

Mediagrif announces its results for the second quarter of fiscal 2016

Second quarter highlights:

- Revenue increased 3% to reach \$18.0 million.
- Adjusted EBITDA¹ reached \$7.5 million or 42% of revenue.
- Profit of \$5.1 million (\$0.34 per share), compared to \$3.9 million (\$0.24 per share).
- Cash flows from operations totaled \$5.2 million.

Quarterly dividend:

- Declaration of a quarterly dividend of \$0.10 per share payable on January 15, 2016 to shareholders of record on January 4, 2016.

Longueuil, Canada, November 10, 2015 – Mediagrif Interactive Technologies Inc. (TSX: MDF), a Canadian leader in information technology, today announced its financial results for the second 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 September 30,		Six months ended September 30,	
	2015 \$	2014 \$	2015 \$	2014 \$
Revenue	17,953	17,512	35,662	35,243
Adjusted EBITDA¹	7,539	7,137	14,017	13,756
Operating profit	6,117	5,199	11,234	10,090
Profit for the period	5,089	3,862	8,509	6,994
Earnings per share (basic and diluted)	0.34	0.24	0.56	0.44
Weighted average number of shares outstanding (in thousands) - Basic and diluted	15,093	15,814	15,276	15,815
Number of shares outstanding at end of period – In thousands	15,016	15,805	15,016	15,805

¹ See reconciliation of adjusted EBITDA and profit.

SECOND QUARTER ENDED SEPTEMBER 30, 2015 (“Second quarter of fiscal 2016”)

For the second quarter of fiscal 2016, revenue increased by 3% to reach at \$18.0 million when compared to the second quarter of fiscal 2015.

During the second quarter of fiscal 2016, increase in revenue is mainly due to higher revenue from Merx, InterTrade, Market Velocity and BidNet for a total of \$0.7 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 second quarter of fiscal 2016.

These increases were partly offset by a decrease in the revenue of The Broker Forum, Jobboom, LesPAC and Power Source Online for a total amount of \$1.0 million and also by lower software development revenue of an amount of \$0.1 million.

Total operating expenses for the second quarter of fiscal 2016, including the cost of revenue, totaled \$11.8 million compared to \$12.3 million for the second quarter of fiscal 2015.

The decrease in operating expenses is mainly due to a reduction in the amortization expense of certain acquired intangible assets in the amount of \$0.5 million, to additional tax credits of an amount of \$0.2 million and to the recording of additional internally developed software also of an amount of \$0.2 million.

This decrease was partly offset by the increases to technology workforces of \$0.3 million and to sales and marketing expenses of \$0.3 million which is mainly due to the foreign exchange impact on the conversion of these expenses into Canadian dollars.

Adjusted EBITDA totaled \$7.5 million or 42% of revenue in the second quarter of fiscal 2016 compared to \$7.1 million or 41% of revenue during the same quarter of fiscal 2015.

Profit reached \$5.1 million (\$0.34 per share), compared to \$3.9 million (\$0.24 per share) during the second quarter of fiscal 2015. Profit for the second quarter of fiscal 2016 includes a foreign exchange gain on assets denominated in U.S. dollars of \$0.8 million compared to a \$0.4 million gain recorded in the corresponding quarter of 2015.

FIRST SIX MONTHS ENDED SEPTEMBER 30, 2015 (“First six months of fiscal 2016”)

Revenue for the first six months of fiscal 2016 reached \$35.7 million compared to a revenue of \$35.2 million recorded in the first six 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 \$1.4 million. Fluctuations in the Canadian dollar against the U.S. dollar, combined with hedges in place, added \$1.4 million of revenue during the first six months of fiscal 2016.

These increases were partly offset by a decrease in the business networks of The Broker Forum, Jobboom, LesPAC and certain other subsidiaries for a total of \$2.1 million and also by a lower software development revenue of an amount of \$0.3 million.

Operating expenses for the first six months of fiscal 2016, including cost of revenue, totaled \$24.4 million, compared to \$25.2 million for the corresponding period of fiscal 2015.

The decrease in operating expenses is mainly due to a reduction in the amortization expense of certain acquired intangible assets in the amount of \$0.9 million, to additional tax credits of an amount of \$0.6 million, 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 increases to technology workforces of an amount of \$0.6 million, and to the \$0.3 million of due diligence costs incurred in the first quarter of fiscal 2016. Sales and marketing expenses also increased in the first six months of 2016 mainly due to the foreign exchange impact on the conversion of these expenses into Canadian dollars.

Adjusted EBITDA totaled \$14.0 million compared to \$13.8 million in the first six months of fiscal 2015, both representing 39% of revenue.

Profit reached \$8.5 million (\$0.56 per share), compared to \$7.0 million (\$0.44 per share) during the first six months of fiscal 2015.

CASH FLOWS AND FINANCIAL POSITION

During the second quarter of fiscal 2016, cash flows generated by operating activities reached \$5.2 million compared to \$5.6 million in the corresponding quarter of 2015. The Company used these funds and funds available on its credit facility to repurchase, under the normal course issuer bid ("NCIB") in place, a total of 108,300 shares at an average price of \$16.90 per share for a total consideration of \$1.8 million.

As at September 30, 2015, the Company had \$8.3 million of cash and cash equivalents and \$28.9 million available on its revolving credit facility of \$60 million.

NORMAL COURSE ISSUER BID

On September 23, 2015, the Company announced the amendment of its normal course issuer bid in accordance with the approval of the Toronto Stock Exchange. The amendment increases the number of shares that the Company may repurchase from 500,000 to 750,000 common shares until February 23rd, 2016. To date, under the current NCIB in place since February 24th, 2015, the Company repurchased a total of 526,009 shares.

QUARTERLY DIVIDEND

The Board of Directors of Mediagrif declared a quarterly dividend of \$0.10 per share payable on January 15, 2016, to shareholders of record on January 4, 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 September 30,		Six months ended September 30,	
	2015 \$	2014 \$	2015 \$	2014 \$
Profit	5,089	3,862	8,509	6,994
Income tax expense	1,664	1,498	3,059	2,661
Depreciation of property, plant and equipment and amortization of intangible assets	509	392	972	745
Amortization of acquired intangible assets	881	1,504	1,775	2,868
Amortization of deferred financing costs	-	48	-	96
Amortization of deferred lease inducement	(40)	(32)	(76)	(62)
Foreign exchange gain	(762)	(378)	(612)	(63)
Financial expenses	198	243	394	517
Gain on disposal of property, plant and equipment	-	-	(4)	-
Adjusted EBITDA	7,539	7,137	14,017	13,756

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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