

## 2015 ANNUAL RESULTS

- **After the repositioning, objective reached for the H2 EBITDA with EUR -1 MILLION**
  - A net recovery vs. 2015 H1 EBITDA with a variation of EUR +8 million
  - A clear improvement vs. 2014 H2 EBITDA with a variation of EUR +5 million
- **Return to positive EBITDA in 2016**

**Paris, 18 March 2016, 5:40 PM** – The digital advertising group HiMedia Group (Code ISIN FR0012821890 - HIM, HIM.FR), publishes its figures of the 2015 financial year, closed on 31<sup>st</sup> December.

### Main consolidated data (in millions of euros)

In €M	2015	2014 pf*	Var.	S2 2015	S2 2014 pf*	Var. S2 15 / S2 14 pf*	S1 2015	Var. S2 15 / S1 15
Sales	64.7	75.6	(10.9)	32.1	35.4	(3.3)	32.6	(0.5)
<b>Gross profit</b>	<b>19.4</b>	<b>24.1</b>	<b>(4.7)</b>	<b>13.5</b>	<b>6.8</b>	<b>6.7</b>	<b>5.9</b>	<b>7.6</b>
<b>EBITDA <sup>(1)</sup></b>	<b>(10.4)</b>	<b>(8.2)</b>	<b>(2.1)</b>	<b>(1.0)</b>	<b>(6.1)</b>	<b>5.1</b>	<b>(9.4)</b>	<b>8.4</b>
Depreciation and amortization	(1.3)	(1.8)	0.5	(0.3)	(0.9)	0.6	(1.0)	0.7
<b>Current operating profit</b>	<b>(11.6)</b>	<b>(10.0)</b>	<b>(1.6)</b>	<b>(1.2)</b>	<b>(6.9)</b>	<b>5.7</b>	<b>(10.4)</b>	<b>9.1</b>
Other non-current income and charges	(20.7)	27.2	(47.9)	(6.1)**	0.5	(6.6)	(14.6)	8.5
<b>Operating profit</b>	<b>(32.4)</b>	<b>17.1</b>	<b>(49.5)</b>	<b>(7.4)</b>	<b>(6.4)</b>	<b>(1.0)</b>	<b>(25.0)</b>	<b>17.6</b>
Financial result	(0.7)	(0.3)	(0.5)	(0.5)	(0.1)	(0.3)	(0.3)	(0.2)
Income Tax	(4.6)	(6.0)	1.4	(0.6)	(1.1)	0.4	(4.0)	3.4
<b>Net income of the consolidated companies</b>	<b>(37.8)</b>	<b>10.8</b>	<b>(48.6)</b>	<b>(8.5)</b>	<b>(7.6)</b>	<b>(0.9)</b>	<b>(29.3)</b>	<b>20.7</b>
Net income from discontinued operations	(2.5)	(5.5)	3.1	-	(2.5)	2.5	(2.5)	2.5
<b>Net income</b>	<b>(40.3)</b>	<b>5.3</b>	<b>(45.6)</b>	<b>(8.5)</b>	<b>(10.1)</b>	<b>1.6</b>	<b>(31.8)</b>	<b>23.2</b>

<sup>(1)</sup> Current operating income before allocations and reversals of depreciation, amortisation and provisions

<sup>(2)</sup> Before cost of stock options and free shares, and non-current earnings and charges

\* The pro forma data has been prepared with the historical financial statements of the HiMedia group decreased to the figures of HiPay Group consequently to its introduction in stock exchange on June 29<sup>th</sup>, 2015

\*\* including the depreciation of the HiPay Group shares for EUR 4.2 million based on the stock exchange price on December 31<sup>th</sup>, 2015

Commenting on the results of 2015, Cyril Zimmermann, Chief Executive Officer of HiMedia Group, stated: *“There were two very distinct periods in 2015, with a first half of the year being impacted by the major restructuring of our traditional advertising activity in a context of a strategic repositioning, and a second half of the year showing a 130% rebound of the gross profit and a progressive return to a positive EBITDA in 2016. The company is succeeding its repositioning.”*

## 2015 OVERVIEW AND BUSINESS ANALYSIS

In €M	2015	2014 pf*	S2 2015	S2 2014 pf*	S1 2015
Sales	64.7	75.6	32.1	35.4	32.6
Gross profit	19.4	24.1	13.5	6.8	5.9
Gross profit rate (%)	30%	32%	42%	19%	18%

### Return to positive EBITDA in 2016

During the summer, the company has decided to stop certain unprofitable activities and to concentrate on the ones offering real potential growth without risks related to minimum guaranteed contracts. The revenue of the second half of the year is established to EUR 32.1 million.

### Very clear turnaround of the gross profit in H2 (+130%)

This reorientation is part of an effort to improve the margins, as the company having returned to a gross profit rate above 40% which takes into account the recognition in Sweden of the only net margin in turnover for the main part of the business (this 85% margin activity serves to weight the overall increase). The activity is therefore stabilised and freed from the weight of the minimums guaranteed that were previously burdening the gross margin.

### Controlled costs and clear EBITDA improvement

Otherwise the company controlled its other operating costs and notably its payroll charges in an effort to limit its EBITDA losses to under EUR 1 million in H2 2015, with the objective being to return to a positive EBITDA in 2016.

## **ANALYSIS OF THE INCOME STATEMENT**

In 2015, the Group generated a consolidated turnover of EUR 64.7 million with a gross profit of EUR 19.4 million (EUR 5.9 million in H1 and EUR 13.5 million in H2). The gross profit rate was equal to 18% in H1 and 42% in H2, giving an average of 30% for 2015.

Operating expenses (purchases and personnel expenses) declined by EUR 2.6 million over the year, as a result of the savings policy implemented by the Group. Low gross margin of the first semester impacted by the cost of the minimum guaranteed explains the most of the EBITDA losses of EUR -9.4 million in the first half of the year. Released of its costs, the losses of EBITDA decrease to EUR -1 million in the second half of the year.

Depreciation and amortization fell by EUR 0.5 million to a level of EUR 1.3 million with the close of the heavy investment cycle carried out by the Group. As such, the Group's current operating income amounted to EUR -11.6 million.

In 2015, the company posted several non-recurring elements that were equal to EUR 20.7 million, primarily consisting of the depreciation of assets linked to last summer's decision to go ahead with the strategic reorientation and the depreciation of the HiPay Group shares for EUR 4.2 million based on the stock exchange price on December 31<sup>th</sup>, 2015.

The financial result stood at EUR -0.7 million while the tax expense amounts was EUR 4.6 million after the depreciation of deferred tax assets in the overall amount of EUR 3.6 million.

After consideration of the minority interests and of the result from the discontinued activities of EUR -2.5 million, the net earnings of the consolidated companies were equal to EUR -40.3 million.

## **FINANCIAL SITUATION**

The Group finished the 2015 financial year with a cash situation of EUR 7.4 million. The company also has approximately EUR 9 million of liquid assets established mainly constituted by its 20 % participation in the company HiPay Group listed on Eurolist, which has recently published results in strong progress.

## **2016 PERSPECTIVES**

The repositioning of the company allows to release in 2016 a pole of activity in strong development on local advertising and native advertising and a restructured pole of traditional advertising activity which can be the object of a strategic reflection.

The company confirms its objective to return to a positive EBITDA in 2016.

Closed by the Hi-Media SA board of directors on 15 March 2016, the annual and consolidated financial statements have been audited and the corresponding certification report is being prepared. The annual report on the financial statements closed on 31 December 2015 will be available on the Company's Internet site in the legal deadline, at the address [www.himediagroup.com](http://www.himediagroup.com) under the "Investors" heading.

**About HiMedia:**

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

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

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

For more information: [www.himediagroup.com/himedia](http://www.himediagroup.com/himedia)

Follow us on Twitter: @himedia

LinkedIn: [www.linkedin.com/company/himediagroup](http://www.linkedin.com/company/himediagroup)

**Next financial communication:** April 27<sup>th</sup> 2016 after market opening – 2016 Q1 sales figures

*This press release does not constitute an offer to sell, or a solicitation of an offer to buy Hi-Media shares. If you wish to obtain more complete information about HiMedia Group, please refer to our Internet site <http://www.himediagroup.com>, under the Investors heading.*

*This press release may contain some forward-looking statements. Although HiMedia Group considers that these statements are based on reasonable hypotheses on the publication date of this release, they are by their very nature subject to risks and uncertainties that could cause the actual results to differ from those indicated or projected in these statements. HiMedia Group operates in a continually changing environment and new risks could potentially emerge. HiMedia Group assumes no obligation to update these forward-looking statements, whether to reflect new information, future events or other circumstances.*

---

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2015 AND 2014 FINANCIAL YEARS**

<i>in thousands of Euros</i>	<b>31 Dec.2015</b>	<b>31 Dec.2014 <sup>(1)</sup></b>
Sales	64 744	75 623
Charges invoiced by the media	- 45 373	- 51 561
<b>Gross profit</b>	<b>19 371</b>	<b>24 062</b>
Purchases	- 11 313	- 13 148
Payroll charges	- 18 423	- 19 143
<b>EBITDA</b>	<b>- 10 364</b>	<b>- 8 229</b>
Depreciation and amortization	- 1 276	- 1 764
<b>Current operating profit</b>	<b>- 11 640</b>	<b>- 9 994</b>
Stock based compensation	- 65	- 81
Other non-current income and charges	- 20 678	27 178
<b>Operating profit</b>	<b>- 32 384</b>	<b>17 102</b>
Cost of indebtedness	- 110	- 418
Other financial income and charges	- 616	161
<b>Earning of the consolidated companies</b>	<b>- 33 109</b>	<b>16 845</b>
Share in the earnings of the companies treated on an equity basis	- 62	8
<b>Earnings before tax of the consolidated companies</b>	<b>- 33 171</b>	<b>16 853</b>
Income Tax	- 4 638	- 6 024
<b>Net income of the consolidated companies</b>	<b>- 37 809</b>	<b>10 829</b>
Net income from discontinued operations	- 2 473	- 5 544
<b>Net income</b>	<b>- 40 283</b>	<b>5 285</b>
Including minority interests	415	442
Minority interests from discontinued operations	208	- 533
<b>Including Group share</b>	<b>- 39 660</b>	<b>5 194</b>

	<b>31 Dec.2015</b>	<b>31 Dec.2014 <sup>(1)</sup></b>
Weighted average number of ordinary shares	2 959 558	44 544 882
Earnings per share, Group share (in euro)	-13.40	0.01
Weighted average number of ordinary shares (diluted)	2 959 558	44 941 314
Diluted earnings per share, Group share (in euro)	-13.40	0.01

<sup>(1)</sup>The financial statements at 31 December 2014 have been prepared with the historical financial statements of Hi Media Group decreased to the combined financial statements of HiPay group established in accordance with the accounting policies presented in the notes to the combined financial statements of HiPay Group. The combined financial statements are presented in the IPO prospectus approved June 2, 2015 by the AMF.

**CONSOLIDATED BALANCE SHEETS ON 31 DECEMBER 2015 AND 31 DECEMBER 2014**

<b>ASSETS - in thousands of euros</b>	<b>31 Dec.2015</b>	<b>31 dec.2014</b>
Net Goodwill	20 860	86 447
Net intangible fixed assets	1 967	7 720
Net tangible fixed assets	1 533	1 382
Deferred tax credits	69	3 332
Other financial assets	10 348	822
<b>Non-current assets</b>	<b>34 777</b>	<b>99 703</b>
Customers and other debtors	36 506	57 242
Other current assets	13 804	28 082
Current financial assets	14	13
Cash and cash equivalents	7 434	48 733
Assets held for sale and discontinued operations	640	716
<b>Current assets</b>	<b>58 397</b>	<b>134 786</b>
<b>TOTAL ASSETS</b>	<b>93 174</b>	<b>234 489</b>

<b>LIABILITIES - in thousands of euros</b>	<b>31 Dec.2015</b>	<b>31 dec.2014</b>
Share capital	4 439	4 525
Premiums on issue and on conveyance	84 274	128 992
Reserves and retained earnings	- 22 694	- 18 626
Treasury shares	- 4 314	- 6 646
Consolidated net income (Group share)	- 39 660	5 194
<b>Shareholders' equity (Group share)</b>	<b>22 045</b>	<b>113 439</b>
Minority interests	- 70	676
<b>Shareholders' equity</b>	<b>21 975</b>	<b>114 115</b>
Long-term borrowings and financial liabilities	2 292	2 263
Non-current Provisions	753	835
Non-current liabilities	-	-
Deferred tax liabilities	646	74
<b>Non-current liabilities</b>	<b>3 691</b>	<b>3 172</b>
Short-term financial liabilities and bank overdrafts	- 0	- 0
Current provisions	-	-
Suppliers and other creditors	53 647	91 228
Other current debts and liabilities	13 861	25 974
<b>Current liabilities</b>	<b>67 508</b>	<b>117 202</b>
<b>TOTAL LIABILITIES</b>	<b>93 174</b>	<b>234 489</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR FINANCIAL YEARS 2015 AND 2014**

in thousands of euros	31 dec.2015	31 Dec.2014
Net income	-40 283	5 285
<i>Ajustments for :</i>	-	-
Depreciation of the fixed assets	1 469	5 848
Value losses	21 528	15 247
Other non-current without impact on the cash	-3 174	6 081
Cost of net financial indebtedness	110	1 201
Share in associated companies	62	2 596
Net income on disposals of fixed assets	590	-55 495
Cash flow from discontinued operations	-2 485	-
Cash flow from business to be divested	-	-
Costs of payments based on shares	34	81
Tax charge or proceeds	4 638	7 011
Operating profit before variation of the operating capital need	-17 511	-12 144
Variation of the operating capital need	1 290	897
Cash flow coming from operating activities	-16 221	-11 247
Interest paid	-81	-1 152
Tax on earnings paid	-360	-747
<b>NET CASH FLOW RESULTING FROM OPERATING ACTIVITIES</b>	<b>-16 662</b>	<b>-13 145</b>
Income from disposals of fixed assets	-	-
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	-2 062	-98
Acquisition of fixed assets	-3 071	-4 194
Variation of financial assets	-917	-7
Variation of suppliers of fixed assets	-570	515
Effect of the perimeter variations	-14 140	-
<b>NET CASH FLOW COMING FROM INVESTMENT ACTIVITIES</b>	<b>-20 761</b>	<b>79 615</b>
Proceeds from share issues	170	13
Redemption of own shares	-	-4 378
New borrowings	28	2 292
Repayments of borrowings	-	-21 572
Other financial liabilities variation	-3 768	-4 080
Dividends paid to minority interests	-234	-234
<b>NET CASH FLOW COMING FROM FINANCING ACTIVITIES</b>	<b>-3 804</b>	<b>-27 959</b>
Effect of exchange rate variations	-73	17
<b>NET VARIATION OF CASH AND OF CASH EQUIVALENTS</b>	<b>-41 300</b>	<b>38 527</b>
Cash and cash equivalents on January 1 <sup>st</sup>	48 733	10 207
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>7 434</b>	<b>48 733</b>