

**NOT TO BE FORWARDED TO ANY PERSON OR ADDRESS  
IN THE UNITED STATES OF AMERICA**

**PRESS RELEASE RELATING TO THE FILING OF A  
DRAFT PUBLIC BUYBACK OFFER INITIATED BY**



**OF 1,657,313 OF ITS OWN SHARE  
FOR THE PURPOSE OF THE REDUCTION OF ITS SHARE CAPITAL**

Presented by



**BNP PARIBAS**

**OFFER PRICE: 75 EUROS PER SHARE (dividend attached)**

**NUMBER OF SHARES TARGETED BY THE OFFER : 1,657,313**

**OFFER TERM : 29 CALENDAR DAYS**



This press release, prepared by Gaumont, is published pursuant to the provisions of Articles 231-16 and 231-17 of the general regulations of the *Autorité des marchés financiers* (the French financial markets authority, hereinafter the "AMF").

**THE PUBLIC BUYBACK OFFER AND DRAFT INFORMATION NOTE REMAIN SUBJECT  
TO AMF REVIEW.**

## IMPORTANT NOTICE

In accordance with the provisions of Article 231-32 of the general regulations of the AMF and articles R.225-153 and R.225-154 of the French Commercial Code, the public buyback offer will be open following, on the one hand, Gaumont's publication of a press release specifying that the resolution necessary for the share capital reduction via a public buyback were validly adopted by Gaumont's combined shareholders' meeting dated 16 May 2017 and, on the other hand, Gaumont's publication of the purchase notices in a legal notices journal and in the Bulletin des Annonces Légales Obligatoires (French mandatory legal notices bulletin).

This draft version of the information note is available on the AMF ([www.amf-france.org](http://www.amf-france.org)) and Gaumont ([www.gaumont.fr](http://www.gaumont.fr)) websites, and can be obtained free of charge from:

- Gaumont : 30 avenue Charles de Gaulle - 92200 Neuilly sur Seine ;
- BNP Paribas : 4, rue d'Antin - 75002 Paris.

In accordance with the provisions of Article 231-28 of the AMF's general regulations, information on Gaumont's legal, financial and accounting characteristics, among others, will be available to the public, no later than on the eve of the public buyback offer's opening day pursuant to the same terms and conditions.

The Board of directors of Gaumont, a French *société anonyme* (public limited company) with a share capital of €34,242,152, having its registered office of which is located at 30 avenue Charles de Gaulle – 92200 Neuilly sur Seine, and registered in the French Trade and Companies Registry of Nanterre, France, under number 562 018 002 (hereinafter “**Gaumont**” or the “**Company**”), has decided during its 4 April 2017 meeting, following initial deliberations thereon during its 28 February 2017 meeting, to submit a resolution to the combined shareholders' meeting dated 16 May 2017 allowing the buyback of Gaumont's shares from shareholders of the Company in the context of a public buyback offer (hereinafter the “**Offer**”), followed by their cancellation, pursuant to the terms of Articles L. 225-204 and L. 225-207 of the French Commercial Code. The Company's shares are admitted to trading on Compartment B of the Euronext regulated market in Paris under ISIN Code FR0000034894.

This Offer is realized in accordance with the provisions of Book II, Title III and, in particular, Articles 233-1 (5th paragraph) *et seq.* of the AMF's general regulations, under the condition of the approval by Gaumont's combined shareholders' meeting dated 16 May 2017, of the resolution approving the sale of the Company's stake in the company Les Cinémas Gaumont Pathé to Pathé and of the resolution approving the share capital reduction in the maximum nominal amount of €13,258,504 via a public buyback offer of a maximum number of 1,657,313 shares of a value of €8 each, including 146,913 new shares which could be issued to beneficiaries of outstanding stock options.

The Offer is made at the price of €75 per Gaumont share, dividend attached (the “**Offer Price**”), and concerns a maximum number of 1,657,313 shares representing at most 37.43% of Gaumont's share and 30.44% of the voting rights<sup>1</sup> and comprising 1,510,400 existing shares and 146,913 additional shares that could be issued to the beneficiaries of outstanding stock options if they exercise their options within a time period enabling their tender to the Offer.

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<sup>1</sup> As of 28 February 2017, calculated in accordance with Article 223-11 of the general regulations of the AMF

Pursuant to the provisions of Article 231-13 of the AMF's general regulations, BNP Paribas guarantees the Company's commitments in the context of the Offer as well as the irrevocable nature of such commitments.

## **1. Rationale of the Offer**

During the meeting held on 4 April 2017, Gaumont's Board of directors, having received the report of the independent appraiser Sorgem Evaluation concluding that the financial conditions of the sale of Gaumont's stake in the company Les Cinémas Gaumont Pathé to Pathé including the price offered by Pathé are in the interest of the Company and its shareholders and approved the sale at a price of €380 million (subject to the approval by the combined shareholders' meeting of the sale of Gaumont's stake in the company Les Cinémas Gaumont Pathé to Pathé).

After its approval by Gaumont's combined shareholders' meeting, the sale of Gaumont's stake in Les Cinémas Gaumont Pathé will trigger a significant cash inflow for the Company. Therefore, it is correlatively proposed to redistribute part of the proceeds to Gaumont's shareholders under the form of a share buyback offer. Ciné Par and Mr Nicolas Seydoux have indicated that they would not participate in this offer in order to provide liquidity to all the shareholders wishing to tender their shares to the Offer (subject to restrictions concerning the Offer outside France mentioned in paragraph 10.).

## **2. Intentions of the Company for the next twelve months**

### ***Business strategy and objectives***

Gaumont intends to pursue its activities ensuring continuity of the current strategy, while remaining responsive to opportunities and evolving economics trends.

The sale of Gaumont's stake in the company Les Cinémas Gaumont Pathé will allow Gaumont to strengthen its film production capabilities, to accelerate the development of its US and European TV series activities and to envisage the expansion of its activities in Europe.

### ***Composition of the governing and management bodies after the Offer***

The completion of the Offer will not cause any change among Gaumont's governing and management bodies.

### ***Impact on employment***

No change is expected with respect to employment as a result of the Offer

### ***Treasury shares***

Following the completion of the Offer, the Company does not plan to cancel the 5,317 Gaumont treasury shares acquired in the context of the liquidity contract, in addition to those bought back in the context of the Offer.

### ***Legal status of the Company***

The Company does not plan to make any changes to its articles of association following the Offer, with the exception of any changes required to reflect the consequences of the cancellation of the shares tendered to the Offer.

### ***Intention concerning the listing of the Company's shares following the Offer***

The Offer will not have any consequences on the listing of the Gaumont shares on the Compartment B of the Euronext Paris stock exchange. The Company does not plan to request the delisting, nor to proceed with a mandatory withdrawal of its shares on the Compartment B of the Euronext Paris stock exchange following the Offer.

### ***Dividend distribution***

The completion of the Offer will not cause any change to the dividend distribution policy of the Company. The dividend payment for fiscal year 2016, amounting to €1 per share and submitted to shareholders' vote during its meeting dated 16 May 2017, will be paid after 25 July 2017.

### ***Synergies, economic gains, and merger plans***

The Offer is a public share buyback by Gaumont and is not part of a plan to merge with other companies. Consequently, it does not involve any synergy or economic gain.

## **3. Terms of the Offer**

Following the combined shareholders' meeting of Gaumont dated 16 May 2017, and subject to necessary resolutions, the Company will offer to repurchase a maximum number of 1,657,313 shares from its shareholders, in cash, at a price of €75 per share, via a public share buyback offer for their further intended cancellation, pursuant to the terms of Article L. 225-204 and L. 225-207 of the French Commercial Code.

On 16 May 2017, under the conditions set out in Article 231-37 of the AMF's general regulations, the Company will publish a press release specifying whether said combined shareholders' meeting approved the aforementioned resolutions. The press release will be uploaded to the Company's website ([www.gaumont.fr](http://www.gaumont.fr)).

## **4. Indicative timetable of the Offer**

<b>4 April 2017</b>	Press release relating to the implementation of the intended sale of Gaumont's shareholding interest in the company Les Cinémas Gaumont Pathé to Pathé, the planned Offer and the contemplated payment date of the dividend.
<b>5 April 2017</b>	Filing of the 2016 French <i>Document de Référence</i> (registration document) of the Company with the AMF.  2016 French <i>Document de Référence</i> (registration document) made available to the public.
<b>6 April 2017</b>	Filing of the draft information note relating to the Offer with the AMF.  Draft information note made available to the public.

<b>25 April 2017</b>	AMF statement of compliance of the Offer implying the AMF's approval of the information note under condition precedent that the combined shareholders' general meeting approves the resolution relating to the approval of the sale of the Company's interest in the share capital of the company Les Cinémas Gaumont Pathé and the resolution allowing the Board of Directors to launch the Offer and cancel the shares tendered, via a capital reduction.  Information note approved by the AMF made available to the public at Gaumont's and BNP Paribas's registered office and uploading of the information note on the AMF's Web site
<b>16 May 2017</b>	Combined shareholders' meeting deciding in particular: <ul style="list-style-type: none"> <li>- on the approval of the sale by Gaumont to Pathé of its shareholding interest in the company Les Cinémas Gaumont Pathé</li> <li>- on the approval of the planned Offer in the context of a capital reduction</li> </ul>
<b>29 May 2017</b>	Opening day of the Offer
<b>26 June 2017</b>	Closing day of the Offer
<b>30 June 2017</b>	AMF publication of the notice on the results of the Offer
<b>5 July 2017</b>	Settlement delivery of the shares tendered to the Offer

#### **5. Intentions and commitments made by Gaumont's main shareholders**

As of the Offer's filing date, Ciné Par and Mr. Nicolas Seydoux held 2,765,154 shares in the Company, representing 64.59% of the capital and 70.85% of the voting rights of Gaumont<sup>2</sup>. The company Ciné Par and Mr. Nicolas Seydoux have indicated to the Company that they did not intend to tender their shares to the Offer.

Bolloré has communicated its intention to tender all its shares to the public buyback offer and Industriel Marcel Dassault group has reported the same position, authorising Gaumont to report it.

With the exception of the intentions described above, the Company has no knowledge of any other commitment or intention to tender or to refrain from tendering.

#### **6. Main criteria regarding the evaluation of the Offer price**

The appraisal of the Offer price set out below was prepared by BNP Paribas, acting as the presenting bank for the Offer on behalf of Gaumont, in accordance with standard valuation methods and on the basis of (i) publically available information on Gaumont and its sector, (ii) the business plan prepared by Gaumont, extrapolated by BNP Paribas on the basis of information provided by Gaumont's management and validated by the latter, and (iii) additional information provided by Gaumont. On the basis of the valuation work performed, the Offer price implies the following premiums:

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<sup>2</sup> Calculated in accordance with the provisions of Article 223-11 of the AMF's general regulations

Criteria	Equity value / share (€)			Implied premium range / share (%)		
	Min.	Volume weighted average	Max.	Min. value	Central value	Max. value
Last spot price before announce (as of 24/02/2017)		57.5			30.4%	
1-month	55.5	57.8	59.1	35.1%	29.8%	26.9%
3-month	52.2	55.9	59.1	43.8%	34.1%	26.9%
6-month	47.1	53.3	59.1	59.2%	40.7%	26.9%
12-month	43.4	50.6	59.1	72.8%	48.1%	26.9%
Sum of the Parts	62.5	68.1	73.8	20.1%	10.1%	1.6%

Source: BNP Paribas, Factset

## **7. Agreement that could have a significant impact on the Offer's assessment or its successful completion**

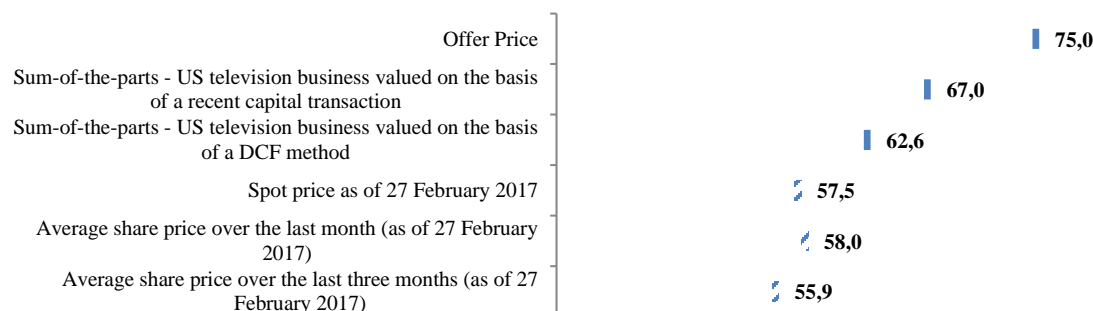
As mentioned above, as of the Offer's filing date, the company Ciné Par and Mr. Nicolas Seydoux held 2,765,154 shares in the Company, representing 64.59% of the capital and 70.85% of the voting rights of Gaumont<sup>3</sup>. The company Ciné Par and Mr. Nicolas Seydoux have indicated the Company that they did not intend to tender their shares to the Offer.

With the exception of the intentions described above, the Company has no knowledge, as of the Offer's filing date, of any agreement or commitment that could have a significant impact on the Offer's assessment or its successful completion.

## **8. Conclusions of the independent expert's report**

### **Summary of our valuation work:**

The chart below shows share valuation ranges using the sum-of-the-parts approach and compares the valuation with the most recent share prices before the announcement, compared with the Offer Price of €75.0.



<sup>3</sup> Calculated in accordance with the provisions of Article 223-11 of the AMF's general regulations

The Offer Price includes a premium of between 11.9% and 19.8% in relation to our sum-of-the-parts valuation (taking account of the price of the proposed sale to Pathé of the stake in LCGP).

**Conclusion on the fairness of the Offer:**

In the context of Pathé's offer to acquire Gaumont's interest in LCGP and in the context of the share buyback offer, Gaumont's Board of Directors, meeting on 28 February 2017, appointed Sorgem Evaluation, represented by Mr. Maurice Nussenbaum, as independent valuation expert within the meaning of Article 261-1 I of the General Regulation of the AMF in respect of the risk of conflicts of interest within the Company's Board of Directors.

We submitted a report dated 3 April 2017 setting out our assessment of the financial terms of Pathé's offer to acquire Gaumont's interest in LCGP.

As regards the public share buyback offer, the Initiator set the Offer Price at €75.0.

Our assessment of the Offer Price was based on our assessment of the Company's intrinsic value, estimated according to the sum-of-the-parts approach whereby each activity was valued using the methods and references we deemed most relevant. We also analyzed the contextual elements attached to the Offer.

In particular, our opinion is based on the characteristics of the Offer, which is optional for shareholders (who can tender all their shares) and proposed to everyone on an equal basis.

The Offer therefore enables all investors who no longer wish to remain shareholders of the Company, in particular because of the change to its activity following sale of the interest in LCGP, to sell their shares. The Offer thus provides a liquidity window on an illiquid market in the share.

If shareholders choose not to tender their shares in response to the Offer, this would be the consequence of a personal choice and their own expectations on the future evolution of the share value. By keeping their shares, those shareholders will probably continue to face a relatively illiquid market in the stock (all the more as liquidity could be reduced following the Offer).

In this context, we consider that the proposed price must at least be situated within the range of the Company's intrinsic value.

Our analysis shows that the Offer Price is higher than the values per share estimated using the sum-of-the-parts approach, taking account of the price of the projected sale of the stake in LCGP to Pathé. The offered premium is between 11.9% and 19.8%.

Under these conditions, we consider that the price of €75.0 per share proposed in the context of the Offer is fair, from a financial standpoint, for the Company's shareholders.

**9. Reasoned opinion of the Board of Directors of Gaumont**

At its 4 April 2017 meeting, the Board of directors of the Company, having acknowledged of (i) the draft information note relating to the Offer, (ii) the valuation works carried out by BNP Paribas, (iii) the commitments to refrain from tendering to the Offer made by Ciné Par and Mr. Nicolas Seydoux totaling

altogether 64.59 % of the share capital and (iv) of the report drafted by Sorgem Evaluation as independent appraiser, pursuant to articles 261-1 *et seq.* of the AMF's general regulations, concluding that the price offered in the context of the contemplated Offer is fair from a financial point of view for the shareholders considered [by unanimous decision of its members present or represented], that :

- the Offer is consistent with the best interests of the Company, its employees and shareholders ;
- no labor impact is expected as a result of the Offer, no change in the management of the Company is contemplated upon completion of the Offer and the Company intends to pursue its activity in line with its current strategy.

As a consequence, the Board of directors has decided to approve the draft Offer concerning a maximum number of 1,657,313 shares representing at most 37.43% of Gaumont's share and 30.44% of the voting rights<sup>4</sup> at a price of € 75 per share, dividend attached, corresponding to a global and maximum amount of €124,298,476 provided the shareholder's meeting of Gaumont approves the resolution allowing the sale of Gaumont's stake in the company Les Cinémas Gaumont Pathé to Pathé and the resolution allowing the share capital reduction by a maximum amount of €13,258,504 via a share buyback concerning a maximum amount of 1,657,313 shares.

Another meeting of the Board of directors will be held upon after the combined shareholders' meeting held on 16 May 2017, in order to record the completion of the abovementioned conditions and implementing the public buyback offer.

#### **10. Restrictions concerning the Offer outside France**

The Offer is intended for Gaumont shareholders located in France and abroad, provided the local legislation to which such shareholders are subject enables them to participate in the Offer without requiring the Company to complete any additional formalities.

The dissemination of this press release or the information note, the Offer, the approval of the Offer, as well as the delivery of shares can, in certain countries, be subject to specific regulations or restrictions. The Offer is not open or subject to the review and/or the authorisation of any regulatory authority other than in France, and no actions will be taken to do so. Neither this press release nor any other document relative to the Offer constitutes an offer to sell or acquire financial securities or a solicitation to participate in such offer in any country in which this type of offer or solicitation would be considered illegal, could not be validly carried out, or would require the publication of a prospectus or the completion of any other formality pursuant to local law. The shareholders of the Company located in countries other than France can only participate in the Offer insofar as such participation is authorised under the local laws to which such shareholders are subject. Therefore, the Offer is not made to persons directly or indirectly subject to such restrictions, and their participation cannot, in any way whatsoever, be accepted if originating from a country in which the Offer is subject to such restrictions.

Consequently, persons in possession of this press release or the information note are required to inform themselves regarding the local restrictions that could potentially apply, and to comply with such restrictions. Failure to comply with these restrictions could potentially constitute a violation of the laws and regulations applicable to financial markets. The Company hereby disclaims any liability for any person's violation of these restrictions.

In particular, the Offer is not made, neither directly nor indirectly, in the United States of America, to persons located in the United States of America, by means of the mails or any means or instrumentality

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<sup>4</sup> *Voting rights calculated in accordance with Article 223-11 of the general regulations of the AMF*



(including without limitation, facsimile transmission, telex, telephone or electronic mail) available in the United States, or any facilities of a national securities exchange of, the United States of America. Consequently, no copy or version of this press release, and no other document pertaining thereto or to the Offer can be sent via mail, or transmitted or disseminated by an intermediary or any other person in the United States in any way whatsoever.

No shareholder of the Company may tender shares into the Offer unless such shareholder is able to represent that (i) it did not receive in the United States of America a copy of the information note or any other document related to the Offer and did not send such documents to the United States of America; (ii) it has not used, directly or indirectly, the mails or any other means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States of America in relation to the Offer; (iii) it was not within the territory of the United States of America when it accepted the terms of the Offer or gave its order to tender shares; and (iv) it is neither an agent nor a fiduciary acting for a person other than a person who gave instructions from outside the United States of America. Authorized intermediaries may not accept orders to tender shares that have not been made in conformity with the provisions set forth above.

## **11. Contacts**

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