



YMAGIS

Press release
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YMAGIS ANNOUNCES THE SIGNATURE OF NEW DIGITIZATION CONTRACTS IN GREECE AND TURKEY BY ITS AFFILIATE DCINEX

YMAGIS (ISIN: FR0011471291, mnémo: MAGIS), the specialist in digital technologies for the cinema industry, announces the signature by dcinex, its recently acquired affiliate, of new digitization contracts under the VPF⁽¹⁾ financing model in Greece and Turkey.

In Greece, dcinex confirmed having signed an agreement with the three cinema chains Village Cinemas, Odeon, and Ster Cinemas to digitize 150 screens on 20 sites under the VPF Third-Party financing model⁽²⁾. With this deployment, dcinex (YMAGIS Group) enables the conversion to digital cinema in Greece which was slightly delayed compared to other countries in Europe. On top of these agreements, the sale and installation of digital projection equipment as well as a 4-year service contract for this equipment will be executed by dcinex.

To benefit from the dynamic generated by these agreements and to progressively develop the activities in this market, the Group considers the establishment of a local structure in Greece.

Till Cussmann, Vice-President of dcinex's Exhibitor Services business unit pointed out: « *These major contracts signed in Greece are of strategic importance to the Ymagis Group with Greece being among the last markets to convert to digital. The local structure we consider to establish will allow us to fully benefit from the generated dynamics.* »

Furthermore, dcinex also confirms having concluded an agreement in Turkey with three major cinema chains: Avsar Cinema, Cinemarine and Pink. These contracts will allow dcinex to achieve the digitization of 236 screens in Turkey under the VPF model.

Jean Mizrahi, President and co-founder of YMAGIS commented: « *dcinex's decision in 2013 to establish an affiliate in Turkey was instrumental to become one of the key partners of the Turkish cinema industry throughout its shift towards digital.* »

He also added: « *These VPF contracts illustrate the first benefits of our collaboration with dcinex. Our combined teams work diligently to further strengthen our leading position in Europe across all activities.* »

Thanks to these contracts, the YMAGIS Group confirms its position as European leader on the financing market for projection equipment with a total of 6,170 screens under VPF contract, deployed or to be deployed, in 16 countries in Europe.

Forthcoming event:

- Q3 2014 sales, 12 November after the close of the stock market



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Founded in 2007 and managed by professionals from cinema and high-tech industries, YMAGIS (www.ymagis.com) is specialized in services for digital cinema. YMAGIS provides services to producers, distributors of movies and alternative content, advertising sales agencies and cinema exhibitors. The provided services ensure a smooth transition of their operations from 35mm to digital while keeping costs under control and producing the best possible mix in terms of creativity, marketing and financing. YMAGIS's offer covers three main business areas: the management of VPF⁽¹⁾, services to exhibitors and services to producers / distributors. The services to exhibitors cover sale and installation of equipment for cinemas, maintenance and online support services for digital projection equipment, sale and leasing of 3D glasses, while the services to producers and distributors cover post-production of content as well as preparation and distribution of DCPs⁽³⁾ and KDMs⁽⁴⁾. YMAGIS's digital laboratories deliver thousands of DCPs and KDMs to cinemas each week on behalf of its distributor and advertising sales agency clients. During the 2013 financial year, the Group generated consolidated revenue of €47.3m, representing an increase of 19% compared with 2012, and profit before tax of €4.0m, up by 27%. Following the execution of the acquisition of dcinex on October 20th 2014, the 2013 proforma sales of the enlarged group stands at 139.M€ for a proforma EBITDA of 47.5M€ and a proforma pre-tax current result of 7.0M€.

- (1) VPF: Virtual Print Fee – fee paid to YMAGIS Group by the supplier of digital content, mainly the distributors of long features, in order to allow the projection of this content in a theater under VPF contract with YMAGIS Group, regardless of the equipment financing model chosen by both parties (Third-Party Investors –financing carried out by YMAGIS Group- or Third-Party Collector –financing carried out by the exhibitor-). The VPF collection makes it possible to cover a significant part of the financing of digital projection equipment, the balance being supported by the exhibitor under contract with YMAGIS Group.
- (2) The financing of digital projection equipment allowing for the collection of VPF by the YMAGIS Group is structured around two modalities proposed by the Group to respond to the specific expectations of each exhibitor under contract : the Third-Party Investor and the Third-Party Collector model. In the Third-Party Investor model, the exhibitor finances the equipment by himself and invoices YMAGIS a contribution accounted for by the Group as external charges.
- (3) DCP: Digital Cinema Package - group of digital files comprising feature-length films, trailers and commercials, or any other content shown via a digital projector.
- (4) KDM : Key Delivery Message, ou clef de déchiffrement des contenus. Il s'agit d'un message électronique par lequel le distributeur fait parvenir à l'exploitant la clé qui va lui permettre de lire et donc de projeter la copie numérique (ou DCP).

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