

**STRONG MOMENTUM IN GROWTH ACTIVITIES AND
CONFIRMATION OF POSITIVE EBITDA IN 2016**

**CONSOLIDATED REVENUE EXPECTED TO RETURN TO
GROWTH IN 2017**

HIMEDIA TO BECOME ADUX



advertising & user experience

Paris, 8 November 2016, 5:40 p.m. – Digital marketing specialist HiMedia Group (ISIN code: FR0012821890 – HIM, HIM.FR) has published its revenue for the third quarter of 2016.

- **Momentum maintained in growth activities ⁽¹⁾ (local, native, North America)**
 - Business stabilised in third-quarter 2016 for the first time in 18 months, with a modest 3% decline in revenue and a slight 1% increase in margin compared with the prior-year period
 - Revenue from growth activities rose by 61% year-on-year in the third quarter to represent 56% of total revenue
- **Confirmation of the recovery in the Group's operating results in the third quarter and of its EBITDA ⁽²⁾ objectives for full-year 2016**
 - EBITDA : -€0.7m in third-quarter 2016 versus -€1.6m in third-quarter 2015
 - Confirmation of positive EBITDA for full-year 2016
- **2017 outlook: return to growth in consolidated revenue**
- **New trade name and assertion of positioning in response to online advertising challenges: AdUX**, a contraction of *effective Advertising (Ad) and respect for the User Experience (UX)*

⁽¹⁾ Growth activities correspond to native and local advertising (or community advertising for Spanish speakers in the United States) including the Admove, Local Media, Himedia Sweden, Latam Digital Ventures and Quantum subsidiaries.

⁽²⁾ Earnings before interest, tax, depreciation and amortisation.

Commenting on the Group's third-quarter revenue, Cyril Zimmermann, Chairman and Chief Executive Officer of HiMedia Group, said: "Revenue and margin stabilisation in the third quarter conclude the reorganization and repositioning of the group, this period included a sharp contraction of the activities the last two years. We now intend to return to growth by leveraging our international presence and the advertising platforms that we have launched in the last two years. These platforms were designed precisely to respond to the challenge currently facing the digital advertising market, namely how to reconcile effective advertising and respect for the user experience (UX). With this in mind, the Company is changing its name to AdUX and starting a new page in its development."

THIRD-QUARTER 2016 RESULTS

	(€m)	Q3 2016 ⁽³⁾	Q3 2015	Var.
Group	Revenue	12,3	12,6	-3%
	Gross margin	5,3	5,3	+1%
	EBITDA ⁽²⁾	(0,7)	(1,6)	+54%

	(€m)	Q3 2016 ⁽³⁾	Q3 2015	Var.
Growth businesses ⁽¹⁾	Revenue	6,8	4,2	+61%
	Gross margin	3,1	2,0	+54%
	EBITDA ⁽²⁾	(0,3)	(0,4)	+31%

Traditional advertising activities	Revenue	5,4	8,4	-35%
	Gross margin	2,3	3,3	-31%
	EBITDA ⁽²⁾	(0,4)	(1,2)	+62%

MOMENTUM MAINTAINED IN GROWTH ACTIVITIES IN THE THIRD QUARTER

Consolidated revenue amounted to €12.3 million in the third quarter of 2016, down 3% on the prior-year period, while gross margin widened by 1% year-on-year to €5.3 million, reflecting a stabilisation in business. Growth activities continued to expand rapidly in the period, rising 61% to €6.8 million, thus representing 56% of consolidated revenue. Revenue from traditional advertising activities, which are more sensitive to the unfavourable seasonal effect of the summer months, declined by 35% to €5.4 million, but is expected to stabilise in 2017.

⁽³⁾ Based on non audited financial statements on 30th September 2016.

CONFIRMATION OF POSITIVE EBITDA FOR FULL-YEAR 2016

The Company pushed ahead with its cost-containment measures against a backdrop of weak demand over the summer months, reducing expenses on annual basis by more than €3.5 million. This led to a significant improvement in third-quarter EBITDA, which rose from a negative €1.6 million in third-quarter 2015 to a negative €0.7 million in third-quarter 2016. After rising to a positive €0.3 million in the first half on the back of more favourable seasonal effects, aggregate EBITDA came to a negative €0.4 million for the first nine months of the year.

The high business volumes of the last three months of the year are expected to bring EBITDA well into positive territory in the fourth quarter (as was the case in fourth-quarter 2015, when EBITDA totalled a positive €0.6 million), thereby resulting in positive EBITDA for the full-year period as announced.

OUTLOOK FOR REVENUE GROWTH IN 2017

The Group expects consolidated revenue to expand in 2017, driven by sustained momentum in growth activities and a more modest contraction in traditional activities. Given the measures taken to improve margins, the Group also expects to achieve EBITDA growth in full-year 2017.

FINANCIAL STRUCTURE

The Company has the financial resources needed to ensure its development, with a cash position of €4.1 million and a transferable equity interest in HiPay valued at €4 million as at 30 September 2016.

HIMEDIA TO CHANGE ITS NAME TO ADUX

In response to changes in the marketing market, notably the ramp-up of adblocks, and the rejection of certain forms of intrusive advertising, HiMedia has built a new offering around three solutions:

- unintrusive native advertising
- geolocalised advertising, which offers an immediately noticeable consumer benefit
- user engagement solutions, such as brand content, special operations and opt-in email marketing

In line with this strategy, HiMedia is changing its name to AdUX, a contraction of Advertising and User Experience.

A proposal to align the Company's corporate name with this new trade name will be submitted for approval at the next Shareholders' Meeting.

Investor calendar:

- **Investor Day on 9 November (9:30 a.m.) at HiMedia/AdUX headquarters**
- 2016 revenue on 9 February 2017



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About HiMedia Group:

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

With operations in six European countries, the United States and Latin America, the Group reported revenue of €65 million in 2015.

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

For more information, visit: www.himediagroup.com/himedia and infofin@hi-media.com

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