Press release

Sainte Hélène du Lac (Savoie, France), 16 July 2015 (after market close)

Sharp increase in 2014/2015 results
€15 million plunge in break-even point
Second half income from current operations of €3.7 million
Order backlog at 30 June 2015 up 58% to €25.2 million

MND Group (FR0011584549, MND), an innovative developer of mountain and urban mobility solutions, is listed on the Paris Euronext regulated market, compartment C.

Having undertaken several game-changing acquisitions between 2011 and 2013, during the 2014/2015 financial year MND took a number of strategic consolidation decisions for the Group's development and carried out a thorough restructuring of its organisation, manufacturing resources and product range so as to restore profit margins, cut overheads and slash the sales break-even point from over €80 million to €65 million for the year beginning 1 April 2015.

Backed by a globally-packaged, innovative and competitively-priced offering, as well as a world-class and efficient organisation and distribution network, MND is now in prime position to take full advantage of its differentiating strategy and new growth drivers.
H2 2014/2015 results bear witness to this upward trend and new buoyant outlook for the Group; proforma Group revenues[1] surged 9.6% while second half operating income amounted to €3.3 million.

Boosted by the rapidly completed 18-month restructuring programme, MND Group significantly reduced its losses and is structurally in good shape to restore profitable growth as of 2015/2016.

2014/2015 hit hard by major restructuring undertaken to minimise the break-even point

The 2014/2015 financial year just ended consisted of: 1/ A first half still significantly impacted by the integration of the numerous acquisitions completed late 2013 and thus high fixed costs, 2/ A second half boosted by the efficiency and success of the measures previously undertaken and the benefits of the restructuring programme to lower the break-even point that started to flow through to the bottom line, 3/ Non-recurring costs arising from the Group's restructuring that will not reoccur in 2015/2016.

Income statement highlights – IFRS - (from 1 April to 31 March)

(€ millions)	H1 2014/2015 6 months	H2 2014/2015 6 months	2014/2015 12 months	2013/2014 12 months
Revenues	19.8	41.6	**61.4**	50.8
Gross margin	9.3	19.8	**29.1**	17.2
Income/(loss) from current operations	(7.4)	3.7	**(3.7)**	(10.2)
Operating income/(loss)	(7.1)	3.3	**(3.8)**	(11.2)
Net financial income/(loss)	(0.4)	0	**(0.4)**	(0.8)
Tax	(0.1)	2.0	**1.9**	1.9
Net income/(loss) Group share	(7.6)	5.3	**(2.3)**	(10.1)

The Board of Directors' Meeting, which was held on 15 July 2015, approved the consolidated financial statements for the year ended 31 March 2015. The audit work has been completed, and the audit report will be issued once the testing required for the publication of the annual financial report has been finalised."

Unless otherwise stated, the results given below are statutory data. 2013/2014[1] proforma accounts are specified in the appendix.

For the full financial year, MND posted revenues of €61.4 million, up 20.9% from €50.8 million in 2013/2014. Proforma revenues fell 1.8% (down 1.1% at constant exchange rates) due to the closure of unprofitable operational sites in line with the lower break-even point (5 sites at present, down from 8 as at 1 April 2014). Exports continue to improve accounting for 67.9% of total revenues (up from 59.3% in the previous year) boosted by strong growth outside Europe.
On a proforma basis, the Snowmaking & Lifts Division turned in stable revenues of €40.7 million while the Safety & Leisure Division posted revenues of €20.8 million compared to €21.5 million in 2013/2014.

During the year, one of the Group's key priorities was to improve the margin on variable costs. This program proved a major success given that the margin increased sharply to €29.1 million, accounting for 47.3% of 2014/2015 revenues up from 33.9% in 2013/2014. This improvement was largely fuelled by the introduction of purchasing synergies throughout the Group.

2014/2015 income from current operations came in as a €3.7 million loss compared to a €10.2 million loss in 2013/2014, i.e. a €6.5 million improvement. The Snowmaking & Ropeways Division reported a €4.0 million loss from current operations, primarily due to expenses before restructuring the Snownet business, while the Safety & Leisure Division posted income from current operations of €0.3 million.

H2 2014/2015 operating income amounted to €3.3 million, a sharp improvement on H2 2013/2014 which recorded a €4.9 million operating loss.

The 2014/2015 net loss Group share amounted to €2.3 million compared to a €10.1 million net loss in the prior year, i.e. a €7.8 million improvement. The net loss is stated after non-recurring expenses of €0.1 million, cost of net debt of €0.4 million (2013/2014: €0.8 million), and tax income of €1.9 million (2013/2014: €2.0 million) largely arising from capitalisation of tax loss carry forwards.

The Group also carried out major investments under an ongoing programme to develop a new generation of detachable lifts and its Cabline system including several filed or pending patents. R&D expenditure was over €2 million (compared to €0.5 million in 2013/2014) of which €1 million was capitalised.

Balance sheet:

As at 31 March 2015, Group equity stood at €19.7 million (€17.9 million at 31 March 2014) and net debt was €38.4 million (31 March 2014: €24.6 million). This means that the gearing ratio (net debt divided by net equity) amounted to 1.95 (31 March 2014: 1.37).

Working capital was inflated by high inventories of €24.1 million (31 March 2014: €19.3 million) and high trade receivables of €20.0 million (31 March 2014: €13.3 million). A large proportion of this temporary cash outflow amounting to over €10 million is expected to reverse in the current financial year when the new ERP system goes live and new Group policies to minimise inventory and trade receivables are introduced.

During the year, MND raised €2.5 million through private fund-raising activities, and used an Equity line introduced with Kepler Cheuvreux sparingly. The drawdown applicable to financial year 2014/2015 totalled 300,000 shares at an average price of €2.20 (the number of shares issued must not exceed 2,500,000).

Buoyant new business and order backlog at 30 June 2015 of €25.2 million, up 58%

As at 30 June 2015 (3 months), the firm order backlog to be delivered during the current financial year amounted to €25.2 million compared to €15.9 million at 30 June 2014, fuelled by a new world-class sales organisation and buoyant Group sales on international markets, specifically in emerging Asian markets and in North America.

Furthermore, pursuant to the Company’s most recent annual communication, in 2015/2016 MND will launch its new range of detachable lifts and will be able to take its first orders and install the first detachable chairlift in summer 2016.

As such, backed by innovative equipment MND is moving into a complementary lift market worth €800 million compared to the existing market of €150 million.

Partnership between VINCI and MND signed as part of the Group's first ever urban transport cable car

On 12 May 2015, MND and VINCI Construction France, via its subsidiary VCF TP Lyon, signed a partnership agreement to design and build the Group's first ever urban detachable transport cable car. Under the agreement:

- VINCI shall contribute its resources and expertise, specifically in terms of engineering and dimensioning of concrete structures;

- MND shall contribute its resources, expertise and experience in cable car transport and in defining functional aspects in compliance with current regulations.

Subject to receiving operating licences from the authorities, this first project may be completed during 2017/18.

Thanks to this partnership and the new generation of detachable transport cable cars it is developing, MND is well placed in the highly promising urban mobility market with projects springing up in many regions of the world.

2015/2016 objective: Return to profitable growth

The acceleration in sales growth over the last few months and the sharp reduction in the break-even point confirm MND Group's capacity to once again achieve an operating profit as early as the current financial year. Furthermore, having successfully completed its organisational restructuring to lower the revenues break-even point to €65 million, MND is currently engaged in a major programme to optimise working capital and improve its balance sheet ratios.

To succeed in its corporate strategy, MND draws on its major strengths, including a global offer of products and services, leading brands worldwide, an international presence, modern manufacturing resources and motivated staff working to ensure the successful growth of the Group.

1. *Given that 2014/2015 acquisitions had an impact of over 25% on a number of key account headings, the Group has prepared proforma data.*

APPENDIX

Audited statutory and proforma consolidated accounts

(€ millions)	Statutory 31 March 2015	Statutory 31 March 2014	Proforma 31 March 2014
Revenues	61.4	50.8	**62.5**
Operating income/(loss)	(3.8)	(11.2)	**(11.5)**
Net profit/(loss), Group share	(2.3)	(10.1)	**(10.7)**

Next release: 1st quarter 2015/2016 provisional revenues, 27 July 2015 after market close.

The MND annual financial report detailing all information will be available on www.mnd-group.com "Investors" as from 30 July 2015.

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

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 five manufacturing plants in Europe (France, Germany and Sweden), seven distribution subsidiaries and 30 distributors worldwide, the MND Group has 320 employees and almost 3,000 customers in 49 countries.

Contacts:
MND Group – Roland Didier – Tel +33 (0)4 79 65 08 90
Actus Finance – Amalia Naveira or Marie Claude Triquet - +33 (0) 4 72 18 04 90 - anaveira@actus.fr / mctriquet@actus.fr