Press release

Sainte Hélène du Lac (Savoie, France), 11 December 2014 (after market close)

2014/2015 first half results
Continued roll-out of the streamlining plan
First tangible results - sharp rise in gross margin

The first half of the Group's financial year tends to be affected by strong seasonal fluctuations. In general, the MND Group generates only 25-35% of its annual revenues during this period in which the supply and production phases are carried out, whereas equipment is usually delivered and installed and invoices issued during the second half. For this reason, the first half is not a reliable indicator of expected full-year results.

Following on from the measures implemented during the last part of the 2013/2014 financial year with the aim of integrating recently acquired companies, MND dedicated the first half of 2014/2015 to streamlining and optimising its organisational structure, manufacturing resources and product offering in order to meet the levels of financial performance defined in its mid-term business plan. Despite the impact on full-year results of the ongoing major structuring program launched last year, the Group expects to considerably reduce its operating loss and, accordingly, to return to operating profitability as of the 2015/2016 financial year.

Revenues for the six months ended 30 September 2014 came to €19.8 million. The firm order backlog as at this date, for sales to be delivered during the current year, stood at €22.9 million.

Gross margin up 58%

The Group's Board of Directors met on 10 December 2014 and approved the financial statements for the first half of 2014/2015. The statutory auditors carried out a limited review of these consolidated financial statements.

First half summary income statement (period from 1 April 2014 to 30 September 2014)

Given the large number of acquisitions made during the 2013/2014 financial year, MND is unable to provide pro forma data for the period ended 30 September 2013. Nor is it able to provide order backlog information given that there was no balance sheet data in respect of the acquired companies.
On the other hand, such comparative information will be available for the publication of the 2014/2015 results and for subsequent periods.

€m - IFRS	H1 2014/2015	H1 2013/2014 reported
Revenues	19.8	16.3
Gross margin	9.3	5.9
Income/(loss) from current operations	(7.4)	(6.7)
Operating income/(loss)	(7.1)	(6.7)
Net financial income/(loss)	(0.4)	(0.4)
Tax	0	2.3
Net profit/(loss), Group share	(7.6)	(4.7)

MND posted 2014/2015 first half revenues of €19.8 million, up 22% compared to reported revenues for the same period last year. The increase was mainly due to the consolidation of the Snownet business.

The investments undertaken by MND to accelerate its international growth helped to counterbalance a sluggish French market held back by the wait-and-see attitude adopted by municipal authorities during the most recent elections. Thus revenues generated abroad accounted for 64.5% of total revenues, or €12.8 million, up 35% from the previous year.

The Safety & Leisure Division posted first half revenues of €6.6 million, while the Snowmaking & Ski Lifts Division generated €13.2 million.

The gross margin over variable costs came to €9.3 million. Gross margin as a percentage of sales rose sharply to 47%, mainly due to the measures taken to pool Group purchasing and improve the performance of the industrial facilities.

The measures taken to reduce structural costs backed by strong sales momentum allowed the Safety & Leisure Division to limit its 2014/2015 first half operating loss to €2.2 million. The Snowmaking & Ski Lifts Division, heavily impacted again by the high costs incurred in connection with the Snownet restructuring, reported a loss of €4.9 million.

During the period MND continued the expenditure program related to the implementation of its new IT system. Expenses for the period amounted to €1.4 million.

In the second half, three distribution subsidiaries will be reorganised in response to changes in local markets. Meanwhile, the Group continues to improve productivity at its industrial facilities and expects to reduce its costs by around €2 million per year from 2015/2016 onwards. Thus, in under 18 months, the break even point will have been reduced from over €80 million to €65 million of revenues for the financial year commencing 1 April 2015.

Financial resources: capital increase and implementation of an Equity Line, renewal of credit lines

Summary consolidated balance sheet

€m – IFRS	30/09/2014	31/03/2014	30/09/2013
Fixed assets	**26.1**	23.9	21.1
Inventories and work in progress	**27.2**	19.3	11.8
Trade receivables	**23.0**	17.9	15.0
Cash and cash equivalents	**2.4**	5.2	2.6
Shareholders' equity	**12.6**	17.9	4.7
Non-current borrowings	**18.6**	15.6	14.4
Current borrowings	**19.9**	14.4	11.9
Trade payables	**22.6**	17.0	17.6

MND has arranged an equity line with Kepler Cheuvreux with effect from 31 July 2014. This financing line amounts to a maximum potential issuance of 2,500,000 shares over a total period of 36 months, with a maximum discount of 5% compared to the weighted average share price at the time of issue. In November and December 2014 MND

completed three issues, two of which involved the issue of 50,000 new shares at a price of between €2.48 and €2.79 per share, while the third involved the issue of 75,000 shares at a price of €2.22.
In October 2014, the Group's traditional banking partners showed their continued confidence in the Group by renewing credit lines for a total amount of €21 million.

The high levels of inventories, trade receivables and trade payables are due to the increase in revenues, preparations for the delivery/installation season and the consolidation of the Snownet business.

Comfortable order backlog and continued international expansion of the Group

At 30 September 2014 the Group's firm order backlog stood at €22.9 million.
This represents the initial benefits of the Group's international growth acceleration drive, which has focused on the Asia/CIS region. This increase in revenues and the actions undertaken to lower the breakeven point should allow the Group to reduce its operating loss considerably in comparison with last year.

In the CIS region (Commonwealth of Independent States - former Soviet republics), the Group is developing strongly in Kazakhstan and Georgia, where a number of ski lift and snowmaking projects are under review.
In Turkey, MBS recently signed a major ski slope protection contract worth nearly €1 million. This contract is not included in the aforementioned order backlog amount, as it was signed after 30 September.
In China, SUFAG is due to deliver a new order for 70 low-pressure snow cannons, a contract that will double MND's China revenues.

In the urban cable transport sector, MND took part for the first time in a call for tenders announced by the city of Brest, France. Although its cable car project (independent of Cabline technology) was not selected for price reasons, its position among the companies shortlisted for the tender procedure confirmed the quality of its solutions and justified LST's ranking alongside the global players in this market. Furthermore, the Group has been invited to take part in around ten calls for tender worldwide.
Regarding the letter of intent signed with Vinci in relation to the CABLINE project, discussions between the two parties on the technical and financial terms and conditions applicable to the services to be provided for the development and installation of a system test track (non-public prototype) are continuing and should be concluded during the first half of 2015.

The new generation range of chairlifts and detachable cable cars, whose development is due to be completed in 2015/2016, will add another string to the Group's bow enabling it to gain a position alongside the world's leading players in the mountain cable transport market, a potential new market estimated at around €800 million.

Priority initiatives for the second half of 2014/2015 are the continued streamlining of MND's organisational structure and accelerating sales momentum with the aim of significantly lowering the breakeven point by leveraging the strong recovery of its margins and the cost reductions achieved. MND is in a strong position to achieve this goal, due to:

- **A global offering with internationally reputed brands**
- **A strong international presence**
- **Modern industrial facilities**
- **Dedicated teams focusing on successful Group development**

One partner, many solutions

Next release: Provisional Q3 2014/2015 revenues, 14 January 2015 (after market close)

Full details may be consulted in MND's half-year financial report, which will be available on www.mnd-group.com under the "Investors" section from 11 December 2014 (after market close).

Find all the information you need on www.mnd-bourse.com

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ABOUT MND GROUP

The MND Group has been based at Sainte Hélène du Lac (Savoie), in the very heart of the French Alps, since 2004. MND is one of the few market players to have a global range of products and services dedicated to the development, equipping and protection of ski resorts, leisure areas and other mountain infrastructure.

Buoyed by its industrial expertise in the mountain cable transport market and by innovative technology protected by worldwide patents, the MND Group has strong growth potential in the urban cable public transport field, where it offers an unobtrusive alternative mode of urban transport.

With four manufacturing plants in Europe (France, Germany and Sweden), eight distribution subsidiaries and 50 distributors worldwide, the MND Group has 300 employees and almost 3,000 customers in 49 countries.