



DA 58 ANNI AMIAMO SOLO I FILM

FY 2015 RESULTS  
12<sup>th</sup> April 2016

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# DISCLAIMER

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*The forward-looking information contained herein is based on the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activities and situations relating to the Company. Such forward-looking information involve risks and uncertainties, and future actual results may differ materially from those expressed in or implied by these forward-looking information as a result of various factors, many of which are beyond the ability of LMG to control or estimate precisely. Consequently it is recommended that such kind of information is viewed as indicative only.*

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*With respect to the 2015 full year results, it is specified that they are based on public data yet to be approved by the company general assembly and that they have been reclassified for representation purposes.*

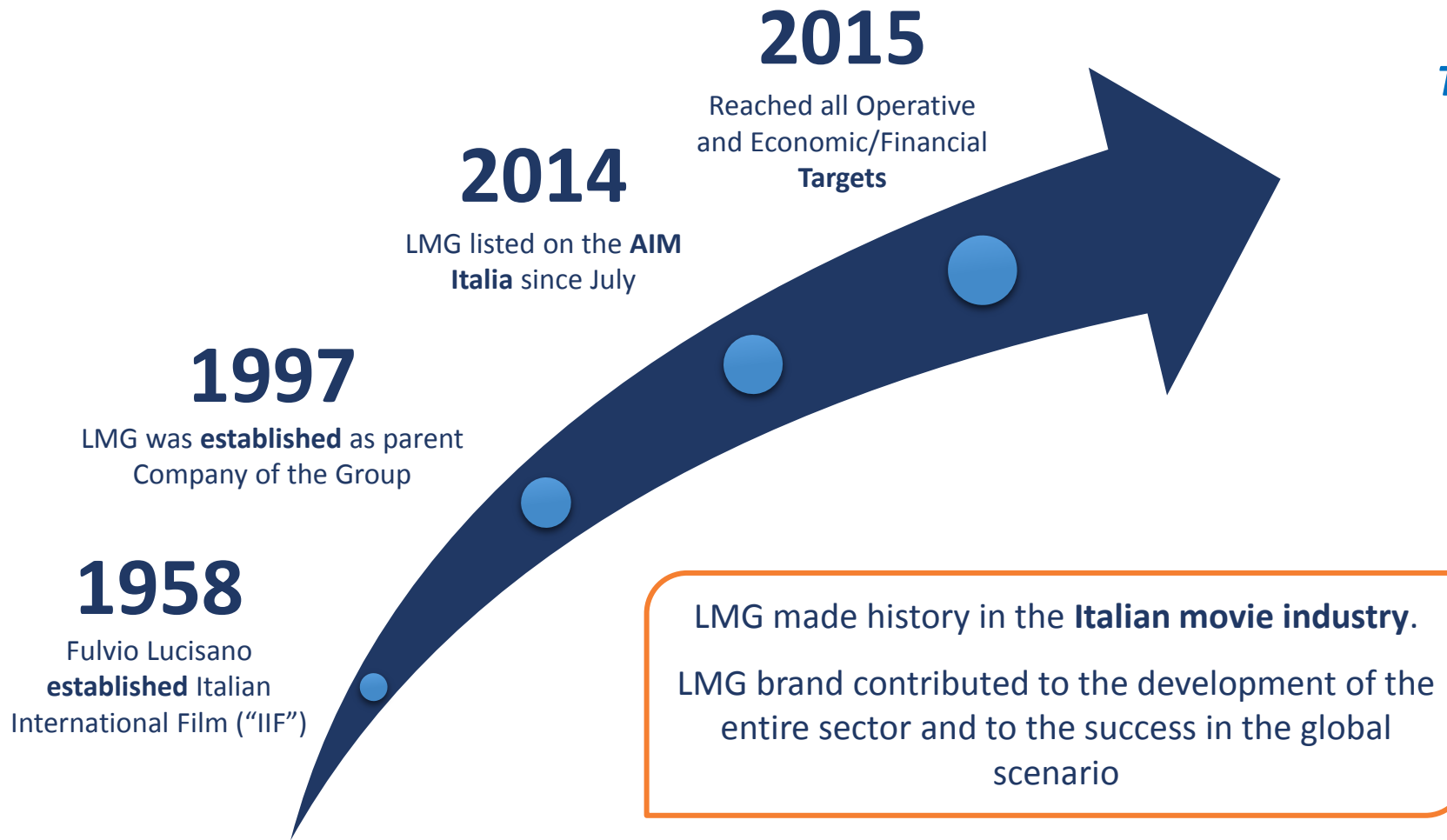


- 🎬 **COMPANY OVERVIEW**
- 🎬 2015 KEY EVENTS
- 🎬 BUSINESS MODEL
- 🎬 INVESTMENT OPPORTUNITIES
- 🎬 2015 FINANCIAL
- 🎬 APPENDIX

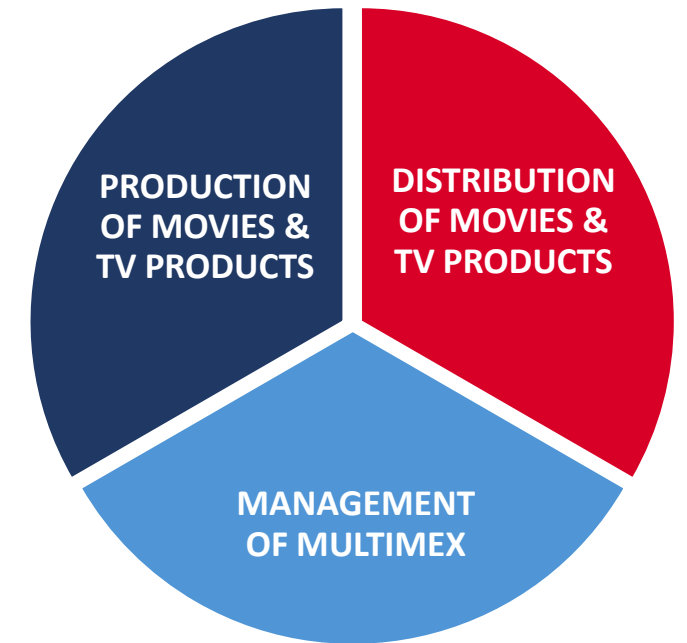


# COMPANY OVERVIEW

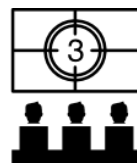
**SUCCESSFUL  
TRACK RECORD**



**OLDEST INTEGRATED  
ITALIAN PLAYER IN MOVIES & TV PRODUCTS**



~ **150**  
films produced

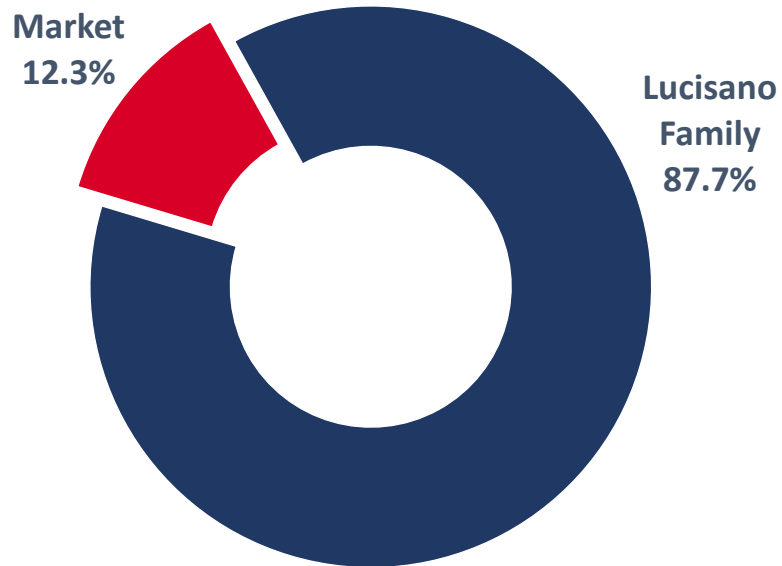


~ **500**  
foreign movies distributed

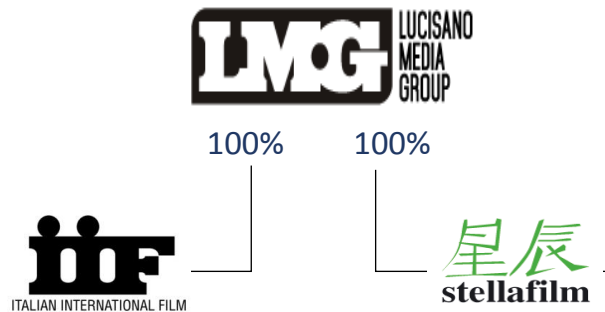


**255**  
Italian and international films in the library up to date

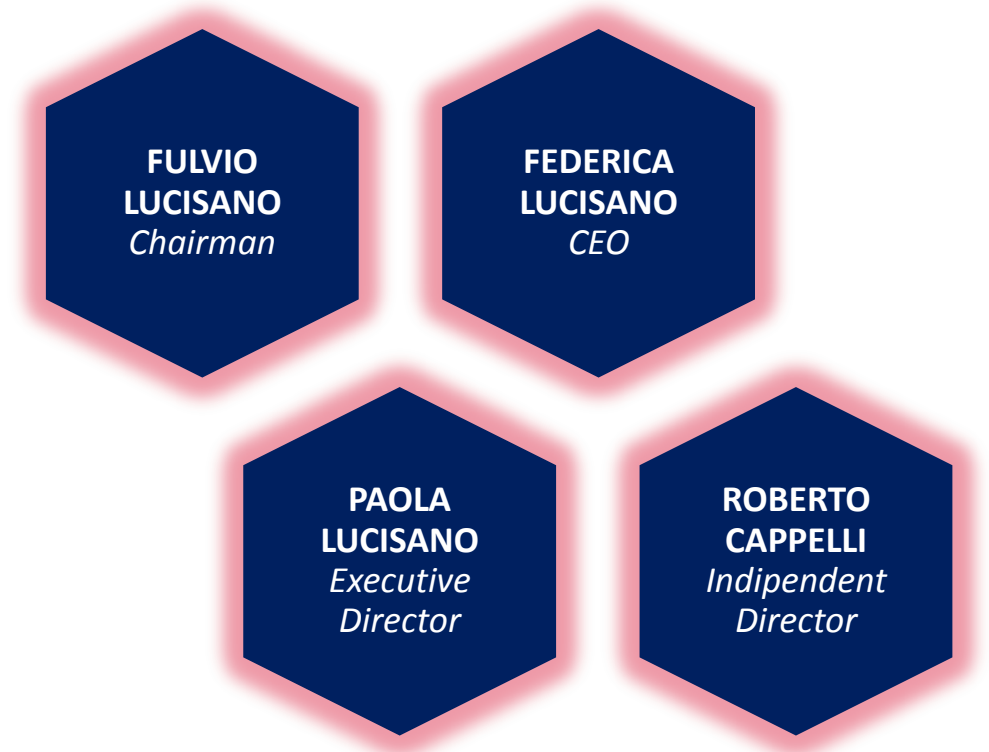
## Sharerholders Structure



## Group's Structure



## Board of Directors



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## 2015 KEY EVENTS

### EXCELLENT FILM AND TELEVISION PRODUCTION THAT ACHIEVED MANY AWARDS AND AUDIENCE RECOGNITION



**January 2015** signed an agreement with the actor and director Vincenzo Salemme for 2015 shooting and reading of his next film.



**NOI E LA GIULIA**

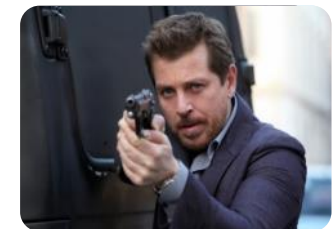
**June 2015:** "Noi e la Giulia", produced by LMG and directed by Edoardo Leo, won 2 David di Donatello for best film for Young David and Best Supporting Actor Charles Buccirosso; 2 Silver Ribbons as best comedy and supporting actor Claudio Amendola; a Golden Globe as best comedy; 2 Gold Ciak, as revelation film of the year and for best supporting actor Claudio Amendola.

**September 9<sup>th</sup>, 2015:** LMG confirms its leadership in television productions: fiction "Anna e Yusef" won in prime time on Rai 1 with a total of 4.8 million viewers and an audience share of 20.81%. The second episode of the miniseries "Anne e Yusef - Un amore senza confini", directed by Cinzia TH Torrini, comes from an idea by Paola Lucisano, produced by Rai Fiction, was the most watched program in the end of first of Tuesday, September 8<sup>th</sup> evening.



**ANNA E YUSEF**

The production of the TV on the Guardia di Finanza series, "Il sistema", has been completed and its first episode will be broadcast on RAI 1 in prime time **18 April 2016**.



**IL SISTEMA**



## 2015 KEY EVENTS

### EXCELLENT FILM AND TELEVISION PRODUCTION THAT ACHIEVED MANY AWARDS AND AUDIENCE RECOGNITION



**September 17<sup>th</sup>, 2015** -  
“Tutte lo vogliono” ” is  
released in cinemas in  
November and earned at  
the box office €1.9 mln

#### TUTTE LO VOGLIONO



**November 12<sup>th</sup>, 2015** – “Gli  
ultimi saranno gli ultimi” is  
released in cinemas in  
November and earned at  
the box office €2.5 mln

#### GLI ULTIMI SARANNO ULTIMI



**October 26<sup>th</sup>, 2015** -  
“Io che amo solo te” is  
already on his debut  
the best Italian film of  
the week- end, with  
€1.2 mln earned at the  
box office and 183,944  
attendances from  
Thursday 22 to Sunday  
25 October

#### IO CHE AMO SOLO TE



**November 24<sup>th</sup>, 2015** -  
LMG, through IIF (100%)  
and Space Rocket Nation -  
film production company of  
Nicolas Winding Refn - have  
signed a co-production of  
50% agreement for the  
creation of "Les Italiens", an  
international project of long  
series of television noir  
genre.





## 2015 KEY EVENTS

### *DISTRIBUTION OF FOREIGN ENTERTAINING COMEDIES THAT ACHIEVE CONSIDERABLE SUCCESS AT THE BOX OFFICE*



**January 15<sup>th</sup>, 2015:** Preview of "Non sposate le mie figlie!", releases on February at the cinemas.

#### **NON SPOSATE LE MIE FIGLIE**

**May 4<sup>th</sup>, 2015:** The film "I 7 nani" and the comedy "Samba" entered in the top ten of the best box office of the weekend, exceeding €1 mln at the box office, and placing seventh and tenth among the films more watched during the weekend in Milan. Directed by Boris Aljinovic and Harald Siepermann, "I 7 nani" is a cartoon produced in Germany, whose Italian rights belong to IIF. For the first time, IIF has entrusted the distribution of the cartoon in Italian cinemas at Microcinema company, getting a surprising result for a small independent production: 62,160 audience and total profit of €405 thousand to the opening weekend. "Samba", signed by the directors Olivier Nakache and Eric Toledano, is a comedy produced by French Quad Films and Aumont and distributed by 01 Distribution on behalf of IIF, during the second weekend in the cinemas has reached 39,454 viewers

**July 21<sup>th</sup>, 2015:** signed the sale to Sky Italy of an important package of Library consisting of 106 films.

#### **I 7 NANI**

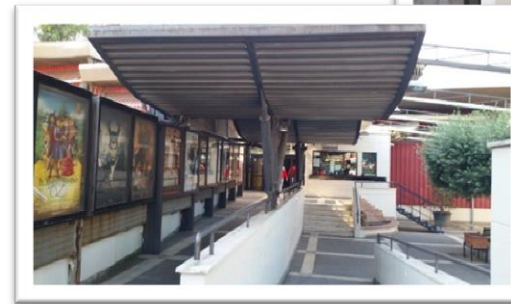


#### **SAMBA**



### ***PURCHASE OF ADVANCED AND SOPHISTICATED TECHNOLOGIES FOR FILM PROJECTION***

During the year it was built a new hall at the multiplex Gaveli of Benevento, and a new ATMOS room at the multiplex Andromeda Rome using Sony 4K projector dual projection system, which is a first in everything Italy.



**Andromeda  
Rome**



**Happy Maxi Cinema- Afragola (NA)**

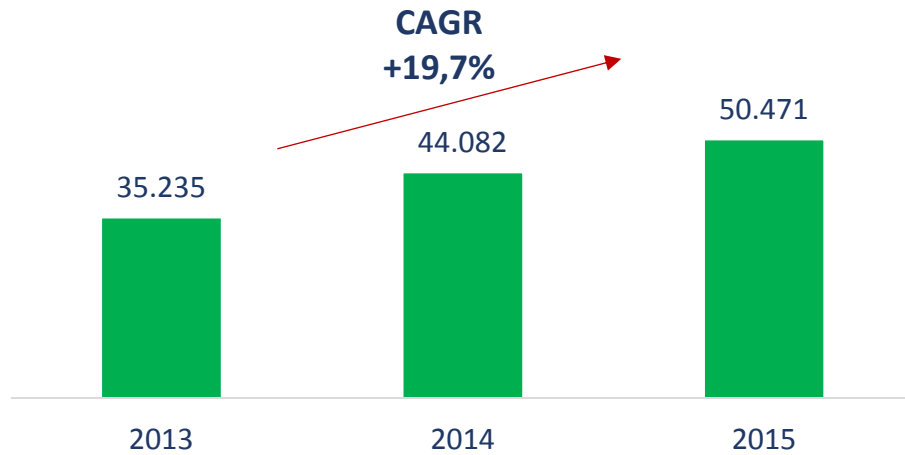
In **November** was inaugurated, at the cinema Happy Maxicinema Afragola operated by Star Movies, the first Imax hall of the central and southern Italy, with a large screen of 300 square meters, 70 million pixel image, and Supersound 22 thousand watt system.

# 2015 KEY EVENTS

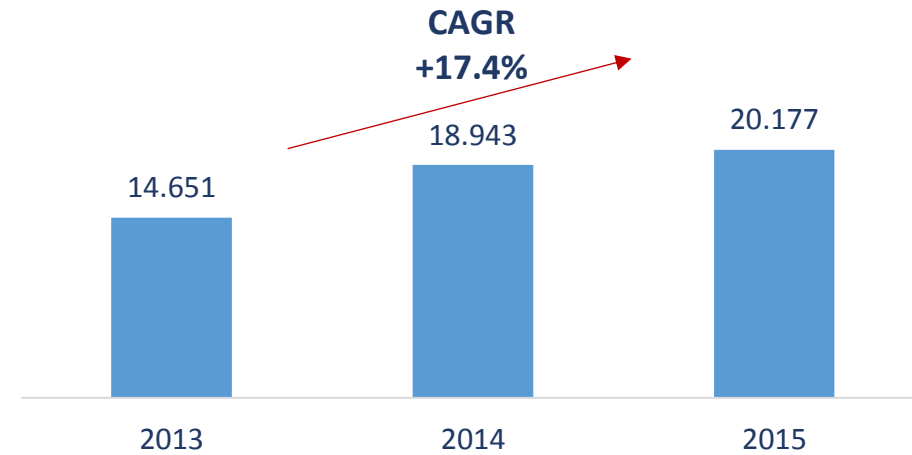
## GROWTH OF ALL ECONOMIC MARGINS EXCELLENT NET RESULT



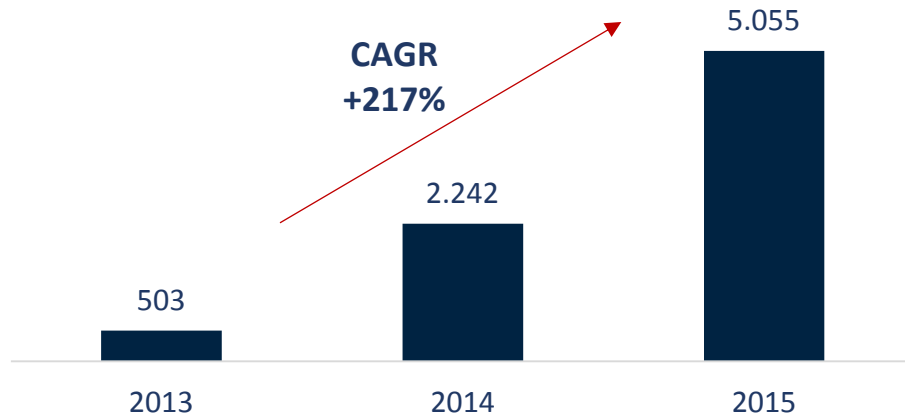
### REVENUES



### EBITDA



### NET PROFIT

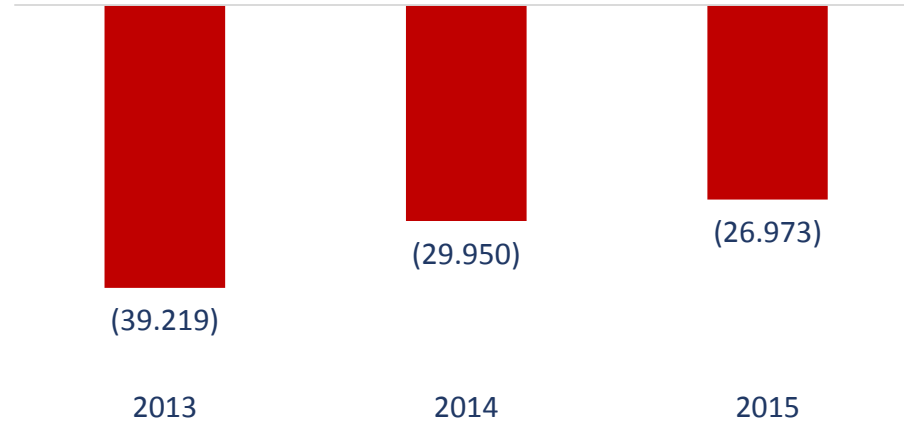


**Dividend proposal for 2015:**  
Totalling €1 mln, € 0.07 per share

## 2015 KEY EVENTS



### NFP



***IMPROVING THE NFP  
REACHING THE FORESEEN TARGET***



**LIBRARY 255 FILMS**

***LIBRARY WITH A HIGH ASSESSMENT €105 M***



**MULTIPLEX**

***IMPORTANT POSITION OF REAL ESTATE  
WITH 2 CINEMAS OWNED***



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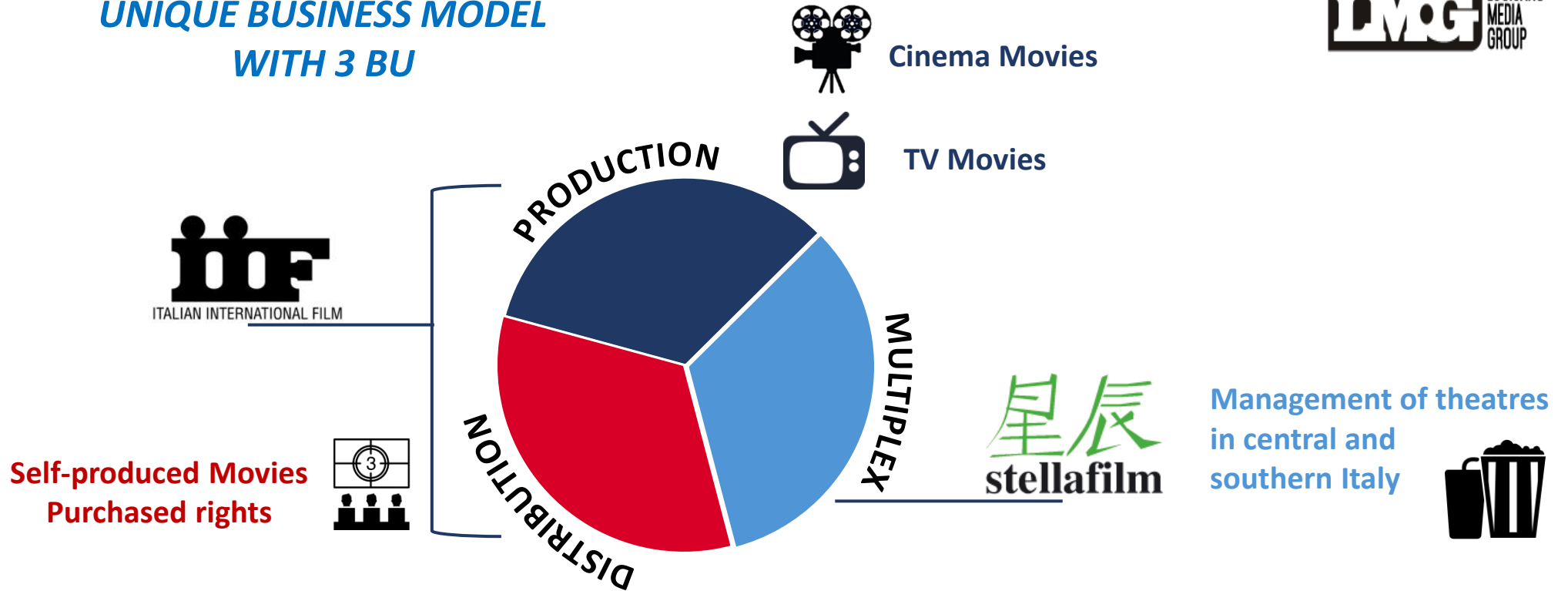
# BUSINESS MODEL



## UNIQUE BUSINESS MODEL WITH 3 BU

BUSINESS  
UNITS

BUSINESS  
PROFIT

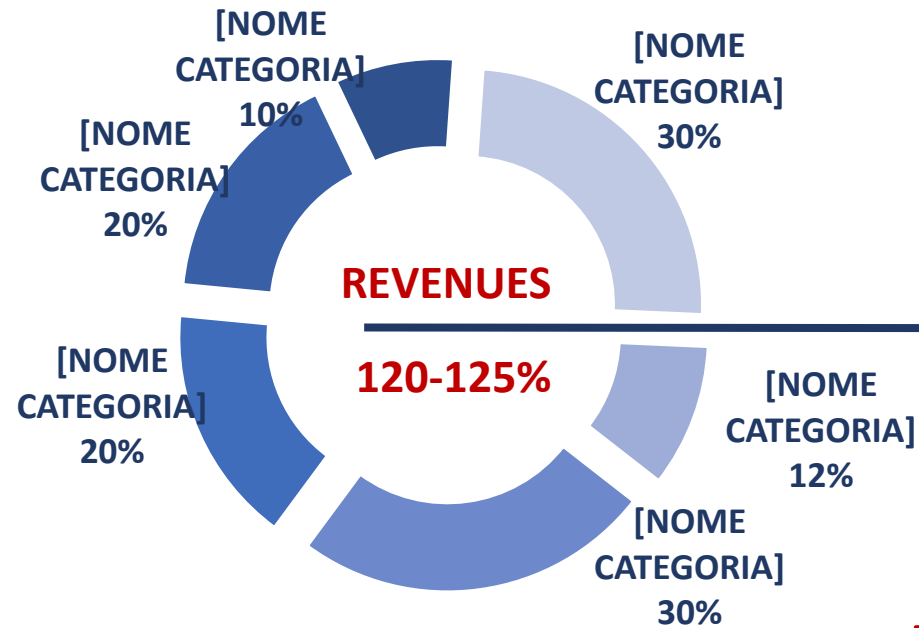


	Production	Distribution	Multiplex
REVENUES contribution	~ 65%	~ 10%	~ 25%
EBITDA Margin	~ 55%	~ 45%	~ 20%

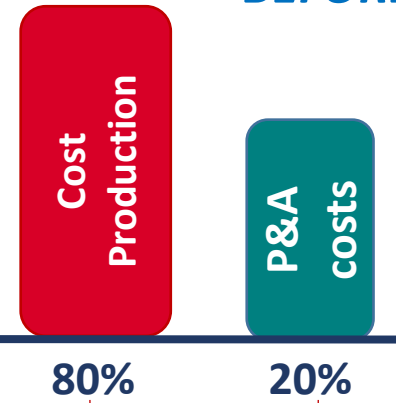
# BUSINESS MODEL



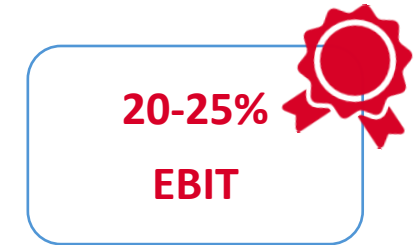
TOTAL COST  
COVERAGE



PRODUCTION COSTS FULLY COVERED  
BEFORE SHOOTING



100% TOTAL COST



## First Sale Cycle – Theatrical Release

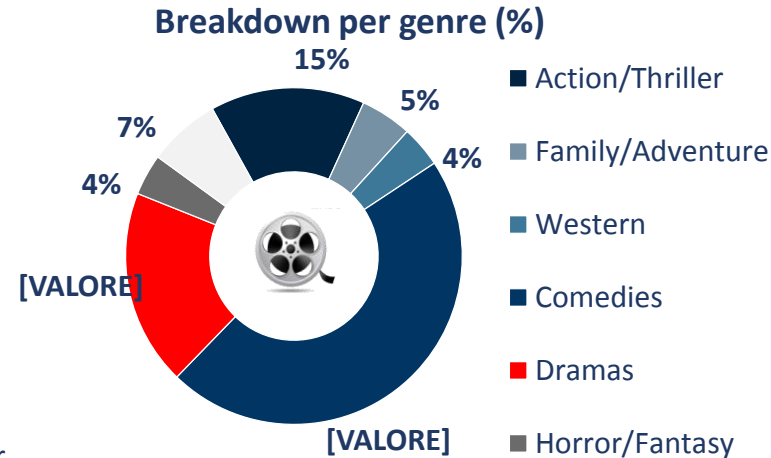
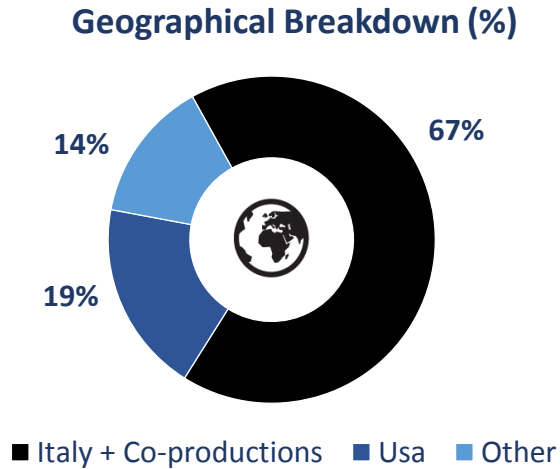
HOME VIDEO	PAY PER VIEW	PAY TV	FREE TV
3 Months	6-8 Months	12 Months	24 Months

- The distribution covers films produced in-house by LMG and also those LMG purchases on the market
- For its own productions LMG can exploit more rights than for those purchased
- A film's distribution cycle needs a lot of promotional activity

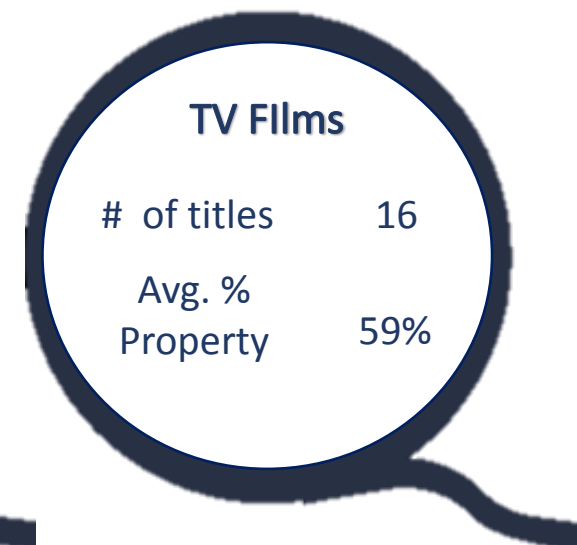
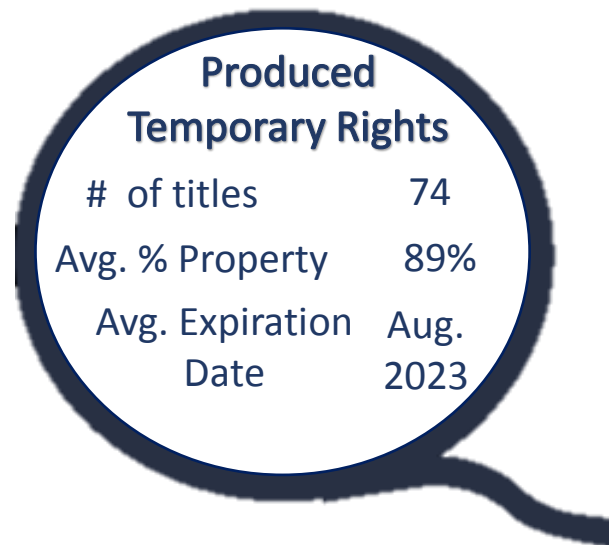
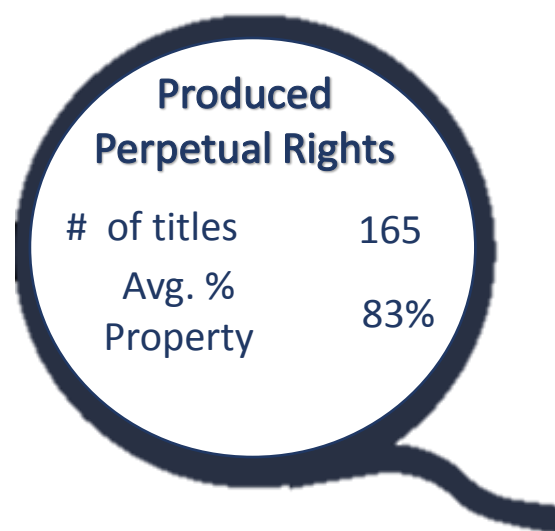
## MAXIMUM FLEXIBILITY VS HOME VIDEO AND TV MARKET DEMAND



255 films



## VALUABLE ITALIAN LIBRARY IN TERMS OF SIZE AND QUALITY





## 55 SCREENS IN CENTER AND SOUTHERN



**Happy Maxi Cinema- Afragola (NA)**  
Screens: 13 / Seats: 2,500



**Modernissimo (Naples)**  
Screens: 4 / Seats: 695



**Gaveli Multisala (Benevento)**  
Screens: 5 / Seats: 957



**Andromeda (Rome)**  
Screens: 8 / Seats: 1,024  
LMG owned



**Andromeda (Brindisi)**  
Screens: 7 / Seats: 1,248  
LMG owned



**BIG Maxicinema - Marcianise (CE)**  
Screens: 13  
Seats: 2,586



**Andromeda River (CS)**  
Screens: 5 / Seats: 756



LMG operates in the direct management of multiplexes and in the programming of movie contents in other multiplexes, through its subsidiary Stella Film with a total of 55 screens and 9,766 seats

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- 🎬 2015 FINANCIAL
- 🎬 APPENDIX





- ✓ Unique fully vertically integrated group in Italy
- ✓ Risk diversification across all 3 business units
- ✓ Very committed management
- ✓ Strong market price upside potential

## **Multiples**

- ✓ High technology
- ✓ IMAX and ATMOS
- ✓ Increasing Cash flow

## **Production**

- ✓ Distinctive know-how
- ✓ Cost fully covered
- ✓ Capability to attract talent

## **Distribution**

- ✓ Relationships with foreign distributors
- ✓ Library composed by top-quality Italian and international films

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## INCOME STATEMENT: NET RESULT +125%

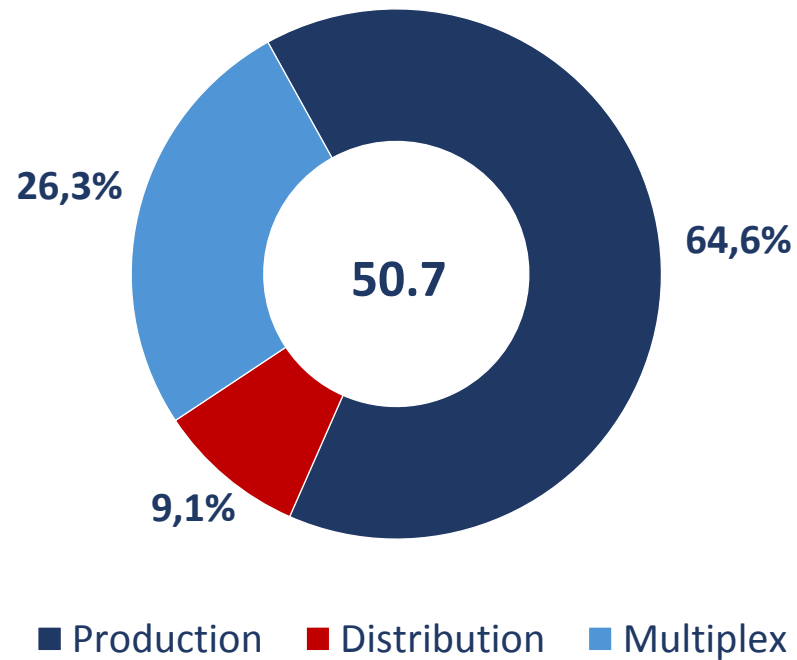
€/000	FY 2015	FY 2014
<b>Total Revenues</b>	<b>50,741</b>	<b>44,082</b>
<b>EBITDA</b>	<b>20,177</b>	<b>18,943</b>
<i>EBITDA Margin</i>	40%	43%
<b>EBIT</b>	<b>7,568</b>	<b>4,212</b>
<i>EBIT Margin</i>	15%	10%
Financial Income & Expenses	(1,686)	(1,709)
<b>EBT</b>	<b>5,882</b>	<b>2,503</b>
<b>NET RESULT</b>	<b>5,055</b>	<b>2,242</b>

EBITDA showed an improvement of 6.5% compared to 2014. EBIT showed an improvement of approximately 80% compared to 2014, mainly due to lower amortization of intangible assets. The EBIT margin of 14.9% improved by over five percentage points compared to 2014 of 9.6%.

Financial charges, with a slight decrease compared to 2014, despite significant investments made during the year amounted to € 18.7 million, thanks to the optimization of the financing structure implemented by the Group during 2015. In addition, since the first half of 2016 will see a further decrease in financial expenses, following the closure of the new syndicated loan, of € 40 million, that with a six-month Euribor + 2.75% spread, has reduced by one percentage point the rate of the previous interest rate.

### Revenues Breakdown

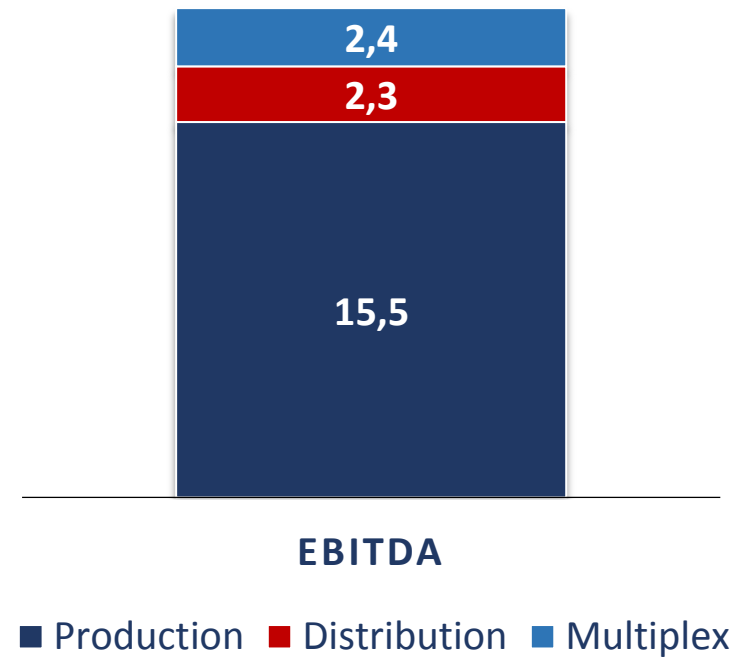
Values in €/mln



### EBITDA Breakdown

Values in €/mln

20.2



## BALANCE SHEET IMPORTANT LIBRARY AND REAL ESTATE ASSETS

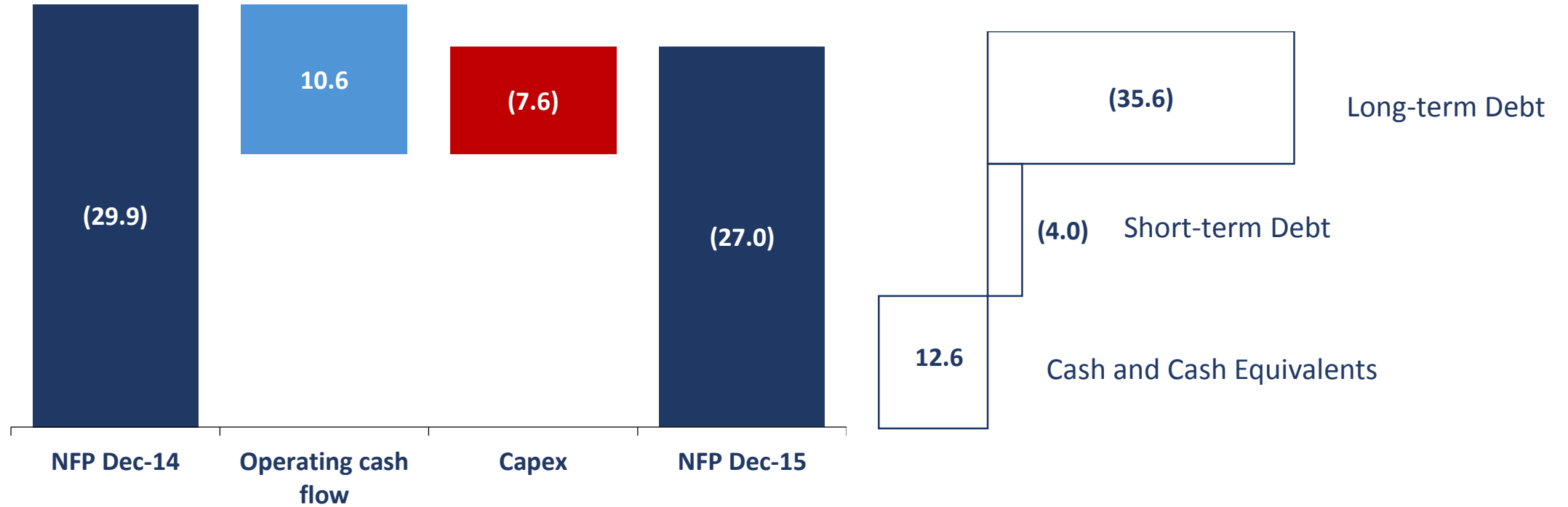


€/000	FY 2015	FY 2014
<b>Total fixed Assets</b>	<b>41,458</b>	<b>46,412</b>
<b>Working Capital</b>	<b>15,103</b>	<b>8,740</b>
<i>Account Receivables</i>	19,431	18,865
<i>Account Payables</i>	(12,350)	(11,552)
<i>Other Net Assets (Debt)</i>	8,022	1,427
<b>Funds</b>	<b>(3,600)</b>	<b>(4,255)</b>
<b>USES</b>	<b>52,961</b>	<b>50,897</b>
<b>Shareholders' Equity</b>	<b>25,988</b>	<b>20,947</b>
<b>Net Financial Debts</b>	<b>26,973</b>	<b>29,950</b>
<i>ST Financial Debts</i>	4,039	3,995
<i>LT Financial Debts</i>	35,543	41,509
<i>Cash &amp; Cash Equivalents</i>	(12,609)	(15,554)
<b>SOURCES</b>	<b>52,961</b>	<b>50,897</b>

The Group's capital structure is characterized by a prevalence of Fixed Assets mainly attributable to the film library of IIF and the cinemas owned by the Group.

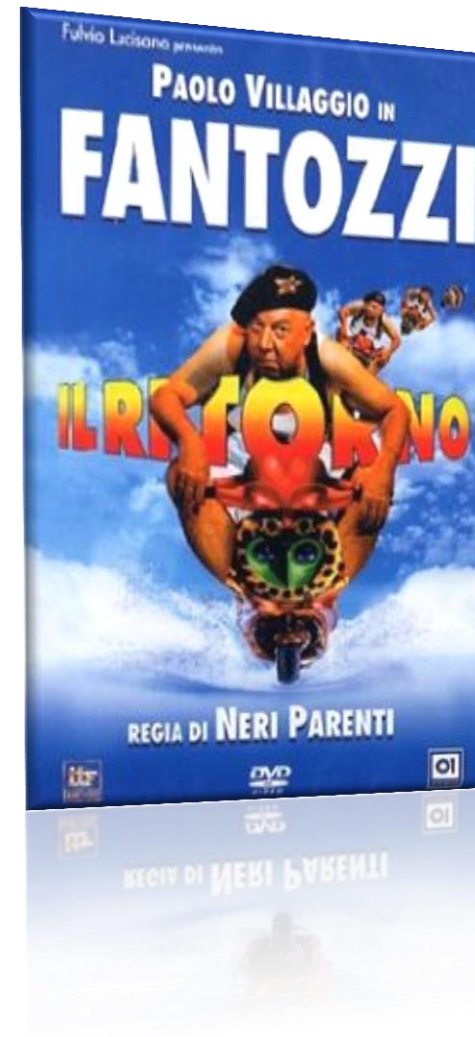
The NFP showed a significant reduction of about € 3 million compared to 31 December 2014, thanks to cash flows generated from operations. In addition, for further optimization of the Group financial structure, last March 2, 2016 the company closed a syndicated loan, with the first two Italian banks (Mediocredito Italiano of Intesa Sanpaolo SpA and Unicredit SpA Group), which will allow a lengthening of the duration and an improvement in the average interest rate (maturing in 2024, euribor six months plus a spread of 2.75%).

## IMPROVED FINANCIAL POSITION





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- 🎬 FINANCIAL HIGHLIGHTS
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## A 58-Years Old, Multiple Prize-Winning Track Record

2



12

9



8



2



1



# COMPETITIVE LANDSCAPE

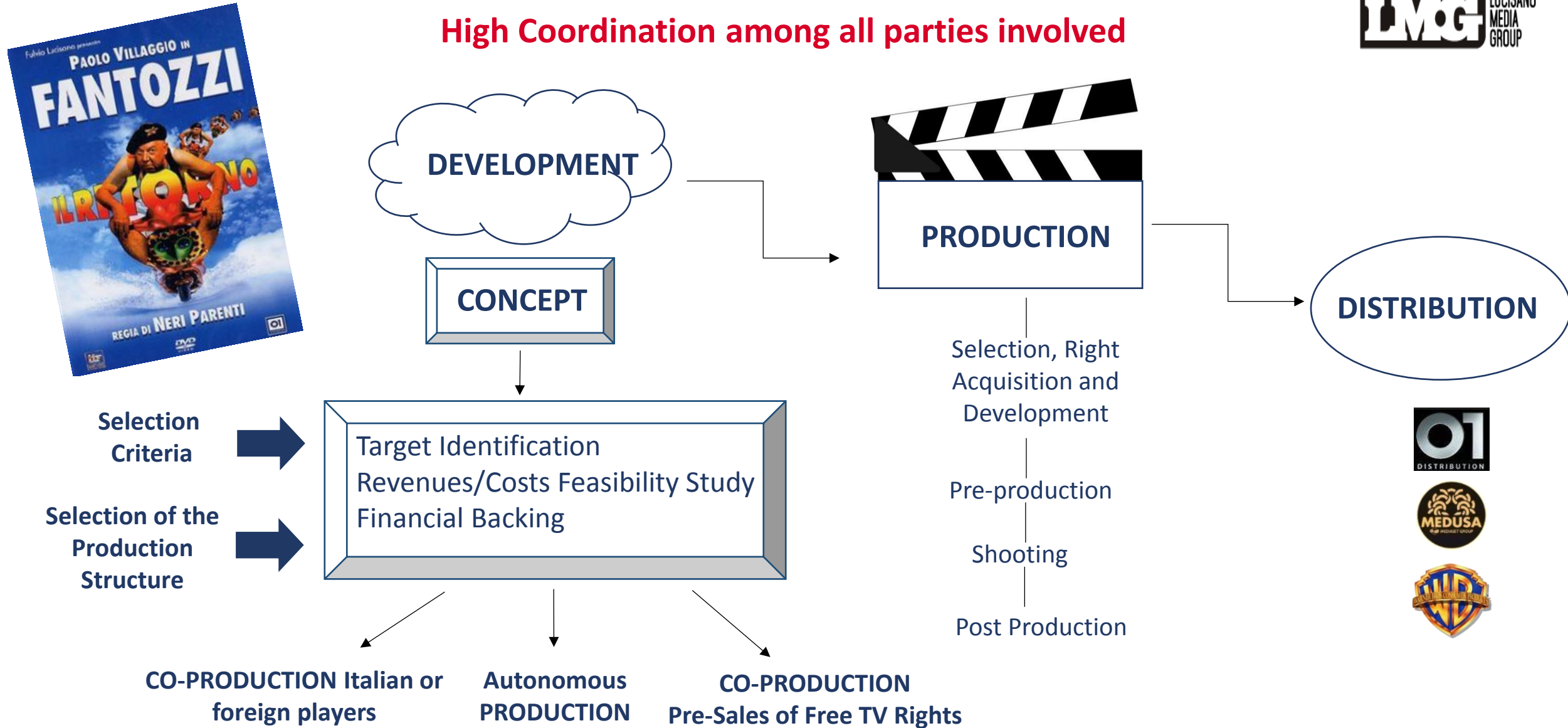


	Cinema production	TV production	Distribution	Multiplex

# PRODUCTION: CINEMA MOVIES



**High Coordination among all parties involved**





# CINEMA MOVIE PRODUCTION – THE FACTORY

## Exclusive contracts with two of the most successful Italian film-makers



### Massimiliano Bruno

(Director, Writer and Actor)

#### DIRECTION



- Nessuno Mi Può Giudicare, 2011
- Viva L'Italia, 2012
- Confusi e felici 2014

#### MOVIE SCREENPLAY



- Confusi e felici
- Buongiorno Papà
- Viva l'Italia
- EX
- Notte Prima degli Esami
- Maschi Contro Femmine
- Questa Notte è Ancora Nostra

#### NOMINATIONS FOR DAVID DI DONATELLO



- 5 Nominations for Nessuno Mi Può Giudicare, 2011
- 2 Nominations for Viva L'Italia, 2012
- Best Screenplay for Notte Prima degli Esami
- Best Screenplay for Maschi Contro Femmine

#### AWARDS



- Nastro d'argento for Nessuno Mi Può Giudicare, best comedy category

#### TV SCREENPLAY



- I Cesaroni
- Quelli Che il Calcio
- Non ho l'età

### Edoardo Leo

(Director, Writer and Actor)

#### DIRECTION



- Buongiorno Papà, 2013
- 18 Anni Dopo, 2010
- Ne Parliamo A Cena, 2007 (TV movie)
- Noi e la Giulia, 2015

#### MOST IMPORTANT CINEMA AND TV MOVIES



- Titanic – Blood and steel
- Baciati dall'Amore
- Dov'è mia Figlia
- Il Signore della Truffa
- I Cesaroni
- Liberi di Giocare

#### THEATRE



- Ti Ricordi di Me
- Tieste
- Dramma Della Gelosia
- Domani Notte A Mezzanotte Qui
- Amici

#### AWARDS



- Worldwide awards for 18 Anni Dopo
- Nastro d'argento for Noi e la Giulia best comedy

# PRODUCTION: TV MOVIES

**Based on a Prior Agreement with a TV Broadcaster**



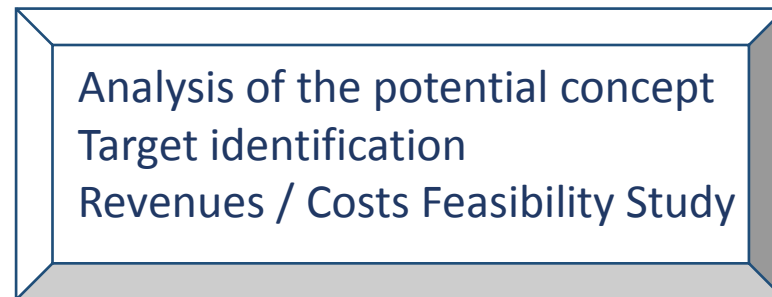
Anna & Yusef



Selection  
Criteria



Selection of the  
Production  
Structure



**LOCAL STRUCTURE\***

**INTERNATIONAL  
STRUCTURE\*\***

Project  
Development

Pre-production

Shooting

Post Production



Il Sistema

\*National Structure: Italian Network, Format: TV film, Series, mini-series, Sit-com, Language: Italian, Cast: arranged with the TV network

\*\*International Structure: International and national Network, Format: TV film made of one or two episodes with a cinema version, Language: English, Cast: International

# LONGSTANDING TRACK-RECORD AND COMMITTED MANAGEMENT



**Fulvio Lucisano**  
Chairman



Fulvio's interest in the movie industry started in the 1950's when he collaborated in the shooting of several documentaries

In 1958 he founded IIF and in 50 years its company revolutionized the Italian film scenario (quality national productions such as, "Ricomincio da Tre", "Il Giovane Toscanini" directed by Franco Zeffirelli and several movies with Alberto Sordi)

Fulvio represented the Italian movie industry by serving two terms as Chairman of Anica(1998-199 and 2000-2001)

During its career he obtained several awards, including 3 Nastro d'Argento and 4 David di Donatello and he has been recently named "Cavaliere del Lavoro"

**Federica Lucisano**  
CEO



Federica entered IIF (now LMG), immediately after graduation (1992) focusing in the "foreign acquisitions" area ("Four Weddings and a Funeral", "Sleepers")

As well as continuing her efforts in the distribution of foreign films ("Mona Lisa Smile", "Lord of War", "John Rambo", "Drive"), progressively increased her commitment in the production activity, producing Italian blockbusters such as "Notte Prima degli Esami", "Ex", "Maschi Contro Femmine", "Nessuno Mi Può Giudicare"

In 2003 she became CEO of IIF and LMG

**Paola Lucisano**  
Executive Director



She had her first experience in the movie business in 1996 when she founded Film Trust. She started off producing 10 short-movies ("Senza Parole" won the David di Donatello, a Golden Globe and was nominated to the Academy Awards)

In 2000, Paola expanded IIF business to the TV productions with excellent results (agreements with the premiere broadcasters such as Rai, Mediaset, Sky)

Currently, she is the Member of the LGM and IIF Board

## Fabrizio De Santis

CFO



Graduated in Economics at Università La Sapienza in Rome

Enrolled in the Register of Accounting Auditors, he has a 25-year experience in the Guardia di Finanza where he took care of the entertainment business

Currently he is in charge of the Administration & Control department of LMG

## Luciano Stella

CEO Stella Film



Luciano is the founder of Stella Film (1996). He started with the restoration of the Modernissimo movie-theatre in Naples (first multiplex in Southern Italy) and since then he has opened multiplex all over Southern Italy

From 1985 to 2004 he also worked as Warner Bros' Southern-Italy-Distribution Manager of, 20th Century Fox, Cecchi Gori, Buena Vista Int. Italia

## Investor Relations

Partner



### CFO & IR MANAGER

**Fabrizio De Santis**

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**BANCA POPOLARE DI VICENZA S.C.P.A.**  
NOMAD

**INTERMONTE SIM S.P.A.**  
Specialist

**BDO S.P.A.**  
Auditors



**LMG On-Line**

<http://www.lucisanomediagroup.com/>

<http://www.lucisanomediagroup.com/iif/>

