

Mediagrif Announces Results of its Third Quarter of Fiscal 2014 and Declares Quarterly Dividend

Third quarter highlights:

- Acquisition of Réseau Contact completed on November 29, 2013.
- Revenues increased 10% to reach \$16.4 million.
- Adjusted EBITDA¹ of \$6.1 million (including non recurring expenses of \$0.3 million) compared to \$6.2 million.
- Profit of \$3.0 million (\$0.19 per share), compared to \$3.5 million (\$0.24 per share).

Quarterly dividend:

- Declaration of a quarterly dividend of \$0.10 per share payable on April 15, 2014 to shareholders of record on April 1st, 2014.

Longueuil, Canada, February 11, 2014 – Mediagrif Interactive Technologies Inc. (TSX: MDF), a world-leading operator of e-commerce solutions, today announced its financial results for the third quarter of fiscal 2014. Unless indicated otherwise, all amounts are in Canadian dollars.

SUMMARY OF CONSOLIDATED RESULTS

in thousands of Canadian dollars, except for numbers related to shares. unaudited and not reviewed by independent auditors.	Three months ended December 31,		Nine months ended December 31,	
	2013	2012 (restated)	2013	2012 (restated)
	\$	\$	\$	\$
Revenues	16,427	14,970	48,080	45,702
Adjusted EBITDA¹	6,072	6,174	17,564	18,806
Operating profit	4,144	4,863	12,420	14,832
Profit for the period	3,010	3,475	8,743	10,537
Earnings per share (basic & diluted)	0.19	0.24	0.55	0.75
Weighted average number of shares outstanding (in thousands)				
- Basic	15,834	14,356	15,834	13,964
- Diluted	15,834	14,374	15,834	13,995

¹ See reconciliation of adjusted EBITDA and profit.

The profit analysis takes into consideration the impact of the acquisitions of Jobboom and Réseau Contact completed respectively on June 1, 2013 and November 29, 2013.

THIRD QUARTER ENDED DECEMBER 31, 2013

For the third quarter of fiscal 2014, revenues increased by \$1.5 million when compared to the third quarter of fiscal 2013 to reach \$16.4 million.

During the third quarter, Jobboom and Réseau Contact services were used for an amount of \$2.9 million. However, of that amount, only \$2.4 million is included in revenues in the quarter due to the adjustment made to recognize the fair value of deferred revenues in the purchase price allocation.

The addition of revenues from Jobboom and Réseau Contact combined with the increase in revenues of InterTrade Systems, LesPAC and BidNet amounting to \$0.5 million during the third quarter were partly offset by a \$1.0 million decrease in the business network of MERX and by a decrease in the business networks of The Broker Forum, Market Velocity and Power Source OnLine for a total amount of \$0.6 million. The decrease in the business network of MERX is primarily due to the non-renewal of the contractual agreement with Public Works and Government Services Canada ("PWGSC"), which expired on May 31, 2013.

Total operating expenses for the third quarter of fiscal 2014, including cost of revenues, totaled \$12.3 million, compared to \$10.1 million for the third quarter of fiscal 2013. The increase in operating expenses is mainly due to the addition of Jobboom and Réseau Contact activities for \$1.8 million (including additional amortization of the acquired intangible assets of \$0.6 million), termination benefits and increases in workforce and expenses related to advertising campaigns.

Adjusted EBITDA totaled \$6.1 million or 37.0% of revenues compared to \$6.2 million or 41.2% of revenues during the same quarter of fiscal 2013.

Profit reached \$3.0 million (\$0.19 per share), compared to \$3.5 million (\$0.24 per share) during the third quarter of fiscal 2013.

NINE MONTHS ENDED DECEMBER 31, 2013

Revenues for the first nine months of fiscal 2014 reached \$48.1 million, an increase of 5.2% or \$2.4 million when compared to revenues of \$45.7 million recorded in the first nine months of fiscal 2013.

During the first nine months of fiscal 2014, Jobboom and Réseau Contact services were used for an amount of \$6.6 million. However, of that amount, only \$5.0 million is included in revenues in the period due to the adjustment made to recognize the fair value of deferred revenues in the purchase price allocation.

The addition of revenues from Jobboom and Réseau Contact combined with the increase in revenues of LesPAC, InterTrade Systems and BidNet amounting to \$1.8 million during the first nine months of fiscal 2014 were partly offset by a \$2.3 million decrease in the business network of MERX and by a decrease in the business networks of The Broker Forum, Market Velocity and Power Source OnLine as well as lower revenues from software development for a total amount of \$2.2 million. The decrease in the business network MERX is primarily due to the non-renewal of the contractual agreement with Public Works and Government Services Canada ("PWGSC"), which expired on May 31, 2013.

Total operating expenses for the first nine months of fiscal 2014, including cost of revenues, totaled \$35.7 million, compared to \$30.9 million for corresponding period of fiscal 2013. The increase in operating expenses is mainly due to the addition of Jobboom and Réseau Contact activities for \$4.0 million

(including additional amortization of the acquired intangible assets of \$1.4 million), acquisition costs of \$0.3 million and termination benefits and also an increase in workforce, partially offset by additional tax credits.

Adjusted EBITDA totaled \$17.6 million or 36.5% of revenues compared to \$18.8 million or 41.1% of revenues during the first nine months of fiscal 2013.

Profit reached \$8.7 million (\$0.55 per share), compared to \$10.5 million (\$0.75 per share) during the first nine months of fiscal 2013.

CASH FLOW AND FINANCIAL POSITION

During the third quarter of fiscal 2014, the Company used \$7.5 million of its revolving credit facility in order to finance the acquisition of Réseau Contact. Also, during that same quarter, cash flows generated by operating activities reached \$4.7 million, compared to \$5.1 million in the third quarter of fiscal 2013. The Company used a portion of these funds to repay an amount of \$2.8 million on the revolving credit facility.

For the first nine months of fiscal 2014, the Company used \$56.0 million of its revolving credit facility to finance the acquisition of Jobboom and Réseau Contact. During that same period, cash flows generated by operating activities reached \$14.8 million, compared to \$12.5 million in the first nine months of fiscal 2013. The Company used a portion of these funds to repay an amount of \$13.4 million on the revolving credit facility.

As at December 31, 2013, the Company had \$7.0 million of cash and cash equivalents and \$17.4 million available on its revolving credit facility of \$60.0 million.

QUARTERLY DIVIDEND

The Board of Directors of Mediagrif declared a quarterly dividend of \$0.10 per share payable on April 15, 2014, to shareholders of record on April 1, 2014.

RECONCILIATION OF ADJUSTED EBITDA AND PROFIT

Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, foreign exchange gain (loss) and other revenues (loss) as historically calculated by the Company. The Company modified the terminology used to comply with regulatory requirements.

	Three months ended		Nine months ended	
	December 31		December 31	
	2013	2012	2013	2012
In thousands of Canadian dollars		(restated)		(restated)
Unaudited and not reviewed by independent auditors	\$	\$	\$	\$
Profit	3,010	3,475	8,743	10,537
Income tax expense recognized in profit	1,110	1,184	3,339	3,386
Depreciation of property, plant and equipment and amortization of intangible assets	332	275	856	874
Amortization of acquired intangible assets	1,622	1,030	4,332	3,020
Amortization of deferred financing costs	48	42	143	124
Amortization of deferred lease inducement	(31)	(30)	(92)	(91)
Interest on long-term debt and interest income, net amount	314	211	721	715
Foreign exchange loss (gain)	(338)	(72)	(483)	76
Other expenses	5	59	5	165
Adjusted EBITDA	6,072	6,174	17,564	18,806

About Mediagrif Interactive Technologies Inc.

[Mediagrif Interactive Technologies Inc.](http://www.mediagrif.com) (TSX: MDF) delivers innovative e-commerce solutions since 1996. Its web platforms enable clients to find, purchase and sell products, exchange information, gain access to business opportunities and manage supply chain collaboration with greater speed and efficiency. The Company provides e-commerce solutions in the fields of electronic components, computer equipment and telecommunications, medical equipment, automotive aftermarket, wine and spirits, diamonds and jewelry, classified ads, recruitment and career services, online dating, supply chain collaboration and government opportunities. Mediagrif has its headquarters in Longueuil and has offices in North America and Asia. For more information, please visit us at www.mediagrif.com or call 1 877 677-9088.

In addition to providing profit measures in accordance with IFRS, the Company shows operating profit and earnings before interest, taxes, depreciation, amortization, foreign exchange gain (loss) and other revenues (expenses) ("Adjusted EBITDA") as supplementary earnings measures. Operating profit and adjusted EBITDA are not intended to be measures that should be regarded as an alternative to other financial operating performance measures prepared in accordance with IFRS. Those measures do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies.

This press release contains certain forward-looking statements with respect to the Company. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by these forward-looking statements. We consider the assumptions on which these forward-looking statements are based to be reasonable, but caution the reader that these assumptions regarding future events, many of which are beyond our control, may ultimately prove to be incorrect since they are subject to risks and uncertainties that affect us. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a

result of new information, future events or otherwise, except as required by applicable securities legislation. Unless otherwise indicated, all amounts are in Canadian dollars.

Unaudited condensed consolidated interim financial statements, accompanying notes and MD&A are available on www.mediagrif.com and have been filed with SEDAR at the following address: www.sedar.com.

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For further information:

Mediagrif InteractiveTechnologies Inc.

Claude Roy
President and Chief Executive Officer
Tel.: 450-449-0102 ext. 2004
Toll Free: 1 877 677-9088 ext. 2004
Email: croy@mediagrif.com

Paul Bourque
Chief Financial Officer
Tel.: 450-449-0102, ext: 2135
Toll Free: 1 877 677-9088 ext. 2135
Email: pbourque@mediagrif.com