BV! Media Inc.

Interim Management Discussion and Analysis

Review of the three month period ending **March 31, 2010**

This discussion should be read in conjunction with the information contained in the corporation's financial statements and the related notes to the financial statements.

Overview

BV! Media is an Internet media corporation, headquartered in Montreal, Quebec and whose operations began in 1995. It derives almost all of its revenues from advertising, sold in text, graphical or video format on its network affiliated websites. Some of the sites it markets are regrouped under the BRANCHEZ-VOUS! portal and belong to the Corporation. The majority of the sites that it markets however belong to other publishers who contract out all or part of their advertising sales to the Corporation and to whom the Corporation pays royalties.

General performance

The quarter ended March 31, 2010 ("Q1 2010") generated encouraging results. Compared to the quarter ended March 31, 2009 ("Q1 2009"), revenues increased by 29% to $3.2 million and gross profit increased by 18%. This growth was mostly fuelled by a rebound in the Internet advertising market and partly fuelled by incremental sales generated from our recently opened Toronto office. Since the incremental operating expenses related to the Toronto launch were more than offset by the increases in revenue and gross profit, BV! Media registered positive net earnings in Q1 2010, compared to a net loss in Q1 2009. Compared to Q1 2009, EBITDA increased by 166% and Adjusted EBITDA, which excludes the effect of stock-based compensation, increased by 68%.

Results

Selected quarterly information

All figures are in $.

For three-month period ended:	**March 31, 2010**	March 31, 2009	December 31, 2009
Revenues	**3,191,665**	2,473,910	3,272,980
Cost of sales	**1,712,657**	1,218,577	1,584,518
Gross profit	**1,479,008**	1,255,333	1,688,462
Operating expenses	**1,470,401**	1,342,825	1,115,985
Net earnings (loss)	**11,576**	(63,956)	325,281
Basic and diluted earnings (loss) per share	**0.00**	(0.00)	0.01
EBITDA*	**108,414**	40,729	698,568
% EBITDA on sales	**3.4%**	1.6%	21.3%
Adjusted EBITDA*	**118,145**	70,318	694,493

* : EBITDA is defined as earnings before interest, income taxes, depreciation and amortization, impairment of fixed assets, intangible assets and long-term investments. Adjusted EBITDA is defined as EBITDA to which the corporation adds stock-based compensation, since this expense does not result in any use of operating cash flows by the Corporation. EBITDA and Adjusted EBITDA are provided as a supplementary earnings measure to assist readers in determining the ability of BV! MEDIA to generate cash from operations and to cover financial charges. They are also widely used for business valuation purposes. These measures do not have a standardized meaning prescribed by Canadian generally accepted accounting principles and may not be comparable to similar measures presented by other companies.

As at:	**March 31, 2010**	March 31, 2009	December 31, 2009
Total assets	**10,137,337**	9,250,230	9,692,930
Long term financial liabilities	**237,580**	459,791	460,255
Shareholders equity	**6,861,016**	6,313,997	6,839,709

Horizontal analysis

Change in main items of the statement of earnings and deficit.

	Change / Q1 2009	Change / Q4 2009**
	%	%
Revenues	+29	-2
Cost of sales	+41	+8
Gross profit	+18	-12
Operating expenses	+10	+32
Net earnings (loss)	n.a.	-96
Earnings (loss) per share	n.a.	-96
EBITDA	+166	-84
Adjusted EBITDA	+68	-83

** Three-month period ended December 31, 2009.

Vertical analysis

Share of main items in the statement of earnings and deficit, as a proportion of revenues.

	Q1 2010	Q1 2009	Q4 2009
	%	%	%
Revenues	**100**	100	100
Cost of sales	**54**	49	48
Gross profit	**46**	51	52
Operating expenses	**46**	54	34
Net earnings (loss)	**0**	-3	10
EBITDA	**3**	2	21
Adjusted EBITDA	**4**	3	21

Revenues

The increase in revenues from Q1 2009 to Q1 2010 is mostly due to a general recovery in the online advertising market and an increase in market share that was helped along by additional advertising sales generated from our Toronto office which opened in Q1 2010.

Cost of sales

The increase in cost of sales from Q1 2009 and Q4 2009 to Q1 2010 is due to an increase in royalties paid to represented web sites. The increase as a percentage of sales is due to a larger proportion of sales that was generated in a more competitive English language market. On a percentage basis, the company expects to be able to reduce its cost of sales in English over the next 12-24 months to bring it more in line with its current cost of sales structure in the French market.

Gross profit

The increase in gross profit from Q1 2009 to Q1 2010 is due to an increase in sales. The decrease from Q4 2009 to Q1 2010 is due to an increase in cost of sales.

Operating expenses

The increases in operating expenses from Q1 2009 and Q4 2009 to Q1 2010 is mostly due to an increase in salaries and office expenses, both related to the opening of a Toronto sales office in January 2010.

Net result

The net earnings in Q1 2010, compared to the net loss Q1 2009, is due to the increase in gross profit. The decrease in net earnings from Q4 2009 to Q1 2010 is due to increased operating expenses and cost of sales.

Quarterly information

Figures in thousand $ except for earnings per share, in $.

	2010	**2009**				**2008**		
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Revenues	3,192	3,273	2,431	2,986	2,473	2,492	1,007	1,281
Gross profit	1,479	1,689	1,220	1,477	1,255	1,213	617	751
Net earnings (loss)	12	326	82	86	(64)	(233)	(56)	(18)
Basic and fully diluted earnings per share	0.00	0.01	0.00	0.00	(0.00)	(0.00)	(0.00)	(0.00)
EBITDA	108	699	228	227	41	147	(11)	65
Adjusted EBITDA	118	694	244	246	71	165	1	83

Sales and earnings vary significantly from one quarter to another, because the vast majority of the sales of the Corporation are derived from advertising campaigns that last a few weeks and are not booked on a regular basis. However, sales are usually higher during the second and fourth quarters.

Reconciliation of adjusted EBITDA

Figures in thousand $.

	2010	2009				2008		
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Net earnings (loss)	12	326	82	86	(64)	(233)	(56)	(18)
Interest	1	-	-	1	1	2	-	-
Current income taxes	(3)	224	37	33	-	(33)	-	-
Future income taxes	-	24	-	-	(24)	(242)	-	-
Depreciation and amortization	98	107	109	107	107	123	45	50
Impairment of intangible assets (1)	-	4	-	-	-	530	-	33
Impairment of fixed assets	-	6	-	-	22	-	-	-
Loss (gain) on disposal of investment	-	6	-	-	(1)	-	-	-
Write-down of long-term investment	-	2	-	-	-	-	-	-
EBITDA	108	699	228	227	41	147	(11)	65
Stock-based compensation	10	(5)	16	19	30	18	12	18
Adjusted EBITDA	118	694	244	246	71	165	1	83

(1) Trademarks are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. The impairment test consists of a comparison of the fair value of the Trademark with its carrying amount. When the carrying amount of the Trademark exceeds its fair value, an impairment loss is recognized in an amount equal to the excess. The fair value is calculated based on evaluations of future discounted cash flows.

Liquidity and financial resources

Cash flows

Figures in thousand $, except for change, in %.

	Q1 2010	Q1 2009	Change / Q1 2009
Cash flows from:			
Operating activities	**766**	314	144%
Financing activities	**(120)**	(156)	23%
Investing activities	**(35)**	63	-

Operating activities provided $765,723 in Q1 2010, compared to $314,021 in Q1 2009. Most of this amount relates to net change in non-cash operating working capital items.

Financing activities used $120,000 in Q1 2010, to reimburse advances from shareholders. This compares to $156,039 used in Q1 2009 for the same purpose.

Investing activities used $34,922 in Q1 2010, partially for the acquisition of fixed assets related to the opening of a Toronto office, compared to $62,696 which was generated in Q1 2009 and resulted from the disposal of short-term financial investments.

Financial resources

As at March 31, 2010, BV! Media held $1,079,460 in **cash and cash equivalents**. This amount compares to $468,658 in cash and cash equivalents held as at Dec. 31, 2009. The increase is mostly due to an increase in accounts payable during the period.

Management estimates that the combination of cash and cash equivalents and a line of credit of $700,000 backed by accounts receivable is sufficient to finance its operations.

Contractual obligations

Contractual obligations totalled $846,810 as at March 31, 2010. These obligations consist mostly of rent agreements for its offices and of royalty commitments made by the Corporation to secure website representation agreements with editors. Of this total, $360,144 were obligations for 2010, $163,276 for 2011, $116,185 for 2012, $105,102 for 2013 and $102,102 for 2014.

Other information

Non-cash transactions

The Corporation signed several promotional agreements with other media and event organizers, for a cumulative amount of $44,300 in revenues and expenses in Q1 2010, to be compared to $43,250 in revenues and $28,250 in expenses in Q1 2009. In Q1 2009, the $15,000 difference between revenues and expenses is due to the fact that the Corporation had not used part of the value of one of its exchange contracts with a third party while it has already delivered the same value.

Information to shareholders

Shareholders' equity

Shareholders' equity was $6,861,016 as at March 31, 2010, compared to $6,839,709 as at December 31, 2009. The increase is due to the net earnings registered in Q1 2010.

Number of shares

As at March 31, 2010, the Corporation had 60,467,265 issued and outstanding common shares.

Risks and uncertainties

The Corporation's risks and uncertainties have not materially changed from those described in the Corporation's 2009 Annual report.

Outlook

Management expects to continue to report positive EBITDA in the following quarters.

Additional information on the Corporation can be obtained on SEDAR (www.sedar.com).

Forward looking statement

Some statements made in this quarterly report, particularly with respect to the Corporation's expectations, constitute forward-looking statements. Forward-looking statements are subject to known and unknown risks and uncertainties related to the Internet business model, competition, financial markets, access to capital, and changes in the general and sectoral economic development.

May 26, 2010

(Signed)
Patrick Pierra
President, Content and co-Chief Executive Officer

(Signed)
Athanasios Vorias
Chief Financial Officer