

Mediagrif posts increased revenue & profit for the third quarter of fiscal 2016

Third quarter highlights:

- Revenue increased 6% to reach \$18.5 million.
- Adjusted EBITDA¹ reached \$8.0 million or 43% of revenue.
- Profit of \$4.9 million (\$0.32 per share), compared to \$4.1 million (\$0.26 per share).
- Cash flows from operations totaled \$7.1 million.

Quarterly dividend:

- Declaration of a quarterly dividend of \$0.10 per share payable on April 15, 2016 to shareholders of record on April 1, 2016.

Longueuil, Canada, February 9, 2016 – Mediagrif Interactive Technologies Inc. (TSX: MDF), a Canadian leader in information technology, today announced its financial results for the third quarter of fiscal 2016. Unless indicated otherwise, all amounts are in Canadian dollars.

SUMMARY OF CONSOLIDATED RESULTS

In thousands of Canadian dollars, except per share amounts. Unaudited and not reviewed by independent auditors.	Three months ended		Nine months ended	
	December 31,		December 31,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Revenue	18,541	17,537	54,203	52,780
Adjusted EBITDA¹	8,003	7,003	22,020	20,759
Operating profit	6,619	5,397	17,853	15,487
Profit for the period	4,851	4,056	13,360	11,050
Earnings per share (basic and diluted)	0.32	0.26	0.88	0.70
Weighted average number of shares outstanding (in thousands) - Basic and diluted	15,011	15,670	15,187	15,767
Number of shares outstanding at end of period – In thousands	14,999	15,542	14,999	15,542

¹ See reconciliation of adjusted EBITDA and profit.

THIRD QUARTER ENDED DECEMBER 31, 2015 (“Third quarter of fiscal 2016”)

For the third quarter of fiscal 2016, revenue increased by 6% to reach at \$18.5 million when compared to the third quarter of fiscal 2015.

During the third quarter of fiscal 2016, increase in revenue is mainly due to higher revenue from Merx, InterTrade, Market Velocity, BidNet and Réseau Contact for a total amount of \$0.8 million. Moreover, fluctuations in the Canadian dollar against the U.S. dollar, combined with hedges in place, generated a positive impact on revenue of \$0.8 million during the third quarter of fiscal 2016.

These increases were partly offset by a decrease in the revenue of The Broker Forum, Power Source OnLine and Jobboom for a total amount of \$0.6 million.

Total operating expenses for the third quarter of fiscal 2016, including the cost of revenue, totaled \$11.9 million compared to \$12.1 million for the third quarter of fiscal 2015.

The decrease in operating expenses is mainly due to the recording of additional tax credits of an amount of \$0.6 million, including some that were related to previous periods, and to the impact of new legislation. Moreover, the Company benefited of a favorable retroactive adjustment on commissions paid related to an advertising agreement for a total amount of \$0.3 million and a decrease in amortization expense of \$0.2 million.

This decrease was partly offset by an increase in labor costs of \$0.5 million, mainly due to the conversion of these costs to Canadian dollars, to a provision for a legislative contingency of \$0.2 million and to higher licence fees of \$0.1 million.

Adjusted EBITDA totaled \$8.0 million or 43% of revenue in the third quarter of fiscal 2016 compared to \$7.0 million or 40% of revenue during the same quarter of fiscal 2015.

Profit reached \$4.9 million (\$0.32 per share), compared to \$4.1 million (\$0.26 per share) during the third quarter of fiscal 2015. Profit for the third quarter of fiscal 2016 includes a foreign exchange gain on assets denominated in U.S. dollars of \$0.5 million compared to a \$0.3 million gain recorded in the corresponding quarter of 2015.

FIRST NINE MONTHS ENDED DECEMBER 31, 2015 (“First nine months of fiscal 2016”)

Revenue for the first nine months of fiscal 2016 reached \$54.2 million compared to revenue of \$52.8 million recorded in the first nine months of fiscal 2015. The increase in revenue was mainly due to revenue growth at MERX, InterTrade, Market Velocity and BidNet for a total amount of \$2.1 million.

Fluctuations in the Canadian dollar against the U.S. dollar, combined with hedges in place, added \$2.2 million of revenue during the first nine months of fiscal 2016.

These increases were partly offset by a decrease in the business networks of The Broker Forum, Power Source OnLine, Polygon, Jobboom and LesPAC for a total of \$2.7 million and also by lower software development revenue for an amount of \$0.2 million.

Operating expenses for the first nine months of fiscal 2016, including cost of revenue, totaled \$36.4 million, compared to \$37.3 million for the corresponding period of fiscal 2015.

The decrease in operating expenses is mainly due to additional tax credits for an amount of \$1.2 million, to a reduction in the amortization expense in the amount of \$1.1 million and to lower commissions paid of \$0.3 million in connection with an advertising agreement. Moreover, operating expenses decreased due to the recording of additional internally developed software of an amount of \$0.5 million.

This decrease in operating expenses was partially offset by the increase in labor costs for an amount of \$1.6 million, mainly due to the conversion of these costs to Canadian dollars, by non-recurring due diligence expenses of \$0.3 million and by higher licence fees of \$0.3 million related to software acquisitions.

Adjusted EBITDA totaled \$22.0 million or 41% of revenue, compared to \$20.8 million or 39% of revenue in the first nine months of fiscal 2015.

Profit reached \$13.4 million (\$0.88 per share), compared to \$11.1 million (\$0.70 per share) during the first nine months of fiscal 2015.

RENEWAL OF THE CREDIT FACILITY

On December 18, 2015, the Company announced the renewal and amendment of its credit facility. The facility's term has been extended to December 18, 2020.

The amended credit facility provides for a maximum borrowing capacity of \$80.0 million, which shall be used for general corporate purposes including acquisitions. The agreement also provides for an accordion feature to increase the maximum borrowing capacity by \$40.0 million, subject to meeting certain criteria and obtaining additional commitments from lenders.

The facility has no scheduled principal repayments prior to maturity and contains usual representations, warranties and covenants.

CASH FLOWS AND FINANCIAL POSITION

During the first nine months of fiscal 2016, cash flows generated by operating activities reached \$16.3 million compared to \$16.9 million in the corresponding period of 2015. The Company used these funds and funds available on its credit facility to repurchase, under the normal course issuer bid in place, a total of 543,276 shares at an average price of \$16.77 per share for a total consideration of \$9.1 million.

As at December 31, 2015, the Company had \$10.4 million of cash and cash equivalents and \$51.0 million available on its revolving credit facility of \$80.0 million.

QUARTERLY DIVIDEND

The Board of Directors of Mediagrif declared a quarterly dividend of \$0.10 per share payable on April 15, 2016, to shareholders of record on April 1, 2016.

RECONCILIATION OF ADJUSTED EBITDA AND PROFIT

Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, foreign exchange gain (loss) and other revenue (expenses) as historically calculated by the Company.

In thousands of Canadian dollars Unaudited and not reviewed by independent auditors	Three months ended December 31,		Nine months ended December 31,	
	2015 \$	2014 \$	2015 \$	2014 \$
Profit	4,851	4,056	13,360	11,050
Income tax expense recognized in profit	1,966	1,380	5,025	4,041
Depreciation of property, plant and equipment and amortization of intangible assets	517	406	1,489	1,151
Amortization of acquired intangible assets	875	1,182	2,650	4,050
Amortization of deferred financing costs	-	24	-	120
Amortization of deferred lease inducement	(37)	(31)	(113)	(93)
Foreign exchange gain	(453)	(257)	(1,065)	(320)
Interest on long-term debt	223	243	617	760
Gain on disposal of property, plant and equipment	-	-	(4)	-
Loss on disposal of intangible assets	61	-	61	-
Adjusted EBITDA	8,003	7,003	22,020	20,759

ABOUT MEDIAGRIF INTERACTIVE TECHNOLOGIES INC.

[Mediagrif Interactive Technologies Inc.](http://www.mediagrif.com) (TSX: MDF) is a Canadian leader in information technology, owner of several recognized web and mobile platforms including Jobboom, LesPAC, Réseau Contact, MERX, InterTrade, Carrus and BidNet. Mediagrif's e-commerce solutions are used by millions of consumers and businesses in North America and around the world. The Company has offices in Canada, the United States and China. 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 revenue (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 expected 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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