



Press release

Neuilly-sur-Seine, September 10, 2019

The Gaumont Board of directors, which met today under the chairmanship of Nicolas Seydoux, approved the financial statements for the period ended June 30, 2019.

CONSOLIDATED HALF-YEAR RESULTS as of June 30, 2019

Key figures from operations (in millions of euros)	June 30, 2019 ¹	June 30, 2018	% change
Consolidated revenue	47.4	65.6	-28%
Operating income after share of net income of associates	-17.3	-3.1	n/a
Net income, Group share	-18.1	-2.2	n/a
Investments	72.3	48.4	+49%
Key balance sheet figures (in millions of euros)	June 30, 2019 ¹	December 31, 2018	% change
Equity - Group share	251.0	272.1	-8%
Net borrowings ²	49.1	-20.1	n/a

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

² Excluding IFRS 16 debt

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.

Apart from how well released movies are received by the public, Gaumont's earnings are closely linked to the delivery schedule of the various series.

■ REVENUE FOR THE FIRST HALF OF 2019

Consolidated revenue for the first half of 2019 amounted to €47.4 million, versus €65.6 million as of June 30, 2018.

○ CINEMA PRODUCTION AND DISTRIBUTION

Revenue for the film production and distribution business amounted to €34.5 million as of June 30, 2019, versus €51.4 million as of June 30, 2018:

- revenue from the release of films in French movie theaters stood at €7.4 million as of June 30, 2019, compared with €13.4 million as of June 30, 2018. Five films sold 2.8 million cinema tickets in the first half of 2019, whereas six films sold 5.5 million tickets in the first half of 2018;
- revenue from video distribution and video on demand in France amounted to €4.2 million as of June 30, 2019, versus €7.3 million as of June 30, 2018. Sales were down compared with the first half of 2018, which saw the release of popular titles such as *See You Up There* and *C'est la Vie!*;

- revenue related to sales of broadcasting rights to French television channels amounted to €9.9 million as of June 30, 2019, versus €13.1 million as of June 30, 2018. Revenue as of June 30, 2019 includes receipts from the first TV broadcasting of two films released in 2018, *Rolling to You* and *The Death of Stalin*;
- revenue from international film sales came to €10.6 million as of June 30, 2019, compared with €14.5 million as of June 30, 2018. It includes royalties from the successful American remake of *Untouchable*.

○ TELEVISION PRODUCTION AND DISTRIBUTION

Revenue for the television production and distribution business amounted to €10.5 million as of June 30, 2019, versus €11.4 million as of June 30, 2018. It includes €3.5 million in revenue generated by the German subsidiary, which began operating in 2018.

The animated series *Noddy Season 2* was partially delivered in the first half of 2019. The one-off special *Les Ombres de Lisieux* was also delivered to France Télévisions.

■ RESULTS FOR THE FIRST HALF OF 2019

Gaumont recorded a net loss of €18.1 million as of June 30, 2019, against a loss of €2.2 million as of June 30, 2018.

Operating income from cinema production and distribution, excluding overheads, recorded a profit of €6.9 million as of June 30, 2019 compared to €16.6 million as of June 30, 2018. This decline is due to lower film performances in theaters in the first half of 2019, combined with a fall in sales of catalog titles, particularly to digital channels.

The television production and distribution business, excluding overheads, recorded an operating loss of €1.2 million as of June 30, 2019, compared with a loss of €0.1 million as of June 30, 2018. Major deliveries will take place in the second half of 2019 in the United States, France and Germany.

Revenue from the holding and real estate businesses totaled €0.7 million as of June 30, 2019, versus €1.7 million as of June 30, 2018.

Support for the development costs of European operations amounted for €1.2 million during the period.

■ CHANGE IN FINANCIAL STRUCTURE IN THE FIRST HALF OF 2019

The Group's net borrowings, excluding its liability under IFRS 16, stood at €49.1 million as of June 30, 2019, against net cash of €20.1 million as of December 31, 2018. It mainly includes a positive cash balance of €96.1 million, the Gaumont SA bond for €60.0 million and self-liquidating loans of €76.9 million, based on proceeds from pre-financing and release of American series.

Movie investment came in at €14.6 million in the first half of 2019, compared with €9.4 million in the first half of 2018. Television investment totaled €56.5 million in the first half of 2019, compared with €38.4 million in the same period of 2018. In March 2019, Gaumont acquired the company CDG SAS, to which the entire branch of a business had been transferred, comprising producer shares, rights to a share of the proceeds and distribution rights for most of the Roissy Films catalog.

■ RECENT EVENTS AND OUTLOOK

Two films have been released since July 1st :

- *Ibiza*, directed by Arnaud Lemort, starring Mathilde Seigner and Christian Clavier. The film was released on July 3 and sold a total of 625,000 tickets;
- *School Life*, directed by Grand Corps Malade and Mehdi Idir, starring Alban Ivanov and Zita Hanrot. The film was released on August 28 and sold more than 700,000 tickets in twelve days.

Three movies are scheduled to be released in theaters in the second half of 2019:

- *Three days and a life*, directed by Nicolas Boukhrief, starring Sandrine Bonnaire, Charles Berling and Pablo Pauly;
- *The Specials*, directed by Eric Toledano and Olivier Nakache, starring Reda Kateb and Vincent Cassel;
- *J'accuse*, directed by Roman Polanski, starring Jean Dujardin, Emmanuelle Seigner, Grégory Gadebois and Louis Garrel.

The following television series will be delivered in the second half of 2019:

- *Narcos season 5*, a ten-episode American drama directed by Eric Newman, to Netflix;
- *El Presidente*, an 8-episode Latin American drama, to Amazon;
- *The Art of Crime season 3*, a 4-episode drama, to France 2;
- the latest episodes of the animated series *Noddy Season 2*, to France 5.

■ DATES OF NEXT FINANCIAL COMMUNICATION

A press release on the full-year consolidated results as of December 31, 2019 will be published on March 10, 2020.

APPENDIX: Half-year consolidated revenue

<i>Consolidated revenue by business segment (in millions of euros)</i>	1 st half		
	2019	2018	% change
Cinema production	34.5	51.4	-33%
Movie theaters France	7.4	13.3	-45%
Video France	3.1	4.8	-36%
Video on demand France	1.2	2.5	-52%
Television France	9.9	13.1	-24%
International films	10.6	14.5	-27%
Other movie distribution income ¹	2.3	3.2	-27%
Television production	10.5	11.4	-8%
American dramas	1.8	1.6	13%
French et European dramas	5.8	5.5	0%
Animated films and series	2.9	4.3	-32%
Trademark royalties	1.3	1.7	-24%
Other miscellaneous income	1.2	1.0	12%
GAUMONT GROUP	47.4	65.6	-28%

¹ Primarily includes spin-off products, music publishing and the GP Archives business.