

Regulated Information
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GoAdv Group: First Semester 2009 Results

- **Stable revenue levels in a difficult economic climate**
- **Increase in operating expenses driven by maintaining investment levels**
- **Supporting strategy to reinforce Media activities**
- **New international partnership with Google**

“In a difficult economic environment, GoAdv revenues remained stable while we continued to invest for the future and to realise the Group’s long-term strategy. By strengthening its online media position, signing an international partnership with Google, and further developing its media offerings, GoAdv enhanced the tools it needs to continue its growth. These investments are expected to quickly convert to results and we anticipate a substantial turnaround of operational margins starting in the 2nd semester of 2009.”

Luca Ascani, CEO of GoAdv

Unaudited numbers (in millions of euro)	1st semester 2008	1st semester 2009
Turnover	18,4	18,1
Operating Income	2,4	0,6
Net Income	2,2	(0,6)

GoAdv has maintained revenue levels during the first semester of 2009 compared to 2008 in a difficult economic climate, with a turnover of 18.1 million Euros, compared to 18.4 during the first semester of 2008.

Strengthening media activities and developing new products

During this period, GoAdv entered new markets and confirmed its positioning as a pure online media company. During the 1st semester of 2009, the Group continued to invest in the editorial content of Excite and BetterDeals, while restructuring their respective editorial styles in order to enhance the local production of articles. Today more than 10,000 articles are posted every month across GoAdv’s websites (Excite and BetterDeals), which will, over time, create a large volume of thematically diverse content.

GoAdv also launched its new nanopublishing project – a strong network of blogs written by local experts on a wide variety of themes: travel, technologies, services etc.

In parallel with the Group’s development of the nanopublishing offering, GoAdv acquired a portfolio of European-based Nanopublishing websites on leisure and sports in June 2009. The websites are already showing traffic growth and make full use of the collaborative features offered by web 2.0 technologies.

After just five months of the launch, the nanopublishing network – launched in all major European countries where GoAdv is present – is predicted to represent 10% to 15% of the Group's turnover, compared to only 1% of its turnover in the 1st semester of 2009.

In terms of geographical expansion, GoAdv entered into new markets during the semester, and is now also present in the USA, Australia, Brazil and Russia. Early results in these new markets are encouraging, especially considering the potential for growth with expanding Internet audiences in these territories.

1st semester 2009 Results: Key Points

GoAdv Group Operating Income decreased from €2.4 million in 2008 to €0.6 million in 2009. This result reflects the Group's commitment to continued mid-term investment in its media product portfolio particularly:

- Increasing marketing and content investment in market positioning of BetterDeals, Excite and the Nanopublishing brand of websites. Additional marketing investment was also required to expand the number of markets targeted by the group. Consequentially the gross margin eroded 6.2 points during the 1st semester 2009, from 30.4% of turnover during the 1st semester 2008 to 24.2% of turnover.
- Increased operating expenses reflect increased personnel expenditure during the semester when compared the same period last year, driven by the Group adding on average twenty additional employees when comparing the two periods. The Group also up skilled many positions to prepare for future growth and expansion.

Given the current economic climate, GoAdv took measures to optimize and reduce its overhead structure. Operating expenses decreased, driven by the consolidation of offices in Rome following the finalisation of integrating Excite. Administrative and financial expenses were reduced by bringing various activities in-house and continuing ongoing cost reviews. These savings will also be realised in the second semester results.

Finally, the profit and loss account reflects the increase in depreciation and amortisation charges due to the capitalisation of product development projects throughout 2008, particularly within the Excite media group.

The total Operating Income remains positive, down from 13.0% of turnover in the 1st semester of 2008 to 3.4% in the 1st semester of 2009.

GoAdv's financial result, a charge of 0.9 million Euros, was impacted by the financial expenses attributable to the mid-2008 convertible bond financing and other foreign exchange losses. During the same period, the Group suffered from lower interest income on its short-term investments.

GoAdv's Net Income at the end of the 1st semester of 2009 is therefore a loss of 0.6 million euros, down from a profit of 2.2 million euros during the 1st semester of 2008.

GoAdv strengthened its Balance Sheet position with an available cash level of 17.0 million euros on June 30, 2009, up 5 million euros from 12.0 million euros on December 31, 2008. This evolution is the result of a skilful management of the Group's treasury cash flows (working capital management) despite reduced operational profitability. GoAdv thus has the necessary cash resources to support its external growth strategy.

In addition to these financial results, it should be remembered that following the purchase of LeGuide.com shares and GoAdv's contractual share and cash offer on this company, GoAdv has acquired 24,114 LeGuide.com shares, in addition to those previously acquired on the

open market. On June 30th 2009, GoAdv held 12.5% of LeGuide.com's capital and was its largest shareholder. GoAdv's own shares were transferred from Class E (private investment) to Class E1 (public issue) on the Alternext market of NYSE Euronext Paris. The 20,095 new GoAdv shares issued for the LeGuide.com operation have been admitted to the E1 compartment of the Alternext market of NYSE Euronext Paris on May 19th, 2009.

Finally, GoAdv was awarded the OSEO ANVAR "Innovative Company" label in February 2009, allowing GoAdv to be eligible for High-Tech Mutual Funds investment.

Post-closing events

Change in the number of LeGuide.com shares held:

At the end of September and the beginning of October 2009, GoAdv sold 188,042 of its shares in LeGuide.com, or 5.61% of capital, releasing a gross capital gain of 1.28 million euro.

After this sale, GoAdv currently holds 231,720 LeGuide.com shares, and remains completely opportunistic concerning its participation in this company's capital.

Partnership agreement with Google

Last June, GoAdv signed a partnership agreement with Google, the world leader in Search. This deal is the natural evolution of a multi year-long relationship between Google and GoAdv on online marketing activities and the edition of web content.

This partnership results in the implementation of the services of Google's search engine in Excite websites, increasing the quality, reach and number of search results available to our audience, and thus the monetisation of Excite contents.

It is finally important to note that this partnership agreement is worldwide, and provides GoAdv with an important asset to further develop its activities abroad and monetize contents in current and new markets.

The Group's Perspectives

By constantly strengthening its teams and expertise, GoAdv is developing internal structures and resources necessary to support its growth and innovation strategies. The SEM (Search Engine Marketing) activity is now managed by Scott Field, the new SEM Director who joined GoAdv in order to support the continuity of the Group's growth strategy and bring his SEM and SEO expertise to the Group.

Investments and activities during the 1st semester of 2009 already resulted in the launch of the dynamic Nanopublishing network on current markets and promising developments for GoAdv's new geographical positioning. Starting in the 2nd semester of 2009, the Group anticipates a turnaround of its operational Net Income. In the long term, GoAdv should regain significant growth levels and margins in 2010.

About GoAdv

The GoAdv Group is a truly new online media company. Created in 2004 the Group produces, distributes and monetizes compelling content for a wide network of fully owned vertical and horizontal websites including Excite Europe, Better Deals and a Nanopublishing network. The media properties generate over 16 million unique monthly users.

GoAdv is a pan-European company and has a staff of over 130 working across offices in Italy, Ireland, and Asia, active in the UK, Germany, Netherlands, France, Italy, Spain, Sweden, US, Australia, Russia and Brazil.

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