



**Paris, June 15<sup>th</sup>, 2006**

**Sales and profits drop - Consolidated income showing a strong deterioration at June 30<sup>th</sup>, 2006**

The fall in sales and the drop in profitability recorded at the end of the third quarter 2005-2006 were confirmed during **April** and **May 2006**.

So on a consistent basis, Group sales at the end of May 2006 were 133.7 million euros, a decrease of 1.3% compared with the same period the previous year.

During the last two months, the group also recorded an estimated **operating loss** (excluding WonderPhone TV) of **2.9 million euros**.

The costs and reserves relating to the initial restructuring measures executed during the current fiscal year and estimated at 2 million euros will also help to aggravate the losses the Group has made and should lead the Company to record **negative net income for the fiscal year 2005-2006 in a range of 0 to - 2 million euros**.

The decrease in operating profit recorded during the last period is explained mainly by the **strategic and commercial actions initiated in recent months by the previous management, combined with tight trading conditions**.

The resulting efforts made by Index Multimedia to restore profitability and rationalise its position should however generate **positive effects** in the year 2006/2007.

**Index Multimedia group financial situation**

The company has **consolidated cash flow**, at May 31<sup>st</sup> 2006, of 14.4 million euros, including WonderPhone TV, given that WonderPhone TV generated positive cash flow in the past six months of 3.7 million euros. Index Multimedia also has no **financial indebtedness** today.

In this context, the company has opened **discussions with banks** to examine how they might be able to help finance the company's future strategic developments.

**Results of the audits performed on the Group's activities**

Moreover, the former management undertook audits to confirm that the Group was in accordance with business practices in the industry. These audits have not revealed any significant elements likely to distort the fair view of company's accounts or financial situation.

**About Index Multimedia:**

*As subsidiary of Index Corporation (one of the biggest suppliers of content and services for mobile telephony in Japan), Index Multimedia is one of the leading designers of value-added mobile products and services for consumers and businesses in Europe. Index Multimedia is listed in compartment B of Eurolist, ISIN: FR0004061513.*

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