



Press release

Neuilly-sur-Seine, February 21, 2019

The Gaumont Board of directors, which met on February 20, 2019 under the chairmanship of Nicolas Seydoux, approved the financial statements for the year ended December 31, 2018.

FULL-YEAR CONSOLIDATED RESULTS as of December 31, 2018

Key figures from operations (in millions of euros)	2018 ¹	2017	% change
Consolidated revenue	196.2	177.0	10.8%
Operating income after share of net income of associates	-8.2	133.1	na.
Net income, Group share	-8.8	123.0	na.
Investments	99.3	113.4	-12.4%
Key balance sheet figures (in millions of euros)	December 31, 2018 ¹	December 31, 2017	% change
Equity, Group share	272.1	305.1	-10.8%
Net borrowings	-20.1	27.7	na

¹ Audit for 2018 is being processed

In 2017, Gaumont decided to sell its movie theater operation business to focus on production, particularly series production in the U.S., Germany and the UK. 2018 and 2019 represent a transition and development period for these new activities, which should start to yield results in 2020.

■ 2018 REVENUE

Consolidated revenue for 2018 amounted to €196.2 million, versus €177.0 million in the previous year.

○ CINEMA PRODUCTION

Revenue from the cinema production and distribution business amounted to €95.5 million in 2018, compared to €96.9 million in 2017:

- revenue from film distribution in French movie theaters stood at €20.4 million in 2018, compared to €30.7 million in 2017. In 2018, the 10 movies released in theaters sold 8.4 million tickets, compared to the 12.2 million tickets sold in 2017 for 13 movies;
- revenue from video and video on demand distribution in France amounted to €12.4 million in 2018, versus €11.6 million in 2017. Physical video sales increased, with more than 1.2 million video units sold. This was mainly due to the performance of the new releases. The same applies to digital sales (VOD and SVOD);
- sales of broadcasting rights to French television channels amounted to €24.0 million in 2018, compared with €18.6 million in 2017. Sales of catalog titles to historical television channels and digital channels increased, with close to 190 films sold during the year;



- revenue from international film production and distribution stood at €33.3 million in 2018, versus €30.9 million in 2017. Sales of new releases were down whereas sales of catalog films were in line with the previous period.

○ TELEVISION PRODUCTION

Revenue from the production and distribution of television programs totaled €92.0 million in 2018, compared to €74.6 million in 2017.

Sales of American series accounted for €75.4 million of revenue in 2018, versus €67.8 million in 2017. Two series were delivered to Netflix for online release in November 2018.

Revenue from the production and distribution of television drama and cartoon series came to €16.6 million in 2018, versus €6.8 million in 2017. It includes sales of two six-episodes drama series, broadcasted respectively on Canal+ and France 2, as well as episodes from three cartoon series for Disney and France 5.

■ 2018 RESULTS

Gaumont recorded a Group share net loss of €8.8 million in 2018, as against a profit of €123.0 million in 2017.

The 2017 and 2018 annual results are not comparable: 2017 profit includes the gain on disposal of the 34% minority interest in Les Cinémas Pathé Gaumont for €143.9 million, and the €8.4 million contribution from this business to Gaumont's results until the disposal date.

Operating income from cinema production and distribution, excluding overheads, totaled €20.5 million in 2018, compared to €12.6 million in 2017.

Operating income from the television production business in France and in the United States, excluding overheads, amounted to €9.0 million in 2018, versus €9.9 million in 2017.

Revenue from the holding and real estate businesses totaled €6.0 million in 2018, mainly due to trademark royalties, compared to €11.5 million in 2017.

Net financial income stood at €0.2 million in 2018, compared to a net financial expense of €8.1 million in 2017. The change reflects favorable foreign exchange rate effects.

Income tax expense for the period totaled €0.6 million, versus €2.0 million in 2017.

■ EQUITY AND BORROWINGS

Group share of consolidated equity stood at €272.1 million as of December 31, 2018, versus €305.1 million as of December 31, 2017. The decrease in equity was due essentially to the year loss and to the purchase of non-controlling interests from subsidiaries in the United States.

Gaumont's borrowings have fallen. Net cash stood at €20.1 million as of December 31, 2018, versus net borrowings of €27.7 million as of December 31, 2017. This mainly includes a positive cash balance of €130 million, the Gaumont SA bond for €60 million and self-liquidating loans of €42 million, based on proceeds from pre-financing and release of American series.

■ OUTLOOK

Ten movies have been released or are scheduled to be released in theaters in 2019:

- *Edmond*, directed by Alexis Michalik, starring Thomas Solivérès, Olivier Gourmet, Mathilde Seigner and Clémentine Célerié, was released on January 9;
- *The Mystery of Henri Pick*, directed by Rémi Bezançon, starring Fabrice Luchini, Camille Cottin, Alice Isaaz and Bastien Bouillon, will be released on March 6;
- *Wildlife*, a wildlife documentary directed by Guillaume Maudatchevsky;
- *No filter*, directed by Eric Lavaine, starring Alexandra Lamy, José Garcia, Anne Marivin and Michel Vuillermoz;
- *Pure as Snow*, directed by Anne Fontaine, starring Lou de Laâge, Isabelle Huppert and Vincent Macaigne;
- *Ibiza*, directed by Arnaud Lemort, starring Mathilde Seigner and Christian Clavier;
- *Pappy Sitter*, directed by Philippe Guillard, starring Gérard Lanvin and Olivier Marchal;
- *La Vie Scolaire*, directed by Fabien Marsaud, starring Alban Ivanov and Zita Hanrot;
- *The Specials*, directed by Eric Toledano and Olivier Nakache, starring Reda Kateb and Vincent Cassel;
- *Idiot Youth*, directed by Roman Polanski, starring Jean Dujardin, Emmanuelle Seigner, Grégory Gadebois and Louis Garrel.

Point Blank, first feature film produced by Gaumont Films in the United States, will be delivered to Netflix in the first half of 2019.

Five television series will be delivered in 2019:

- *Narcos season 5*, a 10-episode American drama directed by Eric Newman, to Netflix;
- *El Presidente season 1*, an 8-episode Latin American drama, to Amazon;
- *The Art of Crime season 3*, a 4-episode drama, to France 2;
- *Noddy season 2*, a cartoon series, to France 5;
- *Tin Star season 3*, to Sky.

■ DATES OF NEXT FINANCIAL COMMUNICATION

A press release on the half-year consolidated results as of June 30, 2019 will be published on September 11, 2019.

APPENDIX: Full-year and 2nd half consolidated revenue

<i>Consolidated revenue by business segment (in millions of euros)</i>	Dec-31-2018	Dec-31-2017	% change
Cinema production and distribution	95.6	96.9	-1%
Movie theaters France	20.4	30.7	-33%
Video France	8.1	7.7	5%
Video on demand France	4.3	3.9	12%
Television France	24.0	18.6	29%
International films	33.3	30.9	8%
Other movie distribution income ¹	5.5	5.1	6%
Television production and distribution	92.0	74.6	23%
American dramas	75.4	67.8	11%
French and European dramas	8.4	3.6	135%
Animated films and series	8.2	3.2	154%
Trademark royalties	6.2	3.6	72%
Other miscellaneous income²	2.5	1.9	32%
GAUMONT GROUP	196.2	177.0	11%

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

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

<i>Consolidated revenue by business segment (in millions of euros)</i>	2nd half		
	2018	2017	% change
Cinema production and distribution	44.2	56.1	-21%
Movie theaters France	7.1	19.1	-63%
Video France	3.3	3.6	-7%
Video on demand France	1.9	1.8	6%
Television France	11.0	10.8	1%
International films	18.7	18.0	4%
Other movie distribution income ¹	2.2	2.9	-22%
Television production and distribution	80.0	61.3	31%
American dramas	73.8	54.8	35%
French dramas	2.9	3.5	0%
Animated films and series	3.8	3.0	29%
Trademark royalties	4.5	1.9	142%
Other miscellaneous income²	1.4	1.0	46%
GAUMONT GROUP	130.7	120.2	9%

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

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