

Hi-Media : Positive Signals in a Difficult Market Environment

- **Q3 proforma sales : 42.8 million euros (- 11%)**
 - **Advertising:**
 - Activity impacted by the European market downturn
 - Sustained growth of the automated market place, Hi-Media Ad-eXchange
 - Sustained growth of the online video advertising offer
 - **Payments:**
 - Continued growth of the transactions volume
- **Improvement of the Group gross margin at 33%**
- **Recent developments :**
 - **Advertising:** Exclusive contract with Aufeminin and Marmiton for monetizing video content across Europe
 - **Payments:** New contracts in the online video game industry and with the Marie-Claire news group. Implementation of a new method of Payment in Brazil

Paris, November 6, 2012, 5.40 PM – The online media group Hi-Media (ISIN code FR0000075988 - HIM, HIM.FR), one of the European leaders in Internet audience monetization, releases its business report for the third quarter of 2012.

Main Consolidated Data (in millions euros)

	Q3 2012	Q3 2011	Q3 Variation
Pro forma Sales			
Advertising	18.3	20.3	-10%
Payments gross sales	92.6	85.6	+8%
Payments	24.5	27.5	-11%
Total	42.8	47.8	-11%

	Q3 2012	Q3 2011	Q3 Variation
Pro forma gross profit¹			
Advertising	8.0	9.0	-11%
Payments	6.0	6.2	-3%
Total	14.0	15.2	-8%

Regarding the figures for the third quarter of 2012, Cyril Zimmermann, Founder and Chief Executive Officer of the Hi-Media Group, indicates: **« Once more, over the third quarter of 2012, the online advertising and e-commerce markets have been negatively impacted by the increasingly depressed business environment. Nevertheless we tend to see a slight upturn**

¹ Including 100% gross margin generated on owned & operated websites

in our advertising activities thanks to our automated market place, Hi-Media Ad-eXchange. With respect to our online payments activity, mobile payments did post a slowdown during Q3 whereas our banking solutions continue to grow on a sustained pace. These various situations make us believe that this current inflexion point his pre-announcing an activity rebound that should come soon. »

ANALYSIS OF THE ACTIVITY

Hi-Media ADVERTISING

	Q3 2012	Q3 2011	Published Var.	Proforma Var.
Sales (€M) ²	18.3	22.2	-18%	-10%
Gross profit (€M) ²	8.1	9.8	-17%	-11%
Gross margin (%) ²	44%	44%	-	-

² According to the IFRS international accounting standards, in certain cases, the company books the gross volume of the sales of advertising spaces, while in other cases, it books the gross profit generated on the sale of spaces (notably in Sweden and on the Group's proprietary sites).

After a difficult beginning of the year in Southern Europe, it is the entire European continent that currently encounters a slowdown or a decrease in online advertising investments. Within the Group, the northern countries, though, continue to post better performances than the average.

With 18.3 million euros in sales, Hi-Media did register lower contraction of its activity during the third quarter of 2012 compared to the previous quarter and this current trend seems to be also confirmed for the fourth quarter. This improvement is mainly explained by the continued growth posted by the automated market place, Hi-Media Ad-eXchange.

Over 10,000 advertisers across the world did make some advertising investments on the Group market place in September. Thus, one year after its launch, the automated buy and sell advertising transactions through the platform already represent more than 10% of the total European advertising activity of the Group during the month of September. This contribution of the total advertising sales should increase on a sustained pace and this trend will be accompany by numerous technological innovations to be released.

Moreover, Hi-Media just signed an exclusive contract with Aufeminin and Marmiton over five European countries (France, Germany, Belgium, Italy and Spain) in order to monetize its video content which represents more than 20 million video streams per month. The partnership will start in November 1, 2012 for France and in January 2013 for the remaining countries.

The Advertising activity gross margin remains stable over the period compared to 2011 (the third quarter being traditionally impacted by an unfavorable seasonality) despite the current market contraction.

Hi-Media PAYMENTS

	Q3 2012	Q3 2011	Published Var.	Proforma Var.
Gross sales (€M) ³	92.6	85.6	-	+8%
Sales (€M) ³	24.5	31.9	-23%	-11%
Gross profit (€M) ³	6.0	7.3	-18%	-3 %
Gross margin (%) ³	25%	23%	+2 pt	+2 pts

³ According to the IFRS international accounting standards the company books the gross volume of transactions in certain cases and only the gross profit on transactions in other cases (notably within the framework of banking payment activities).

Over the third quarter of 2012, the banking solutions did post a continued strong growth whereas the micropayment methods (especially mobile payment) encountered a slowdown due to the summer period and the depressed economic environment.

Thus, in proforma figures (restated from the activities terminated as of end of 2011), the transaction gross sales that went through Hi-Media's platform increased by 8% and the net sales decreased by 11%.

This evolution of the mix product positively impacted the gross margin of the activity which improves by two points at 25% compared to the third quarter of 2011.

The Group continues to consolidate its leadership in the online video games universe with the recent signatures of Feerik and Goodgame Studios that respectively have more than 15 million and 93 million registered users across the world. In parallel, Hi-Media pursues its offensive in the online news and press industry with the signature of the Marie-Claire Group that joins a large group of players of the industry (EIG epresse, l'Equipe, Le Parisien ...). In an ongoing mutation sector, Hi-Media positions itself as a proposition and innovation leader towards online news and press publishers that seek for new growth drivers to complement their current business model.

Moreover, the Group continues to strengthen its method of payments and its international expansion, with the signature and implementation of the Brazilian solution, Boleto Bancario, currently used by more than 50%² of the Brazilian population.

As in the Advertising activity, the trend in Payments is improving at the beginning of the fourth quarter. Furthermore, the Group currently prepares the launch of new payment services for the end of the year.

PERSPECTIVES

Despite a difficult market environment, the end of the year should yet demonstrate an activity improvement at the Group level.

Thanks to its automated ad market place strong performances and the growth of the banking payment activity, the Group is confident towards the perspectives offered by its two technological platforms dedicated to Advertising and Payments and foresees a growth cycle upturn in 2013.

² Source : CARDMONITOR, July 2012

About the Hi-media Group

Hi-Media is one of the leading European digital media groups. Its economic model is based on two revenue sources: online advertising via Hi-Media Advertising and content monetization via Hi-Media Payments. Present in 9 European countries, the group employs approximately 470 people and generated sales of 230 million euros in 2011.

Independent since its creation in 1996, the company is listed in the NYSE Euronext Paris compartment C, and is included in the CAC Small and CAC All-Tradable indices.

ISIN code: FR 0000075988 / Trading symbol: HIM

More information on www.hi-media.com and on our blog <http://blog.hi-media.com/>

Financial communication: Fourth quarter 2012 sales information: January 24, 2012, after the market closing.

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