



ANNUAL FINANCIAL STATEMENTS 2014

Joint-stock company with capital of € 4 525 352,30
6 place Colonel Bourgoïn – 75012 Paris
418 093 761 R.C.S. Paris
www.hi-media.com

CONTENTS	2
CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL YEARS 2014 AND 2013	4
BALANCE SHEETS AT DECEMBER 31, 2014 AND DECEMBER 31, 2013	5
Note 1. Highlights Of FY 2014.....	7
Note 2. Accounting principles and methods	7
2.1. Intangible assets	7
2.2. Property, plant and equipment	9
2.3. Permanent financial investments and current accounts of subsidiaries	9
2.4. Receivables and related accounts	9
2.5. Short-term investment securities.....	9
2.6. Treasury shares.....	9
2.7. Recognition of revenue billed to advertisers	9
2.8. Presentation of expenses to purchase spaces in the income statement	10
2.9. Corporate tax.....	10
2.10. Retirement benefits	10
Note 3. Intangible assets	11
Note 4. Property, plant and equipment	11
Note 5. Long-term investments.....	12
Note 6. Receivables and related accounts	13
Note 7. Other receivables.....	13
Note 8. Marketable securities and cash	14
Note 9. Prepaid charges	14
Note 10. Shareholders' equity.....	14
10.1. Changes in equity.....	14
10.2. Share capital.....	14
10.3. Stock option plan and allocations of bonus shares	15
Note 11. Provisions.....	17
Note 12. Borrowings from credit institutions.....	18
12.1. Syndicated loan.....	18
Note 13. Trade receivables and payables.....	18
Note 14. Debts on fixed assets	19
Note 15. Other liabilities	19
Note 16. Turnover	19
Note 17. Financial net income.....	19
17.1. Financial expenses	19
17.2. Financial revenue	20
Note 18. Extraordinary income	20
Note 19. Corporate tax.....	20
Note 20. Off balance sheet commitments	21
20.1. Commitments received.....	21

20.2.	Off-balance sheet liabilities	21
20.3.	Staff benefits.....	21
20.4.	Covenants	22
20.5.	Pledges	22
Note 21.	Disputes	22
Note 22.	Staff.....	22
Note 23.	Officers and directors	22
Note 24.	Events subsequent to December 31, 2014	22
Note 25.	Table of subsidiaries and affiliates.....	23
Note 26.	Items related to affiliates and shareholdings	26
26.1.	Revenues, expenses and balance sheet amounts	26
26.2.	Current accounts.....	27
26.3.	Details of receivables related to investments	27

Consolidated Financial Statements for Financial Years 2014 and 2013

Thousand of €		2014	2013
Services billed to customers		33 296	45 255
Other		14 809	12 732
Net turnover	Note 16	48 106	57 987
Self-constructed assets		969	921
Adjustments to depreciation and provisions		592	733
Other income		255	25
Operating revenue		49 923	59 666
Expenses invoiced by the media		37 641	35 239
Other purchases and external charges		12 212	9 339
Taxes, levies and similar payments		483	668
Wages and salaries		11 423	9 831
Social security charges		4 555	4 280
Depreciation on fixed assets		1 686	1 185
Provisions and impairment		395	659
Other expenses		1 310	824
Operating expenses		69 705	62 025
Operating income		-19 783	-2 359
Financial revenue		3 112	18 994
Interest and similar expenses		1 331	1 618
Provisions and impairment		11 856	468
Other		374	51
Financial expenses		13 561	2 137
Financial net income	Note 17	-10 449	16 858
Proceeds from sales of assets		83 642	1 452
On management operations			
Reversal of provisions		26	
Extraordinary income		83 668	1 452
Book value of transferred assets		25 955	1 493
On management operations		442	375
Provisions and impairment		256	372
Extraordinary expenses		26 653	2 240
Extraordinary income	Note 18	57 015	-788
Net income before taxes		26 783	13 710
Taxes	Note 19	1 771	1 314
Net income		28 555	15 024

Balance sheets at December 31, 2014 and December 31, 2013

ASSETS		31 Dec. 2014		31 Dec. 2013	
		Gross	Amortization and depreciation	Net	Net
Thousand of €					
Concessions, patents and software		6 102	4 108	1 995	1 420
Corporate goodwill		4 621		4 621	4 621
Intangible assets in progress		638		638	783
Intangible fixed assets	Note 3	11 361	4 108	7 253	6 824
Property, plant and equipment		822	73	749	485
Other property, plant and equipment		1 953	1 678	275	267
PPE	Note 4	2 775	1 751	1 024	752
Affiliates		220 110	106 860	113 250	144 951
Receivables related to affiliates		6 253		6 253	2 712
Deposits and sureties		201		201	97
Treasury shares		4 212		4 212	301
Other financial assets		35		35	100
Long-term investments	Note 5	230 811	106 860	123 951	148 162
Total fixed assets		244 946	112 718	132 228	155 738
Trade notes and accounts receivable.	Note 6	31 760	1 146	30 614	26 306
Other receivables	Note 7	25 298	7 525	17 772	33 922
Receivables		57 058	8 671	48 387	60 228
Short-term investment securities		336		336	311
Liquid assets		28 626		28 626	4 015
Cash and cash equivalents	Note 8	28 961		28 961	4 326
Prepaid charges	Note 9	426		426	142
Deferred charges		137		137	297
Unrealized foreign exchange losses		27		27	335
Total current assets		86 609	8 671	77 938	65 328
Total assets		331 555	121 390	210 165	221 066

LIABILITES		31 Dec. 2014	31 Dec. 2013
Thousand of €			
Share capital and proprietorship accounts		4 525	4 511
Bond, merger and share premiums		117 572	117 572
Retained earnings		-15 059	-30 084
Reserves		507	507
Profit or loss for the financial year		28 555	15 024
Tax-regulated provisions		5 220	4 990
Shareholders' equity	Note 10	141 320	112 521
Provisions for risks and expenses	Note 11	27	403
Borrowings from credit institutions	Note 12	2 403	21 984
Trade receivables and payables	Note 13	37 371	23 910
Taxation and social liabilities		7 194	7 543
Debts on fixed assets	Note 14	1 605	1 365
Other liabilities	Note 15	19 168	52 984
Operating income		65 337	85 802
Unrealized foreign exchange gains		1 075	352
Deferred income		3	3
Total liabilities		210 165	221 066

Note on the Hi-Media SA's financial statements

Hi-Media S.A. ("Hi-Media" or the "Company") is an advertising sales agency marketing advertising spaces for websites under contract with Hi-media ('Media') to advertisers. It provides for media the prospecting and marketing to advertisers, the retrieval, distribution and targeting of advertising inserted on the sites and as such receives an agency fee.

Note 1. Highlights Of FY 2014

On May 2, 2014, The Company signed a new lease of office space for the French activities of the group, domiciled now 6 place Colonel Bourgoïn, 75012 Paris. The new lease is for a fixed term of six years, renewed 3 additional years.

On May 15, 2014, Hi -Media SA established the company Fotolog SAS with an initial capital of 1.000 €.

Fotolog SAS acquired on June 20, 2014 from the company HI-MEDIA GROUP USA all rights associated with the website www.fotolog.com, for a total amount of € 2,943,774.

On June 30, 2014 , the Company subscribed to a capital increase in the amount of € 2,937,288 with its subsidiary Fotolog SAS

On December 18, 2014, the Company sold 51% of the share capital of Fotolog SAS to Mr Sven Lung for a 1.640.000-€ amount Simultaneously, the Company acquired 10 % of the company Waiheke Investment for 1.560.000€, also from Mr. Sven Lung Setting of the amounts, both debts are liquid and due, and correspond to a € 80,000 vendor's loan in Hi-Media assets.

In a strategic refocusing of its activities, the company sold on June 5, 2014 its stake within the company L'Odyssee Interactive (Holder of 88 % of the share capital) publisher of the website jeuxvideo.com. The selling price of overall shares of the company amounts to 90 million Euros.

On July 3, 2014, the Company acquired 44.98 % of the share capital of New Mobile Media, raising its stake to 100%.

Following the decision of the Board of Directors that took place on July 29, 2014, the share capital of the Company was increased by the sum of 14,087.80 Euros by issuing 140,878 new shares.

On September 22, 2014, Hi-media made early repayment of all outstanding amounts of the syndicated loan of € 17.4 million subscribed 16 June 2011 for an initial amount of € 40 million.

Within the framework of its early refund, the Company paid off the two swaps in accordance with the contract of syndicated loan for a market value of € 237 000 .

On October 23, 2014, the Company contracted a zero rate loan agreement for innovation with Bpifrance Financement for an amount of € 2,400,000 within the framework of supporting Research and Development in France.

The loan duration includes a delaying period in amortization, followed by a linear amortization period, with a first payment term, payable term on December 31, 2016, and a last payable term on September 30, 2021

Note 2. Accounting principles and methods

The financial statements are presented in accordance with French generally accepted accounting principles and reflect the ANC 2014-03 on the standard accounting practices.

The following accounting policies have been adopted by the Company:

2.1. Intangible assets

Software and licenses acquired by the Company are recorded on the balance sheet at their acquisition value and depreciated over their estimated useful lives, between 3 and 5 years.

Brands acquired by the Company are recorded on the balance sheet at their acquisition value. They are not subject to amortization. They are depreciated if the operating conditions so require.

According to the CNC (French accounting authority) (avis 2004-15) on assets, applicable since 1 January 2005, development costs must meet the six following criteria to be capitalized:

- Technical feasibility of the project
- Intention to complete the project
- Commercial success
- Future economic benefits
- Financial feasibility – resources to complete, and use and sell the product
- Reliable cost evaluations

Business assets are recorded at their acquisition cost and may be depreciated if their market value is less than their book value at year end.

2.2. Property, plant and equipment

Fixed assets are stated at acquisition cost and are depreciated over the useful lives as follows:

Fixtures and fittings	6 to 8 years	straight-line
Office and computer equipment	3 years	straight-line
Furniture	8 years	straight-line

2.3. Permanent financial investments and current accounts of subsidiaries

The gross value of subsidiaries is either acquisition cost or the amount of capital used on their constitution.

According to law 2006-1666 dated 21 December 2006, the cost of acquisition of equity interests incurred during the fiscal years ending on or after December 31, 2006 were capitalized and amortized over a period of five years through an accelerated depreciation.

A provision for impairment of securities and current accounts can be made when the going concern value, determined at the close of each fiscal year falls below their book value.

The value in use is calculated on the basis of the method of discounted cash flows on the basis of the Group's forecasts for 4 years, and of a terminal value discounted to infinity. The discounted cash flows was performed using a discount rate from 5,1 % à 9,1% among countries (5,7% to 12% in 2013), a growth rate to infinity of 2.5% (2.5% in 2013). A sensitivity analysis of the calculation of going concern values to changes in key parameters (discount rate, long-term growth rate, EBITDA gross margin and increase in revenue) was performed.

Securities and current accounts of the subsidiaries being closed are depreciated at 100%.

2.4. Receivables and related accounts

Receivables are measured at their nominal value and a provision for impairment is established when a specific loss appears likely.

2.5. Short-term investment securities

Short-term investment securities are stated in the balance sheet at their acquisition value. When their inventory value is less than their acquisition cost, A provision for impairment is made for to cover the difference. Unrealized gains at the close are not recorded in the income statement.

2.6. Treasury shares

A provision for impairment of treasury shares is recognized when the book value exceeds the net asset value equal to the average share price over the last month before the end of the year.

2.7. Recognition of revenue billed to advertisers

The activity breaks down into three marketing methods:

- sale of advertising space at the cost per thousand;
- sale of marketing operations at performance
- sponsorship contracts;

The Company conducts its sales through contracts for sale of advertising spaces, and to a lesser extent, signed sponsorship deals with advertisers who are Hi-Media customers.

2.7.1. Advertising network activity

The sale of advertising space includes putting on line and disseminating of premium offer goods in different sizes on one or more media (websites) by Hi-Media in-house for a specified period. The value of contracts depends on the number of pages requested by the advertiser or on the number of clicks/actions.

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 (clicks or actions) if it is less than that specified in the contract.

For contracts outstanding at the reporting date, the revenue recognized to date is:

- either the value of the number of pages (clicks or actions) actually seen the closing date if the number of viewed pages (clicks or actions) is less than or equal to that provided under the contract;
- or the pro rata value of the number of viewed pages (clicks or actions) in the contract if the number of pages (clicks or actions) actually seen is higher than that under the contract.

2.7.2. Sponsorship contracts

Sponsorship 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 over the term of service.

2.8. Presentation of expenses to purchase spaces in the income statement

Space-buying fees billed by media for à Hi-Media are presented as operating expenses. The difference between the revenues billed by Hi-Media for advertisers and the space-buying fees billed by media for Hi-Media represent the commission fee perceived by Hi-Media.

2.9. Corporate tax

The corporate tax is recognized using the method of tax payable. It is not reflected in the income statement of future effects of the temporary tax differences.

2.10. Retirement benefits

Pension obligations at December 31, 2014, calculated on the basis of the collective agreement in force in the Company and of information about the personnel in the Company at the close, are presented in off-balance sheet commitments.

Note 3. Intangible assets

Changes in gross values are as follows:

in thousands of Euros	31 Dec. 2013	Increases	Decreases	31 Dec. 2014
Software and licenses	4 331	2 149	452	6 028
Hi-Media trademark	74			74
Corporate goodwill	4 621			4 621
Construction in progress	783	1 506	1 651	638
Total	9 809	3 655	2 103	11 361

Corporate goodwill comes from the merger with Adlink France on December 29, 2009.

Software includes the commissioning of the IT developments of the previous year and the current year.

Constructions in progress refer to internal IT developments.

Changes in depreciation and provisions for impairment are as follows:

in thousands of Euros	31 Dec. 2013	Increases	Decreases	31 Dec. 2014
Software and licenses	2 985	1 384	262	4 108
Hi-Media trademark				
Corporate goodwill				
Construction in progress				
Total	2 985	1 384	262	4 108

Note 4. Property, plant and equipment

Changes in gross values are as follows:

in thousands of Euros	31 Dec. 2013	Increases	Decreases	31 Dec. 2014
Fixtures and fittings	874	756	809	822
Office and computer equipment	1 509	195		1 704
Furniture	228	21		249
Total	2 610	973	809	2 775

Changes in depreciation are as follows:

in thousands of Euros	31 Dec. 2013	Increases	Decreases	31 Dec. 2014
Fixtures and fittings	389	92	409	73
Office and computer equipment	1 331	177		1 508
Furniture	138	32		170
Total	1 858	302	409	1 751

Note 5. Long-term investments

Changes in gross values are as follows:

in thousands of Euros	31 Dec. 2013	Increases	Decreases	31 Dec. 2014
Equity investments	239 991	4 874	24 755	220 110
Receivables related to affiliates	2 712	3 540		6 253
Deposits and sureties	97	104	0	201
Treasury shares	328	4 462	577	4 212
Other	100	0	65	35
Total	243 228	12 980	25 397	230 811

Changes in depreciation are as follows:

in thousands of Euros	31 Dec. 2013	Increases	Decreases	31 Dec. 2014
Equity investments	93 339	11 820		105 160
Receivables related to affiliates	1 700			1 700
Deposits and sureties				
Treasury shares	27		27	
Total	95 066	11 820	27	106 860

Main variations on equity investments at December 31, 2014 are related to the subscription to capital increase of the company Fotolog, and the sale of the company L'Odyssee Interactive.

The increase of treasury shares is related to the acquisition of 1.720.283 shares on the second semester of 2014.

Note 6. Receivables and related accounts

Trade receivables and payables are as follows:

in thousands of Euros	31 Dec. 2014	31 Dec. 2013
Customers	31 010	24 099
Invoices to be established	750	3 482
Receivables	31 760	27 580
Provision for impairment of receivables	-1 146	-1 274
Net receivables	30 614	26 306

Unbilled revenues correspond to the services rendered to advertisers that were not yet billed at December 31, 2014.

The provision for depreciation corresponds mainly to debt dues for which recoverability represents a risk at December 31, 2014.

Under a factoring agreement signed in 2013, Hi-Media presented unpaid receivables amounting to k€ 6 185 at December 31, 2014 for which the Company transfers the risk of non-recovery in the case customers do not pay.

Note 7. Other receivables

Other receivables were as follows:

in thousands of Euros	31 Dec. 2014	31 Dec. 2013
Supplier down payments and credit notes receivable	908	1 238
Other receivables	19 392	34 660
Value-added tax	4 219	3 041
Receivables on the factor including guarantee funds	779	2 509
Total other receivables	25 298	41 448
Provision for doubtful accounts	-7 525	-7 525
Total other receivables, net	17 772	33 922

The item "Other receivables" corresponds to k€ 16 800 to current account of subsidiaries which are detailed in the table of subsidiaries and shareholdings. These current accounts are depreciated up to k€ 7 526 in which k€ 7 226 corresponds to the depreciation of the current account with Fotolog.

Current accounts from the cash pooling between subsidiaries amount to k€ 3 728 at December 2014.

Receivables on the factor correspond mainly to the guarantee fund to k€ 352 and to the company's vendor current account for k€ 426.

Note 8. Marketable securities and cash

in thousands of Euros	31 Dec. 2014	31 Dec. 2013
Short-term investment securities		-
Treasury shares	336	311
Other shares		
Liquid assets	28 626	4 015
Total	28 961	4 326

As of December 31, 2014, Hi-Media held 1 625 683 of its own shares. Moreover within the framework of the liquidity contract, Hi-Media holds 144 945 of its own shares.

Note 9. Prepaid charges

Prepaid charges amount to k€ 426 at December 31, 2014 and mainly correspond to the share of overhead costs at the period after December 31, 2014.

Note 10. Shareholders' equity**10.1. Changes in equity**

The following changes were recorded in equity during the year:

in thousands of Euros	Share capital	Issue premium	Reserves	Retained earnings	Profit or loss for the financial year	Tax-regulated provisions	Total
Dec. 31, 2013	4 511	117 455	625	-30 084	15 024	4 989	112 521
Dividends							
Allocation of income				15 024	-15 024		
Capital increase	14						14
Income for the period					28 555		28 555
Other changes						230	230
Dec. 31, 2014	4 525	117 455	625	-15 059	28 554	5 220	141 320

Following the decision of the Board of Directors that took place on July 29, 2014, the share capital of the Company was increased by the sum of 14,087.80 Euros by issuing 140,878 new shares.

10.2. Share capital

At December 31, 2014 the share capital consisted of 45 253 523 shares with a nominal value of €0.10 each for 4.525.352,30€.

10.3. Stock option plan and allocations of bonus shares

10.3.1. Stock options

	Plan n°9	Plan n°11	Plan n°12	Total
Meeting date Date of the Board of Directors' meeting	25 April, 03	03 May, 11	03 May, 11	
Total number of shares allocated ⁽¹⁾ Total number of shares available for subscription Including number of shares that could be acquired by the authorized agents	12 Jan, 05	31 Jan, 12	27 Aug, 12	
Including number of shares that could be acquired by the ten leading employee	150 000	385 000	105 000	640 000
Beginning of exercise of the options	47 500	197 255	64 600	309 355
Date of expiration	-	-	49 600	49 600
Subscription price (in euro) ⁽²⁾	42500	94 250	-	136 750
Exercise procedures ⁽³⁾	12 Jan, 07	31 Jan, 12	27 Aug, 12	
Number of shares subscribed to on December 31 2014	12 Jan, 15	31 Jan, 22	27 Aug, 22	
Options cancelled during the period	1,14	2,13	1,93	
Remaining options	A	A	A	
Meeting date	65 500	-	-	65 500
Date of the Board of Directors' meeting	-	68 735	14 281	83 016
Options restantes	47 500	197 255	64 600	309 355

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

⁽²⁾ Subscription price of the options calculated at grant date of options corresponding to the weighted average price during the last 20 sessions, on which a discount of 5% was applied.

⁽³⁾ Condition A: 100% of the options may be exercised following a period of 2 years after the Board of Directors meeting that allocated the said options.

Condition B: 1/3 of the options may be exercised at the end of a period of 2 years following the Board of Directors meeting that allocated the said options, then 1/3 the following year, and the remaining third 4 years after the allocation.

Condition 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	428 934	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	83 016	2,10	94 283	2,10
Options in circulation at the close	309 355	1,94	428 934	1,95
Options subject to exercise at the close	309 355	1,94	428 934	1,95

10.3.2. 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, 2014	-	-	-	-
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	1,8	
Non-transferability discount	yes	yes	yes	
Fair value of the free share	1,71 1,31	1,64	1,13	

Note 11. Provisions

in thousands of Euros	31 Dec. 2013	Allocation	Use	Reversal	31 Dec. 2014
Provisions for disputes	0				0
Provision for unrealized foreign exchange losses	335			308	27
Other risk provisions	68	169	237		0
Total Other risk provisions	403				27
Provision for expenses	0				0
Total	403	169	237	308	27

Provisions for liabilities and charges are mainly due to labor disputes.

Note 12. Borrowings from credit institutions

<i>in thousands of Euros</i>	<i>31 Dec. 2014</i>	<i>Issue currency</i>	<i>Expiration</i>	<i>Effective rate</i>
zero rate loan for innovation	2 400	EUR	2021	0%
Accrued interest	0	EUR	-	-
Credit bank accounts	3	EUR	2015	Variable
Total	2 403			

12.1. Syndicated loan

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

That credit line breaks down 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 will allow the Group to finance investments and acquisitions. It was fully withdrawn on December 31st, 2013.

On September 22, 2014, Hi-Media proceeded to early repayment of all outstanding due amounts for tranche A and tranche B.

The repayment of €21.8 million accounted as at December 31st, 2014 are related to the following flows:

- Reimbursement of the syndicated credit (tranche A) taken out 2011 up to €3.2 million, the June 16th 2014
- Reimbursement of the syndicated credit (tranche B) taken out 2011 up to €1.2 million, the 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 swap contracts 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,

Within the framework of its early refund, the Company paid off the two swaps in accordance with the contract of syndicated loan for a market value of € 237 000 .

Note 13. Trade receivables and payables

Trade receivables and payables are as follows:

<i>(In thousands of Euros)</i>	<i>31 Dec. 2014</i>	<i>31 Dec. 2013</i>
Suppliers	18 505	11 991
Invoices receivable	18 866	11 919
Total	37 371	23 910

Accounts payable primarily include media billings for à Hi-Media that have not yet been paid at the close.

Note 14. Debts on fixed assets

Debts on fixed assets consist primarily of IT services and costs related to office improvements.

Note 15. Other liabilities

Other liabilities mainly relate to current account payables vis-à-vis the subsidiaries for k€ 18 538 of which k€ 16 084 of current account payables relate to cash pooling.

Note 16. Turnover

in thousands of Euros	2014	2013
Advertising	33 296	45 255
Other	14 809	12 732
Total	48 106	57 987

"Other" refers to various services, mainly intra-group related to the role of Hi-Media Holding.

Note 17. Financial net income

17.1. Financial expenses

in thousands of Euros	2014	2013
Interest charges	1 331	1 618
Depreciation and impairment of equity investments in subsidiaries	11 820	
Depreciation and impairment of treasury shares		
Depreciation and impairment of equity investments in subsidiaries		
Other depreciation and impairment of financial assets	35	468
Abandoned or unclaimed accounts		
Other financial charges	375	50
Financial expenses	13 561	2 137

17.2. Financial revenue

in thousands of Euros	2014	2013
Interest on current accounts	1 368	1 818
Reversal of provisions of the securities and current accounts	30	11 365
Revenues from equity investments	832	5 163
Other	882	649
Financial revenue	3 112	18 994

Note 18. Extraordinary income

In 2014, the extraordinary income consisted primarily of gains on sale of l'Odyssee interactive investments for k€ 58 619, the depreciation of assets for k€ (591), the cost of shares attributed to employees as part of share based payments for k€ (591), payments to Hi-Media foundation for k€ (439) and the depreciation of expenses related to securities amounting k€ (256).

Note 19. Corporate tax

Hi-Media is head of a tax consolidation group consisting of its French subsidiaries owned at more than 95%: HiPay SAS, Hi-pi SARL, Bonne Nouvelle Editions SARL. The tax treaty provides that the tax burden is borne by the subsidiary, as in the absence of tax consolidation.

The tax benefit related to tax losses of subsidiaries retained at Hi-Media France SA, is considered an immediate gain for the year at Hi-Media SA.

The tax income of k€ 1 771 for the year comprises in particular:

- k€ 775 in tax consolidation income,
- k€ 996 in research tax credits

Information on the deferred or latent tax situation:

(In thousands of Euros)	31 Dec. 2014	31 Dec. 2013
<i>Offsets</i>		
Investment subsidies		
Unrealized foreign exchange gains	1 075	352
Extraordinary depreciation		
Temporary non-deductible expenses	50	
Temporary non-taxable income		
Expenses deducted or taxable income for tax purposes and not yet recognized	-	107
<i>Items to be charged</i>		
Tax loss carryovers	39 786	21 884

Note 20. Off balance sheet commitments**20.1. Commitments received**

None

20.2. Off-balance sheet liabilities

The lease signed on May 2, 2014 concerning the premises housing the French operations of the Group represents a commitment of €1.1 million per year (non-indexed) until July 10, 2020.

In addition, Hi-Media has a long-term lease for a portion of its computer population. This contract represents an annual rent (undiscounted) of k€ 204.

20.3. Staff benefits

Pension liabilities: On December 31, 2014, the amount of the liability was estimated at k€ 231 and accounted for actuarial elements.

Personal right to training : The number of accumulated training hours related to rights obtained under Personal rights to training by employees at December 31, 2014 is 9 071.

20.4. Covenants

Conclusion of the syndicated credit line mentioned in Note 12.1 above requires Hi-Media to respect covenants based on the following financial ratios, calculated in accordance with the definitions of banking contract.

- Ratio of debt R1 (consolidated net debt/consolidated EBITDA) less than or equal to 2.5
- Gearing ratio R2 (consolidated net debt/consolidated equity) less than or equal to 0.65

The early repayment on September 22, 2014 of the tranche A and B of the syndicated loan subscribed in 2011 cancels any requirement in complying with covenants based on financial ratios.

20.5. Pledges

Within the framework of the syndicated loan acquired by Hi-Media, Hi-Media pledged to the participating credit institutions the securities of its subsidiaries HIPay SAS, L'Odyssee Interactive SAS, Hi-Pi SARL and Hi-Media's corporate goodwill.

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

Note 21. Disputes

Some industrial tribunal disputes 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 22. Staff

The number of staff stood at 153 people at December 31, 2014 against 165 people at December 31, 2013.

Note 23. Officers and directors

This includes compensation of the CEO for a total amount of k€ 882 in 2014, against k€ 316 at December 31, 2013. Members of the executive board have not received any compensation in 2013

Note 24. Events subsequent to December 31, 2014

On January 6, 2015, Hi-Media acquired 100% stake in the mobile marketing company AdMoove, French leader in geo-targeted mobile advertising.

On February 12, 2015, Hi-Media signed an agreement with Orange for the acquisition of Orange advertising companies in Spain, the United-States, and Mexico.

The transaction is expected to be signed on the first quarter of 2015.

Note 25. Table of subsidiaries and affiliates

Corporate name	Address	Operating currency	Share capital	Equity excluding net income and other than capital ¹	% direct holding	Securities	
						Gross value ²	Gross value ²
Hi-Media Belgium SPRL	Av. des Volontaires 19 1160 Bruxelles	EUR	3 467	-581	100,00%	4 627	4 627
Hi-Media Portugal Lda	Avenida Duque d'Avila 26 Lisboa	EUR	125	1 072	53,90%	150	150
Hi-Media Deutschland AG	Gerhard Hoehme Allee 1 41466 Neuss	EUR	1 125	-2 073	100,00%	35 836	3 008
HIPI SARL	6 place Colonel Bourgoin, 75012 Paris	EUR	1 141	-31	100,00%	9 484	9 441
Europermission SL	Marquès de Riscal 11 2A Planta Madrid	EUR	2	-1	50,00%	2	0
Hi-Midia Brasil	Rua Oserio de Almeida 7 Rio de Janeiro	BRL	1	12 518	14,00%	45	45
Hi-Media Payments Do Brazil LTDA	Rua Mayrink Veiga, 06 – Sala 301 – CEP 20090050 na cidade e estado do Rio de Janeiro	BRL	140	-56	99,99%	58	58
Hi-Pay SAS	6 place Colonel Bourgoin, 75012 Paris	EUR	1 015	49 089	94,33%	56 924	56 287
Local Media	6 place Colonel Bourgoin, 75012 Paris	EUR	130	-148	50,10%	122	122
Hi-Media Sales AB	Box 71 - Hantverkargatan, 14 827 22 Ljusdal.	SEK	100	11 102	100,00%	16 288	14 544
Hi-Media Advertising Web SL	Velázquez 12, 7a-8a planta 28 001 Madrid	EUR	3	-443	100,00%	3	3
Groupe Hi-media USA	101 5th Avenue, New York, NY 10003	USD	1	-9 619	100,00%	67 544	0
HPME SA	Av. des Volontaires, 19 1160 Bruxelles	EUR	3 200	893	100,00%	3 200	3 200
Bonne Nouvelle Editions SARL	6 place Colonel Bourgoin, 75012 Paris	EUR	447	-184	100,00%	1 617	197

HPMP	Av. des Volontaires 19 1160 Bruxelles	EUR	100	59	90%	90	90
Hi-media Nederland BV	Zijlstraat 76 - Postbus 5543, 2000 GM Haarlem	EUR	20	-983	100,00%	962	908
Hi-media Ltd	New Penderel House, 283- 288 High Holborn, London WC1V 7HP	GBP	1	-264	50,00%	200	0
Hi-media Network Internet España SL	Velázquez 12, 28 001 Madrid	EUR	725	-171	100,00%	10 363	6 768
Hi-media Italy Srl	Via Cosimo del Fante 4, 20122 Milano	EUR	10	2 800	100,00%	6 624	6 256
Allopass Scandinavia	Box 71 - Hantverkargatan, 14 827 22 Ljusdal.	SEK	100	194	100,00%	10	0
Allopass Mexico SRLCV	Protasio Tagle 104, Col. San Miguel Chapultepec. Mexico DF	MXN	3	- 3 314	100,00%	0	0
TheBluePill	6 place Colonel Bourgoin, 75012 Paris	EUR	235	-821	100,00%	200	0
Mobvious Italia	Via Cosimo del Fante 4, 20122 Milano	EUR	10	36	70,00%	8	8
Semilo BV	PO BOX 1471 1000 BL Amsterdam	EUR	18	349	30,30%	550	550
New Movil Media S.L	C/ Dr. Zamenhof 36bis 28027 Madrid - España	EUR	3	-305	100,00%	1 547	1 547
HiMedia Advertising	6 place Colonel Bourgoin, 75012 Paris	EUR	1	0	100,00%	1	1
Fotolog SAS	6 place Colonel Bourgoin, 75012 Paris	EUR	2 938	0	49,00%	1 440	1 440
Quantum SAS	6 place Colonel Bourgoin, 75012 Paris	EUR	50	0	49,00%	25	25
Hi-media Régions SAS	6 place Colonel Bourgoin, 75012 Paris	EUR	10	0	49,00%	5	5

¹ in thousands of operating monetary units

² in thousands of Euros

Corporate name	Sales excluding taxes last financial year ¹	Income (profit or loss for the last financial year) ¹	Dividends received by the company during the year ²	Average exchange rate	Date of creation or acquisition
Hi-Media Belgium SPRL	7 795	-671	-	-	09.03.00
Hi-Media Portugal Lda	3 283	530	263	-	31.10.00
Hi-Media Deutschland AG	6 970	-1 527	-	-	30.04.01
HIPI SARL	8 404	731	-	-	13.05.02
Europermission SL	-	-	-	-	25.03.04
Hi-Midia Brasil	0	0	-	2,87	18.07.05
Hi-Pay SAS	79 190	-10 432	-	-	08.02.06
Hi-Media Payments Do Brazil LTDA			-	2,87	16.11.11
Local Media	2 457	-184	-	-	02.12.11
Hi-Media Sales AB	41 330	4 173	544	8,65	04.09.06
Hi-Media Advertising Web SL	4 154	-499	-	-	29.12.06
Groupe Hi-media USA	1 062	3 520	-	1,33	27.11.07
HPME SA	7 121	940	-	-	08.05.08
Bonne Nouvelle Editions SARL	278	-66	-	-	06.06.08
HPMP	-	19	-	-	17.09.07
Hi-media Nederland BV	2 348	1 347	-	-	31.08.09
Hi-media Ltd	0	0	-	0,85	31.08.09
Hi-media Network Internet España SL	4 817	-1 242	-	-	31.08.09
Hi-media Italy Srl	7 350	-2 329	-	-	31.08.09
Allopass Scandinavia	287	51	-	8,65	30.09.09
Allopass Mexico SRLCV	0	-156	-	16,97	17.07.09
TheBluePill	366	-110	-	-	13.02.13
Mobvious Italia	1 713	203	-	-	17.05.13
Semilo BV			-	-	01.02.12
New Movil Media S.L	1 312	-22	-	-	13.12.12
HiMedia Advertising	0	0	-	-	02.12.14
Fotolog S.A.S.	55	10	-	-	15.05.14
Quantum S.A.S.	1 144		-	-	23.04.14
Hi-Media Régions SAS	711	16	-	-	06.12.12

¹ in thousands of operating monetary units

² in thousands of Euros

Note 26. Items related to affiliates and shareholdings**26.1. Revenues, expenses and balance sheet amounts**

In thousands of Euros	Operating revenue	Financial Revenue	Financial expenses	Accounts receivables	Accounts payable
Hi-Media Belgium SPRL	1 601	0	13	1 733	286
Hi-Media Portugal Lda	18	268	21	160	-
Hi-Media Deutschland AG	1 192	11	0	1 273	410
HIPI SARL	368	17	307	1 671	81
Europemission SL	-	-	-	-	-
Hi-Midia Brasil	-	-	-	-	-
Allopass Portugal	-	-	-	-	-
Hi-Media China	-	-	-	-	-
Hi-Pay SAS	1	-	-	52	-
Hi-Media Sales AB	-	143	64	562	-
Local Media	1 178	13	-	1 319	796
Hi-Media Advertising Web SL	-	130	11	34	-
Groupe Hi-media USA	-	-	-	-	-
HPME SA	-	-	-	-	-
Bonne Nouvelle Editions SARL	-	1	-	4	12
HPMP	-	-	4	-	-
Hi-media Nederland BV	-	59	-	-	-
Hi-media Network Internet España SL	1 244	36	10	1 282	196
Hi-media Italy Srl	1 468	13	11	39	112
TheBluePill	-	19	-	276	-
Allopass Scandinavia	228	-	-	-	-
Allopass Mexico SRLCV	-	8	-	-	-
Total	7 298	718	441	8 405	1 893

26.2. Current accounts

in thousands of Euros	Gross	Depreciation	Net
Hi-Media Belgium SPRL	-542	-	-542
Hi-Media Portugal Lda	-1 241	-	-1 241
Hi-Media Deutschland AG	1 752	-	1 752
Hi-Pi SARL	- 8 824	-	- 8 824
Hi-Media Brasil	278	-	278
Hi-Media Network AB		-	
Hi-Media China		-	
HI-PAY SAS	- 1 536	-	- 1 536
Hi-Media Sales AB	- 1 395	-	- 1 395
Hi-Media Advertising Web SL	1 788	-	1 788
Groupe Hi-media USA	8 091	7 226	865
HPME SA	-	-	-
Bonne Nouvelle Editions SARL	84	-	84
HPMP	-117	-	-117
Hi-media Nederland BV	1 730	-	1 730
Hi-media Ltd	300	300	-
Semilo BV	49	-	49
Local Media	522	-	522
Hi-media Network Internet España SL	22	-	22
Hi-media Italy Srl	-1 784	-	-1 784
Allopass Italia	364	-	364
Allopass Belgique	- 2 028	-	- 2 028
Hi-media Régions	82	-	82
ND Interactive	10	-	10
TheBluePill	501	-	501
Allopass Mexico SRLCV	192	-	192
New Mobil Media	336	-	336
Quantum	10	-	10
Mobvious	-281	-	-281
Total	-98	7 526	

26.3. Details of receivables related to investments

in thousands of Euros	Gross	Depreciation	Net
Hi-media Network Internet España SL	1 012	-	1 012
Hi-Media Network	1 700	1700	-
Hi-media Italy Srl	3 540		3 540
Total	6 253	1 700	4 553