



## Press release

Sainte Hélène du Lac (Savoie, France), 13 May 2015 (before market opening)

### 2014/2015 revenues of €61.3 million Pro forma growth of 9.5% in the second half Strong sales momentum and return to breakeven expected in 2015/2016

The MND Group (FR0011584549, MND), **an innovative developer of mountain and urban mobility solutions**, is listed on the regulated Euronext Market in Paris, Compartment C.

MND implemented streamlining measures over the 2014/2015 financial year in order to optimise all Group operations so as to increase efficiency and enable a quick return to profitability. This streamlining of the Group's organisational structure, manufacturing resources and sales offering, combined with a strong recovery in margins and significant reduction in structural costs, enabled MND to significantly lower its breakeven point from over €80 million of revenues to €65 million for the financial year beginning 1 April 2015.

Accordingly, the second half showed a marked turnaround in trends, with a 9.5% pro forma increase in revenues and half-year margins that are expected to be positive, according to initial estimates.

The full financial year will be impacted by these material, non-recurring structural measures; however, the Group expects to see a significant decrease in its operating loss for the year ended and should generate an operating profit for the financial year beginning 1 April 2015.

#### 2014/2015 (1 April – 31 March) revenues of €61.34 million

€m – unaudited	2014/2015	2013/2014	Change
<b>Reported revenues</b>	<b>61.34</b>	50.76	+20.8%
<b>Pro forma revenues (1)</b>	<b>61.24</b>	62.52	-2.1%
- H1	<b>19.80</b>	24.67	-19.7%
- H2	<b>41.44</b>	37.85	+9.5%

Following pro forma revenues of €19.80 million in the first half, 2014/2015 second half revenues amounted to €41.44 million, up 9.5% compared with the previous year. The second half benefited from increased sales momentum, especially in Asia. This growth was accompanied by a substantial improvement in profit margins and a reduction in costs, thus increasing the likelihood of a return to operating profitability during this period.

MND posted revenues of €61.34 million for the full financial year, up from €50.76 million in 2013/2014. Pro forma revenues fell by 2.1% (1.4% at constant exchange rates) due to 1) the discontinuation of certain non-strategic activities, and 2) the closure of unprofitable operating facilities, so as to return to financial performance levels in line with past trends and the medium-term business plan.

On a pro forma basis, the Snowmaking and Ski Lifts Division generated stable revenues of €40.40 million, compared with €40.98 million for the previous financial year.



On a pro forma basis, the Safety & Leisure Division posted revenues of €20.84 million, compared with €21.54 million last year.

In terms of geographical breakdown and pro forma revenues, Europe suffered from a lack of snow, which had an adverse impact on consumables orders resulting in a 14% decrease in revenues to €50.3 million. The United States continued to progress with revenues of €3.24 million, while Asia reported the strongest growth with revenues of €6.34 million, offering significant potential for development. Rest of the World revenues increased to €1.34 million.

### **The development of the ski lift range is progressing according to plan**

The Group also made significant investments in R&D over the financial year in order to continue developing its new generation of ski lifts, and several patents have been filed or are currently pending. MND will bring its new range of detachable chair lifts to the market in 2016, and will therefore be in a position to install its first 6-seater detachable chairlift in summer 2016 and its first gondola in summer 2017. The marketing of this kind of installation will offer the Group access to a wider ski lift market worth €800 million, compared with €150 million to date, for which it has highly competitive equipment. Commercial discussions are already underway and are at an advanced stage.

As stated in our 11 December 2014 press release, talks with Vinci are continuing in order to determine the technical and financial conditions for the services to be performed, with a view to developing and installing a Cabline demonstration prototype. A press release should be published before the end of first half 2015.

### **Strong sales momentum including the signing of major contracts**

From a commercial standpoint, the Group is benefiting from the initial results of optimising and strengthening its product range, as well as from the acceleration of its international roll-out, particularly in Asia.

In the ski lift sector, MND completed major programmes in La Pierre Saint Martin and Chatel in France (four-seater chairlift and a magic carpet), a four-seater chairlift in Sarimakis and Polat-Erzurum in Turkey, and ski lifts in Baqueira, Spain. Several major contracts have been signed for 2015, including a magic carpet in Val Cenis and Kungsberget in Sweden and ski lifts in Høgevarde in Norway.

In the snowmaking sector, the acquisition of Sufag has placed the Group in an ideal position in terms of product range, bringing revenues of over €2 million in China and major contracts in France (Valmeinier and Ballon d'Alsace) and Turkey (Dorukkaya). Confirmed orders for China already amount to €1.6 million for 2015, while the Turkish subsidiary has just received an order for Erzincan.

In the ski slope safety sector, many contracts were executed in 2014 in a wide variety of regions (Chile, Italy, Switzerland, Spain, France, etc.). To date, several contracts have been signed for 2015 in Sweden, France and Norway, while an additional order has been received for Chile.

Lastly, in the Leisure sector, MND installed the Via Ferrata in La Plagne and Prabouré in France, two adventure parks in Norway and Sweden and the walkways in Riyadh in Saudi Arabia.



In 2015/2016, MND will focus on continuing to step up its sales momentum and will benefit from the significant reduction in its breakeven point in order to return to profitable growth (on the basis of income from current operations). In addition, after successfully streamlining its organisational structure, MND is currently working hard on optimising its working capital and financial structure. MND has major advantages in terms of successfully implementing its corporate vision: a global offering and universally recognised brands, an international presence, modern industrial facilities and teams focused on driving the Group's successful development.

Next release: 2014/2015 annual results on 16 July 2015 after market close

(1) As the acquisitions performed during the past year had an impact of over 25% on a large number of aggregate amounts, the Group has prepared pro forma data.

Find all the information you need on [www.mnd-bourse.com](http://www.mnd-bourse.com)

**About MND Group:** The MND Group has been based at Sainte H el ene 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 four manufacturing plants in Europe (France, Germany and Sweden), eight distribution subsidiaries and 50 distributors worldwide, the MND Group has 300 employees and almost 3,000 customers in 49 countries.

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