income	-1 693	-1 692

Note 8. Income Tax

The tax charge breaks down as follows:

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
Current taxes	- 1 317	- 2 592
Deferred taxes	- 5 694	1 588
Deferred taxes (on non-recurring items)	-	-
Tax (charge)/Proceeds	- 7 011	- 1 004
<i>Effective tax rate (%)</i>	<i>57%</i>	<i>52%</i>

The difference between the effective tax rate and the theoretical tax rate is to be analyzed as follows:

<i>in thousands of Euros</i>	31 Dec.2014	31 Dec.2013
Tax rate in France	33%	33%
Theoretical tax (charge)/proceeds	- 4 099	- 642
<i>Elements concerning the comparison with the effective rate:</i>	-	-
Effect of rate change	2	- 25
Earnings charged to losses subject to carryover not previously recorded	906	153
Recognition of deferred tax credits on losses carried over	- 5 649	168
Difference of tax rate between the countries	- 936	30
Effect of non-asset deficit transfers from the fiscal year	- 9 029	- 223
Permanent differences and other elements	11 444	23
Taxes without basis	348	- 489
Real tax (charge)/proceeds	- 7 011	- 1 004
<i>Effective tax rate</i>	<i>57%</i>	<i>52%</i>

Hi-media France SA, Hipay SAS, Hi-Pi SARL and Bonne Nouvelle Editions SARL have been consolidated for tax purposes.

Given the net income for the exercise and of taxable income growth opportunities of Hi-media SA, the Company does not expect earnings charged to losses carried forward in a reasonable deadline; therefore the Group has decided to derecognize the entire deferred tax credits specific to Hi-media S.A. and resulted later than the creation of the tax consolidation (-€ 4.5 million). Furthermore, and in line with the analysis in Note 9 Goodwill, the Group has decided to derecognize all deferred tax credits of German and Spanish CGU (-€ 1.1 million).

Note 9. Goodwill

<i>in thousands of euros</i>	31 dec.2013	Exchange var.	Var. perimeter	Transfer	Increase	Decrease	31 Dec.2014
Goodwill	186 865	-	-20 302	-	-	-	166 563
Impairments	-64 869	-	-	-	-	-15 247	-80 116
Goodwill net	121 996	-	-20 302	-	0	-15 247	86 447

The change in scope is related to the sale of L'Odyssee Interactive SAS.

9.1. Net book value of goodwill assigned to each CGU

The net book value of the goodwill assigned to each CGU (Cash Generating Unit) is as follows

<i>in thousands of euros</i>	31 Dec.2013	Reallocation	Exchange var.	Var. perimeter	Increase	Decrease	31 Dec.2014
Hi-media France	9 993	-	-	-	-	-	9 993
Hi-media Allemagne	8 910	-	-	-	-	-8 910	0
Hi-media Belgique	4 194	-	-	-	-	-	4 194
Hi-media Espagne	12 675	-	-	-	-	-6 337	6 337
Hi-media Italie	4 761	-	-	-	-	-	4 761
Hi-media Portugal	82	-	-	-	-	-	82
Hi-media Sales	15 174	-	-	-	-	-	15 174
The Blue Pill	682	-	-	-	-	-	682
Advertising sector	56 472	-	-	-	-	-15 247	41 225
Hipay	45 222	-	-	-	-	-	45 222
Payments sector	45 222	-	-	-	-	-	45 222
L'Odyssee Interactive	20 302	-	-	-20 302	-	-	0
Publishing sector	20 302	-	-	-20 302	-	-	0
Goodwill	121 997	-	-	-20 302	-	-15 247	86 447

The change in scope is related to the sale of L'Odyssee Interactive SAS as mentioned in the note 3.1.

9.2. Evaluation of the recoverable value of the goodwill on December 31st, 2014

On June 30th, 2014, evidence of impairment in the value of assets in CGU Spain and Germany led the company to carry out impairment tests on these CGU on the same terms as the previous years. These tests led the Group to recognize impairment losses on UGT Spain and Germany for respectively € 6.4 million and € 8.9 million in June 30th, 2014.

On 31 December 2014, an impairment test on all the CGU was conducted in the same methods as the previous years. This procedure, based mainly on the method of discounted future net cash flows, is the assessment of the recoverable value of each entity generating its own cash flow.

The main assumptions in order to determine the value of the cash generating units are as follows:

- method for valuation of the cash generating unit : value in use,
- number of years for which the cash flows are estimated and projected to infinity: 4 years (2015-2018 normative),
- long-term growth rate: 2.5% (2.5% in 2013),
- discount rate for Europe: 6.5% to 9.9% (5.7% to 12% in 2013), among countries
- growth rate of sales: between +2% and +50% per year during the period 2014-2018, among countries and activities and new products launch.

The discount rate corresponds to the weighted average cost of capital. It was calculated by the company according to the standards on the basis of sectoral data, and the market data source for the beta, the risk-free rate, the risk premium and the debt. The long-term growth rate is an average estimated with a representative sample from market sources.

Moreover a sensitivity analysis calculating the variation in key parameters did not point to any likely scenario in which the recoverable value of a CGU will become less than its book value. The key parameters variations used for the sensitivity analysis are presented below:

	Discounting rate		Growth rate to infinity		Rate EBITDA	Revenue Growth Rate
	Rate used	Var	Rate used	Var		
Hi-media France	6,5%	+200 pts	2,5%	-150 pts	-150 pts	-20%
Hi-media Belgique	8,2%	+200 pts	2,5%	-150 pts	-200 pts	-20%
Hi-media Portugal	9,9%	+200 pts	2,5%	-150 pts	-200 pts	-20%
Hi-media Local (Suède)	7,2%	+200 pts	2,5%	-150 pts	-200 pts	-20%
Hi-media Italie	9,6%	+200 pts	2,5%	-150 pts	-200 pts	-20%
Hi-media Espagne	9,6%	+200 pts	2,5%	-150 pts	-200 pts	-20%
HiPay	6,5%	+200 pts	2,5%	-150 pts	-150 pts	-20%

In the impairment tests, the above variables have been adjusted together or two per two separately and the results didn't show any likely scenario where the recoverable value of a CGU is under its accounting value.

Note 10. Intangible fixed assets

Development fees capitalized during the period are mentioned in the line "software and licenses" and correspond mainly to:

- The development of new back offices designs for the Hipay brand,
- The development of a Business Intelligence platform for merchants using Hipay platforms,
- The integration of new payment solutions on our payment platforms,
- The continuation of developments for the lunch of the TPP platform,
- The development of a Business Intelligence platform to HiMedia's publishers,
- The continuation of the development for the BigData infrastructure and the Data Management Platform project,
- The finalization or overhaul of intern tools (billing tools, business management tool...).

The gross value of the intangible fixed assets has changed as follows:

<i>in thousands of euros</i>	31 Dec.2013	Changes in currency	Transfer	Increase	Decrease	31 Dec.2014
Software and licenses	21 566	103	4 020	343	-7 862	18 170
Trademarks	4 613	443	-	1	-884	4 173
Customer relations	657	-	-	-	-	657
Fixed assets in progress	4 362	-	-4 020	2 917	-159	3 100
Other	607	-	-	1	-16	592
Total	31 805	546	-	3 262	-8 922	26 692

The cumulative amortization and depreciation of the intangible fixed assets have changed as follows:

<i>in thousands of euros</i>	31 Dec.2013	Changes in currency	Transfer	Increase	Decrease	31 Dec.2014
Software and licenses	14 995	103	-	3 278	-4 579	13 796
Trademarks	3 263	443	-	392	-	4 099
Customer relations	520	-	-	-	-	520
Fixed assets in progress	14	-	-	-	-48	-34
Other	575	-	-	15	-	591
Total	19 367	546	-	3 685	-4 627	18 972

The net values of the intangible assets changed as follows:

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
Software and licenses	4 374	6 571
Trademarks	75	1 350
Customer relations	137	137
Fixed assets in progress	3 134	4 347
Other	1	32
Total	7 720	12 437

The net carrying value of the intangible assets with an indefinite use duration assigned to each CGU is as follows:

<i>in thousands of euros</i>		31 Dec.2014	31 Dec.2013
UGT	Actif		
Hipay	Allopass trademark	-	384
L'Odysée Interactive	jeuxvideo.com trademark	-	884
Hi Media	Hi-Media trademark	74	74
	Other	1	8
Total		75	1 350

Note 11. Tangible fixed assets

The gross value of the tangible fixed assets changes as follows:

<i>in thousands of euros</i>	31 Dec.2013	Changes in currency	Transfer	Increase	Decrease	31 Dec.2014
Fittings & installations	1 156	-2	468	351	-863	1 110
Office equipment and computer hardware	4 175	-11	80	295	-1 165	3 375
Furniture	949	-6	-548	526	-40	881
Total	6 280	-18	-	1 172	-2 068	5 366

The cumulative amortization and depreciation of the tangible fixed assets evolve as follows:

<i>in thousands of euros</i>	31 Dec.2013	Changes in currency	Transfer	Increase	Decrease	31 Dec.2014
Fittings & installations	599	-0	-	121	-460	260
Office equipment and computer hardware	3 577	-10	-	367	-907	3 027
Furniture	655	-4	-	59	-13	696
Total	4 831	-14	-	547	-1 380	3 984

The net values of the tangible fixed assets evolve as follows:

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
Fittings & installations	850	557
Office equipment and computer hardware	348	598
Furniture	185	294
Total	1 382	1 449

Note 12. Deferred taxes**12.1. Recognized deferred tax credit and liabilities**

The breakdown of deferred taxes recognized in income is presented in Note 8.

The sources of deferred tax assets and net recognized liabilities on December 31st, 2014 are as follows:

NET DEFERRED TAX CREDITS

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
Tax loss carryovers	3 658	9 559
Intangible fixed assets	-	- 128
Other timing differences	- 325	- 407
Deferred tax credits	3 332	9 024

The deferred tax assets mainly consist of loss carryforwards of tax group whose head is Hi-media France. The recovery skyline of the loss carryforwards is 5 years.

NET DEFERRED TAX LIABILITIES

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
Intangible fixed assets	- 0	984
Other timing differences	74	- 546
Deferred tax liabilities	74	438

12.2. Unrecognized deferred tax credits

As of December 31st, 2014, the unrecognized deferred tax credits consisted mainly of the undefined losses carried over 20 years through Hi-media Group USA for €18.1m as well as undefined losses carried of Hi-media France S.A. for €31.9 million, which can be undefined carried forward.

Note 13. Other financial assets

On December 31st, 2014 the other financial assets decompose as follows:

<i>in thousands of Euros</i>	31 Dec.2014	31 Dec.2013
Equity affiliates	-74	2 586
Other securities	301	229
Deposits and sureties	595	602
Total	822	3 417

Note 14. Current trade and other receivables

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
Clients and invoices to be established	62 390	56 427
Depreciation	-5 148	-3 499
Current trade and other receivables	57 242	52 928

The carrying value indicated above represents the maximum exposure to the credit risk for this heading.

The invoices to be established correspond mainly to the retransfers to be received by the telephone operators, for the months of November and December, in connection with the online payment activity, which were not invoiced for as at December 31st, 2014.

On December 31st, 2014, the contracts involve credit risk transfer: all the sold trade receivable has been derecognized (see below).

The amount of receivables sold with credit risk transfer and derecognized under IAS 39 in connection with factoring contracts at December 31st, 2014 amounted to €19.9 million.

The anteriority of the commercial receivables as at the closing date is analyzed as follows:

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
Unmatured (*)	31 182	35 873
0-30 days	7 562	6 028
31-120 days	6 701	4 158
120-360 days	7 161	3 813
More than one year	4 636	3 056
Customers and other debtors	57 242	52 928

(*) All of the unmatured receivables are at less than one year.

The depreciation of commercial receivables developed as follows during the financial year:

<i>in thousands of Euros</i>	31 Dec.2014	31 Dec.2013
Depreciation: Balance as at January 1st	3 499	2 730
Period funding	2 056	1 097
Impairment loss	-408	-344
Change in scope	0	16
Depreciation: balance on December 31st	5 148	3 499

The depreciation corresponds mainly to due receivables which collectability presents a risk on December 31st, 2014.

i. Receivables transferred without transfer of credit risk

On December 31st, 2014 there are no more factoring agreements without risk transfer.

ii. Receivables sold without credit risk transfer

The contractual terms of factoring agreements for Hi-Pay SAS (concluded in 2008), Hi-Media SA and Hi-Pi Sarl (concluded in December 2013) allow the transfer of significant risks and rewards related to receivables sold, and thus their derecognition of balance sheet.

According to IAS 39, receivables transferred to third parties (factoring contract) are removed from the Group's assets, when associated risks and benefits are substantially transferred to third parties and if the factoring company in particular supports the credit risk, the interest rate risk and the recovery period (Note 1.10).

The cash available from the factor under these contracts is equal to €286k on December 31st, 2014.

Note 15. Other current assets

All of the other current assets are due at less than one year.

The prepaid charges correspond mainly to the part of the general expenses relative to the period after December 31st, 2014.

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
Financial and corporate assets	10 614	9 747
Receivables of related parties	657	605
Prepaid charges	635	432
Factor guarantee fund	1 049	1 463
Available cash balance	12 387	6 095
Other	2 739	5 128
Other current assets	28 082	23 470

The item Financial and corporate assets is mainly composed of VAT and IS receivables.

The accounts of available assets are composed of:

- The accounts of assets available on the activity HiPay Wallet for €8.9m in 2014 (€6.1m in 2013) correspond to the receivables of credit institutions of European law, which group all of the scriptural money received / detained during the issuance of electronic money. In accordance with the rules of segregation of funds, the asset client accounts are presented separately from accounts of debts towards thirds. These last for €9m in 2014 (€5.4m in 2013) correspond to the set of financial commitments generated by the issuance of electronic money and are presented in "suppliers and other payables".
- The sums collected for the account of the merchants on the activity HiPay TPP for €3.5m on December 31st, 2014 (€0.5m in 2013). These sums are confined on dedicated bank accounts, in compliance with the banking regulation applicable to payment institutions. These collected amounts are to put in link with the ongoing payouts to retail websites using the platform of payment TPP for €3.4m (€0.6m in 2013) presented in "Other debts and current liabilities".

Note 16. Cash and cash equivalents

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
"OPCVM" fund shares	3 007	2 012
Cash reserve with the factor	286	-
Liquid assets	45 440	8 194
Cash and cash equivalents	48 733	10 207

Note 17. Shareholders' equity

For the consolidated variation of shareholders equity of the group, see page 8 above.

The nominal value of the HiMedia share is €0.10.

Management of the shareholders' equity concerns the shareholders' equity as defined in the IFRS standards. It consists mainly in deciding the level of the present or future capital as well as on payout of dividends.

The shareholders' equity contains the share of minorities and Group share. The share of the minorities consists of the share held by non-Group shareholders of Hi-Media Portugal, Adexpert, Local Media and Mobvious Italia. It varies mainly as a function of changes in those subsidiaries' reserves and earnings from its subsidiaries.

Shareholders' equity Group share consists of the share capital of Hi-media SA, reduced by the internally held shares, as well as the reserves and earnings accumulated by the Group.

The Group wants to have the employees participate in the capital by allocations of stock options and of free shares.

Note 18. Loans and financial liabilities

<i>in thousands of Euros</i>	Balance sheet balance on 31 Dec.2014		<i>Issue currency</i>	<i>Expiration</i>	<i>Effective rate</i>
	Non-current	Current			
Zero-interest financing for innovation	2 263	-	EUR	2021	0%
Accrued interest on debts	-	-	-	-	-
Bank overdrafts	-	-	-	-	-
Total	2 263	-			

18.1. Syndicated loan

On June 16th, 2011 Hi-media obtained a syndicated line of credit amounting to €40 million.

That credit line decomposes into one line of €31.6 million (tranche A), and another line amounting to €8.4 million (tranche B), with a duration of five years.

Tranche A was fully withdrawn on June 16th, 2011.

Tranche B should allow the Group to finance investments and acquisitions. It was fully withdrawn on December 31st, 2013.

The 22 September 2014, Hi-media has made early repayment of all outstanding sums for tranche A and tranche B.

The repayment of €21.8 million presented in the line "Repayments of borrowings" in the consolidated cash flow table on December 31st, 2014 essentially corresponds to the two following flows:

- Reimbursement of the syndicated credit (tranche A) taken out 2011 up to €3.2 million, June 16th 2014
- Reimbursement of the syndicated credit (tranche B) taken out 2011 up to €1.2 million, June 16th 2014
- Reimbursement of all remaining payments due for the tranches A and B of the syndicated credit taken out 2011 up to €17.4 million

The following were concluded pursuant to the loan agreement signed in June 2011:

- an initial interest rate swap fixed payer / variable recipient 3-month Euribor (due in June 2016) for a notional amount of €16 million,
- an second interest rate swap fixed payer / variable recipient 3-month Euribor (due in June 2016) for a notional amount of €15.6 million,

Both notional having been redeemed early September 22th, 2014, the Company repaid the two swaps with a market value of -€237k

18.2. Financing connected with factoring

There is no longer sold receivables under factoring contracts without transferring credit risk on December 31st, 2014.

Note 19. Non-current Provisions

19.1. Details concerning non-current provisions

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
Provisions for risks and expenses	75	113
End-of-career benefits	759	794
Non-current provisions	835	907

19.2. Non-current provisions

<i>in thousands of euros</i>	31 Dec.2013	Increase	Decrease - Non used	Decrease - Used	31 Dec.2014
Non-current provisions	113	61	0	-99	75

On December, 31st 2014 non-current provisions are mainly constituted by business litigations.

19.3. Staff benefits

Group commitments mainly concern French entities. The evaluation of these last is determined by the method of projected credit units.

Commitments have been calculated in accordance with the provisions of the advertising collective agreement of Hi-Media, the SYNTEC collective agreement for Hipay and journalist's collective agreement and the collective agreement for specialized press for BNE.

The provision relative to the Group's retirement commitments is as follows:

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
Discounted value of the obligations as at January 1	794	709
Cost of services rendered and financial cost	59	191
Actuarial losses/(gains) recognized in equity	- 77	- 105
Change in scope	- 17	-
Discounted value of the obligations as at December 31	759	794

The assumptions used in the assessment of pension liabilities for the French entities at closing are as follows:

	2014	2013	2012
Discounting rate	1,60%	3,25%	3,00%
Rate of future increase of salaries	2,50%	2,50%	2,50%
Retirement age (Executives)	67 years	67 years	65 years
Retirement age (Non-Executives)	62 years	62 years	62 years
Actuarial table	INSEE F 2010	INSEE F 2010	INSEE F 2006

The assessment of the commitments is calculated according to the projected unit credit method.

Note 20. Other current debts and liabilities

All other debts are due to less than one year.

<i>in thousands of euros</i>	31 Dec.2014	31 Dec.2013
Taxation and social liabilities	19 725	18 754
Debts on fixed assets	612	97
Prepaid income	275	247
Other liabilities	5 362	1 836
Other current liabilities	25 974	20 934

The entry Taxation and social liabilities is mainly constituted of VAT and debt to social welfare entities.

The other debts are especially consisted of ongoing payouts from retail websites, using the platform of payment TPP for €3.4 million (€0.6m in 2013) (see Note 15 other current assets).

Note 21. Working capital required

<i>in thousands of Euros</i>	Notes	31 Dec.2013	Cash impacts	Other movements	Perimeter change	Foreign exchange	31 Dec.2014
Customers and other debtors	Note 14	52 928	4 027	1 941	- 1 687	34	57 242
Fiscal and social assets	Note 15	9 747	450	730	- 313	0	10 614
Current account	Note 15	605	- 340	- 0	405	- 13	657
Prepaid expenses	Note 15	432	489	-	- 285	- 2	635
Other receivables	Note 15	12 685	3 573	-	- 80	- 2	16 176
Sub-total asset (1)		76 397	8 198	2 671	- 1 961	18	85 324
		-	-	-	-	-	-
Suppliers and other creditors		76 230	9 116	7 207	- 1 050	- 275	91 228
Taxation and social liabilities	Note 20	18 754	- 21	1 951	- 924	- 35	19 725
Debts on fixed assets	Note 20	97	-	515	-	-	612
Deferred incomes	Note 20	247	30	-	- 1	- 1	275
Other liabilities	Note 20	1 836	- 29	- 701	3 092	1 164	5 362
Sub-total liabilities (2)		97 164	9 095	8 972	1 117	854	117 202
		-	-	-	-	-	-
Working capital required (1)-(2)		- 20 766	- 897	- 6 301	- 3 078	- 836	- 31 878

The other movements on customers and other debtors are mainly linked to Hi-media SA deconsolidated factor agreements. This cash flow appears on cash flow resulting from financial activities in the table of cash flow consolidated.

Note 22. Segment information**22.1. Earnings by activity**

The allocation of products and charges by segment has been further refined in 2014 in order to better distinguish the operations related to each of the sectors.

The data relating to 2013 have been modified accordingly to retain their comparable character.

<i>in thousands of Euros</i>	Advertising		Payments		Publishing		Eliminations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Sales	73 070	86 743	90 188	95 172	4 251	8 703	- 1 699	- 6 306	165 810	184 312
Gross profit	20 306	32 044	23 184	24 129	3 755	7 672	- 0	-	47 246	63 846
EBITDA	- 8 055	4 679	5 173	7 914	447	2 290	- 2 171	- 4 204	- 4 606	10 680
Current EBIT	- 9 171	3 508	1 989	4 966	415	1 802	- 2 318	- 4 481	- 9 085	5 794
EBIT	-	-	-	-	-	-	-	-	13 981	3 638
Financial net income	-	-	-	-	-	-	-	-	- 1 693	- 1 692
Share of earnings, equity basis	-	-	-	-	-	-	-	-	8	- 21
Taxes	-	-	-	-	-	-	-	-	- 7 011	- 1 004
Net income	-	-	-	-	-	-	-	-	5 285	921

22.2. Total current assets and non-current assets

<i>in thousands of Euros</i>	France		Rest of World		Eliminations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Non-current assets	71 661	97 510	32 595	51 826	- 4 552	- 1 012	99 703	148 324
Current assets	140 696	119 567	55 393	53 003	- 61 303	- 85 312	134 786	87 258
Actifs Net	212 357	217 078	87 988	104 829	- 65 855	- 86 324	234 489	235 582

Hi-media SA, while possessing assets primarily related to business sales of advertising space, detain also the infrastructures of the holding. The related assets have been left in the sales sector of the advertising space.

22.3. Sales by geographical area

<i>in thousands of Euros</i>	France		Rest of World		Eliminations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Sales	134 647	151 067	53 240	57 457	- 22 077	- 24 212	165 810	184 312

Note 23. Stock option plan and allocations of free shares**23.1. Stock options**

	Plan n°9	Plan n°11	Plan n°12	Total
Meeting date	25 Apr. 03	03 May 11	03 May 11	
Date of Board of Directors meeting	12 Jan. 05	31 jan. 12	27 Aug. 2012	
Total number of shares allocated (1)	150 000	385 000	105 000	640 000
Total number of shares available for subscription	47 500	197 255	64 600	309 355
Including number of shares that could be acquired by authorized agents	-	-	49600	49 600
Including number of shares that could be acquired by the ten leading employee	30250	94250	-	124 500
Beginning of exercise of the options	12 Jan. 07	31 jan. 12	27 Aug. 2012	
Date of expiration	12 Jan. 15	31 jan. 12	27 Aug. 2012	
Subscription price (in euros) (2)	1,14	2,13	1,93	
Exercise procedures (3)	A	A	A	
Number of shares subscribed to on Dec. 31 st , 2014	65 500	-	-	65 500
Options cancelled during the period	-	36998	24375	61 373
Remaining options non subscribed	47 500	197 255	64 600	309 355

⁽¹⁾ Options allocated to the employees present to this day in the Company, the employees having left the Company being unable to retain the benefit of such options.

⁽²⁾ Subscription price of the calculated options on the day of allocation of the options and corresponding to the weighted average of the market prices for the last twenty trading sessions (for certain plans, a 5% reduction has been applied).

⁽³⁾ Procedure A: 100% of the options may be exercised at the end of a period of 2 years following the Board of Directors meeting that allocated to these options.

Procedure B : 1/3 of the options may be exercised after a period of 2 years following the Board of Directors meeting have attributed options, then 1/3 the following year, the remaining one third 4 years after the allocation.

Procedure C: 1/6 at the end of each quarter-year following the beginning time for exercise of the options.

The number of options and the weighted average of the exercise prices are as follows:

	2014		2013	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Options in circulation at the opening	442 371	1,95	637 500	1,86
Options allocated during the period	-	-	-	-
Options exercised during the period	-	-	50 000	0,33
Options cancelled during the period	61 373	2,10	94 283	2,10
Options in circulation at the close	309 355	1,94	428 934	1,95
Options that could be exercise at the close	309 355	1,94	428 934	1,95

The parameters adopted for valuing the share option plans granted after November 7th, 2002 are as follows:

Date of the Board of Directors' meeting	12 Jan. 2005	31 Jan. 2012	27 Aug. 2012
Number of options allocated	150 000	385 000	105 000
Fair value of an option on the date of allocation	1.45	0.42	0.45
Fair value of the plan on the date of allocation	217 270	228 611	47 250
Exercise price of the option	1.14	2.13	1.93
Anticipated volatility of the option price	184%	55%	51%
Anticipated lifetime	4 ans	2 ans	2 ans
Dividend expected on the options	-	-	-
Option lapse rate adopted	-	-	-
Risk-free interest rate adopted	2.94%	0.96%	0.10%

23.2. Allocations of free shares

	Plan n°25	Plan n°26	Plan n°27	Total
Meeting date	03-may-11	03-may-11	03-may-11	
Date of the Board of Directors' meeting	31-jan-12	27-aug-12	11-oct-13	
Total number of shares allocated	351 500	140 000	10 000	501 500
Including the number of shares that can be subscribed to by the authorized agents	-	80 000	-	80 000
Including the number of shares that can be subscribed to by the leading ten employee allocated	213 000	-	-	213 000
Number of cancelled shares	97 311	45 400	-	142 711
Number of shares definitively allocated as at Dec. 31, 2013	-	-	-	-
Number of shares that can be definitively allocated	254 189	94 600	10 000	358 789
End of acquisition period	31-jan-14	27-aug-14	11-oct-15	
End of retention period	31-jan-16	27-aug-16	11-oct-17	
Share price on the date of the executive board meeting	2,24	2,16	1,80	
Non-transferability discount	yes	yes	yes	
Fair value of the free share	1,71 1,31	1,64	1,13	

Note 24. Off balance sheet commitments**24.1. Commitments received**

HiMedia has no commitment applicable on 31st December 2014.

24.2. Commitments given

The lease signed on May 2nd 2014 concerning the premises housing of the French operations of the Group, which represents a commitment of €1.05 million per year (non-indexed) until June 30th, 2020.

Under the agreement signed on May 25th 2011, a shareholder of Hi-media Brasil has an option to buy Hi-Midia Brasil shares held by Hi-media SA.

24.3. Covenants

The early repayment on September 22nd 2014 of the tranche A and B of the syndicated loan subscribed in 2011 requires Hi-Media to respect covenants based on the financial ratios.

24.4. Pledges

In the context of subscribed syndicated line of credit by HiMedia, HiMedia pledged, to the benefit of the participating credit institutions, the securities of its subsidiaries Hipay SAS and Hi-Pi SARL as well as the Hi-media SA business.

The pledges have been removed due to early repayment of the tranche A and B of the syndicated loan subscribed in 2011.

24.5. Litigations

Some labor relations litigations have arisen with former employees disputing the legitimacy of their dismissals. The company has set aside the provisions it considers necessary in the light of its judgment of the justification for the plaintiffs' demands.

Note 25. Events that have occurred since December 31st, 2014

Hi-Media signed on February 12th 2015, an agreement with Orange for the repurchase of Orange advertising companies in Spain, USA and Mexico.

The transaction is expected to close in the first quarter of 2015.

January 06, 2015, Hi-Media acquired 100% stake in the mobile marketing company AdMoove, French leader in geo-targeted mobile advertising.

Note 26. Transactions between affiliated parties

26.1. Compensation of members of management bodies

This includes compensation of the CEO. It is not granted the attendance fees to directors.

<i>in thousands of Euros</i>	31 dec.2014	31 Dec.2013
Short term employee benefit	482	324
Non current benefit	400	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Providing termination benefits	-	-
Sharebased payment	38	51
Total	920	376

26.2. Transactions with the subsidiaries

Hi-media SA charges its subsidiaries ad serving costs, holding costs (management fees), brand fees and personal expenses, which are eliminated in the consolidated accounts.

26.3. Other affiliated parties

During 2014, no other significant transactions have been conducted with:

- shareholders holding a significative right of voting in the capital of Hi-Media SA,
- members of the management bodies, including the administrators,
- Entities over which a principal officer exercises the control, joint control, or significant influence, or in which they detain significant voting rights.