



Press release

Neuilly-sur-Seine, July 28, 2016

The Gaumont Board of directors, which met on July 26, 2016 under the chairmanship of Nicolas Seydoux, approved the financial statements for the period ended June 30, 2016.

Consolidated revenue for the first half of 2016 totaled €75.5 million, versus €60.6 million as of June 30, 2015, and net income was a profit of €6.4 million as of June 30, 2016, versus €1.2 million as of June 30, 2015.

CONSOLIDATED HALF-YEAR RESULTS as of June 30, 2016

Key figures from operations (in millions of euros)	June 30, 2016 ¹	June 30, 2015	% change
Consolidated revenue	75.5	60.6	24.5%
Operating income after share of net income of associates	7.2	0.5	N/A
Net income, group share	6.4	1.2	N/A
Investments	53.9	97.9	-45.0%
Key balance sheet figures (in millions of euros)	June 30, 2016 ¹	December 31, 2015	% change
Equity	273.9	272.0	0.7%
Net borrowings	215.0	207.3	3.7%

¹ The limited review procedures have been carried out and the statutory auditors' report on the half-yearly financial information is currently being prepared

■ REVENUE FOR THE FIRST HALF OF 2016

○ CINEMA PRODUCTION

Revenue for the cinema production business amounted to €65.3 million as of June 30, 2016, versus €38.7 million as of June 30, 2015:

- revenue from film distribution in French movie theaters stood at €21.0 million as of June 30, 2016, versus €6.3 million as of June 30, 2015. 8.2 million cinema tickets were sold in the first half of 2016 for seven movies released, 1.9 million of which were for *Monsieur Chocolat*, 1.9 million for *Pattaya* and 2.2 million for *The Visitors: Bastille Day*;
- revenue from video distribution and video on demand in France amounted to €4.9 million as of June 30, 2016, versus €6.3 million as of June 30, 2015. The fall in physical video sales continued with 500,000 units sold, in a market down by 11%. Video on demand sales were stable;

- revenue related to sales of distribution rights to French television channels amounted to €21.6 million as of June 30, 2016, versus €9.9 million as of June 30, 2015. The increase in revenue can be attributed to strong results in sales of catalog films, 70% of which came from historical television channels, and to presales which amounted to €7.8 million for *The Visitors: Bastille Day*, while in 2015 there were none. More than 100 movies were sold in the first six months of the year;
- revenue from international sales was stable at €15.5 million as of June 30, 2016 versus €14.0 million as of June 30, 2015, driven mainly by *Monsieur Chocolat*, *Up For Love* and *The Neon Demon* and by sales of catalog films that remain relatively stable from one period to the next.

○ TELEVISION PRODUCTION

Revenue for the television production business amounted to €7.7 million as of June 30, 2016, versus €19.4 million as of June 30, 2015.

Sales of American series accounted for €3.4 million in revenue as of June 30, 2016, versus €13.1 million as of June 30, 2015. Season 2 of *Narcos* will be delivered during the second half of the year.

Revenue from French drama and cartoon series amounted to €4.3 million as of June 30, 2016, versus €6.3 million as of June 30, 2015. It included sales from:

- the first 14 episodes of the 52-episode cartoon series *Atomic Puppet* which began broadcasting on March 13 on France 4;
- the first 28 episodes of the 52-episode cartoon series *Noddy, Toyland Detective* which began broadcasting on April 2 on France 5.

■ RESULTS FOR THE FIRST HALF OF 2016

Gaumont's net income reached €6.4 million as of June 30, 2016, versus €1.2 million as of June 30, 2015.

Operating income after share of net income of associates came to €7.2 million as of June 30, 2016, versus €0.5 million as of June 30, 2015. It includes:

- operating income from cinema production and distribution, excluding overheads, which totaled €19.4 million as of June 30, 2016, versus €9.0 million as of June 30, 2015;
- operating income from the television production business in France and in the United States, excluding overheads, which amounted to €0.1 million as of June 30, 2016, versus €1.3 million as of June 30, 2015;
- operating income from movie theater operations, which totaled €10.1 million as of June 30, 2016, versus €9.7 million as of June 30, 2015. This income corresponds to the contribution of Les Cinémas Gaumont Pathé, of which Gaumont holds a 34% interest. Revenue from Les Cinémas Gaumont Pathé reached €360 million as of June 30, 2016, versus €334 million as of June 30, 2015. The number of cinema tickets sold went from 31.4 million as of June 30, 2015 to 32.9 million as of June 30, 2016, with a rise in France and in the Netherlands, and includes the cinema tickets sold in Belgium after the acquisition of a network of five cinemas at the end of 2015.

The Gaumont group's net borrowings totaled €215.0 million as of June 30, 2016, versus €207.3 million as of December 31, 2015. It includes €130.9 million in net borrowings, primarily made up of the revolving line of credit and Gaumont SA's bond as well as €84.2 million in self-liquidating production loans, based on proceeds from pre-financing and the release of French and American series.

■ OUTLOOK

Five movies will be released in cinemas by December 31, 2016:

- *Odd Job*, directed by Pascal Chaumeil, starring Romain Duris, Michel Blanc and Alice Belaïdi, will be released on August 31;
- *Brice From Nice 3*, directed by James Huth, starring Jean Dujardin, Clovis Cornillac and Bruno Salomone, will be released on October 19;
- *Arès* directed by Jean-Patrick Benes, starring Ola Rapace, will be released on November 23;
- *Ballerina*, an animated film directed by Eric Summer and Eric Warin, will be released on December 14;
- *Heartstrings* directed by Michel Boujenah, starring Charles Berling and Pascal Elbé, will be released on December 28.

Five television series will be delivered during the second half of 2016:

- *Narcos, second season*, a 10-episode American drama directed by José Padilha, with Wagner Moura and Pedro Pascal, delivered to Netflix for broadcast starting on September 2, 2016;
- *The Frozen Dead*, a six-episode French drama directed by Laurent Herbiet and starring Charles Berling, Julia Piaton and Robinson Stévenin, delivered to M6;
- the first two episodes of *The Art of Crime*, a six-episode French drama that is currently in production, delivered to France 2;
- the remaining episodes of the cartoon series *Atomic Puppet* delivered to France 4 and *Noddy, Toyland Detective*, delivered to France 5.

■ DATES OF NEXT FINANCIAL COMMUNICATION

A press release on full-year consolidated results as of December 31, 2016 will be published on March 2, 2017.

APPENDIX: Half-year consolidated revenue

Consolidated revenue by business segment (in millions of euros)	June-30-16	June-30-15	% change
Cinema production	65.3	38.7	68.6%
Cinemas France	21.0	6.3	233.9%
Video France	3.5	4.6	-24.6%
Video on demand France	1.4	1.7	-18.1%
Television France	21.6	9.9	118.0%
International films	15.5	14.0	10.2%
Other movie distribution income ¹	2.4	2.2	8.2%
Television production	7.7	19.4	-60.5%
American dramas	3.4	13.1	-74.1%
French dramas	0.0	4.8	-99.2%
Animated films and series	4.2	1.5	183%
Trademark royalties	1.8	1.8	3.6%
Other miscellaneous income²	0.7	0.7	-5.0%
GAUMONT GROUP	75.5	60.6	24.5%

¹ Primarily includes spin-off products, music publishing and the Gaumont Pathé Archives business

² Primarily includes real estate lease agreements and miscellaneous services provided to third parties