



YMAGIS

Press Release

Paris - June 24, 2015

YMAGIS GROUP ANNOUNCES NEW PARTNERSHIP WITH EUTELSAT FOR CONTENT DELIVERY ARM DSAT CINEMA

Paris (France), Liège (Belgium), June 23, 2015/ Ymagis Group (ISIN: FR0011471291, TICKER: MAGIS), the European specialist in digital technologies for the cinema industry, today announced it has reached an agreement with Eutelsat Communications (NYSE Euronext Paris ISIN: FR0010221234 TICKER: ETL) to strengthen the operational activities of their content delivery company DSAT Cinema (DSAT). Eutelsat and dcinex (Ymagis Group) have a 50.2% and 49.8% ownership stake in DSAT, respectively.

Under the deal, Ymagis' content delivery business entity, Smartjog Ymagis Logistics ("SYL"), and DSAT will provide a single, fully-integrated business offer to clients. Combining SYL and DSAT's respective networks of electronic receivers across Europe will create a very important network for content delivery, with 3,300 cinema sites currently connected.

SYL will operate DSAT's portfolio of activities on a day-to-day basis under the guidance of DSAT's board of directors. The redeployment of content receivers and optimization of satellite capacities will be prioritized in order to achieve maximum efficiency.

Eutelsat and dcinex will, remain shareholders of DSAT for a period of 15 months. At the end of this period, Ymagis may acquire Eutelsat shares in DSAT Cinema at a price reflecting the latter's financial performance.

Olivier Anstett, Director Media and Value Added Service at Eutelsat and Chairman of the Board of DSAT declared: *"The European digital cinema market needs one strong electronic delivery player to ensure fast and reliable content delivery. We believe that large scale cinema content delivery can only be achieved on a sustainable basis, through satellite. This is why we are convinced that SYL is the right operational partner for DSAT Cinema and look forward to implementing this partnership".*

Jean Mizrahi, CEO and co-founder of Ymagis added: *"This coming together of SYL and DSAT at an operational level is a prerequisite for the short-term success of our electronic content delivery service. It will allow us to offer enhanced services to both our distributor and movie exhibitor clients across Europe. Following the dcinex acquisition in October 2014, this agreement with Eutelsat is logical: to obtain full operational control and full ownership of DSAT in 15 months. This move offers an opportunity to reunite SYL and DSAT in 2016 under Ymagis' management, optimize synergies and to create a global leader in electronic content delivery throughout Europe."*

NEXT PUBLICATION: August 4th - revenue for the first half of 2015

ABOUT YMAGIS

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, to ensure a smooth transition of their operations from 35-mm to digital, while keeping costs under control and producing the best possible mix in terms of creativity, marketing and financing. YMAGIS' offer covers three main business areas: the management of VPF⁽²⁾, services to exhibitors ("Exhibitor Services") and services to producers / distributors ("Content Services"). 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' digital laboratories deliver thousands of DCPs and KDMs to cinemas each week on behalf of its distributor and advertising sales agency clients. During the 2014 fiscal year, the Group generated consolidated revenues of €84.6 million, an increase of 78.9% compared with 2013, including dcinex sales beginning October 1, 2014. The consolidated pro-forma ⁽¹⁾ full year 2014 revenues stand at €150.4 million compared to €139 million in 2013 (+8.2%).



- (1) *Pro-forma revenues are based as if dcinex acquisition was carried out as of January 1, 2013.*
- (2) *VPF or Virtual Print Fee: Fee paid to YMAGIS Group by the supplier of digital content, mainly the distributors of feature-length films, 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.*
- (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 or contents' unlocking key. The distributor sends an electronic message to the exhibitor, containing the key enabling the digital copy (or DCP) to be played.*

ABOUT DSAT CINEMA

With over 1,300 cinemas under contract, DSAT Cinema, a joint-venture between Eutelsat and dcinex, deploys and controls a European network for cinema distribution via satellite. DSAT Cinema solution has been chosen by several distributors for the dematerialized delivery of digital films and by providers of alternative content for the distribution of their live 2D and 3D events. Thanks to the satellite expertise of Eutelsat and the operational support of dcinex and OpenSky, DSAT Cinema has set up a vast cinema delivery network infrastructure comprising capacity on two satellites, two teleports and a Network Operations Centre, a multilingual hotline.

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