



2016 half-year results: Group resistance and continued improvement of financial ratios

- At the end of September 2016, the Group's activity was resilient and even saw a slight increase, restated as a result of the loss of a large US chain;
- Cash burn related to operating activities amounted to 0.45 million € compared to 1.4 million €

For the same period of the previous year;

- Reference shareholders and particularly Claude SOLARZ continue to strongly support the company by reinvesting more than 1 million € since March 2016.

CYBERGUN, a global player in recreational shooting, presents its results for the first half of 2016 (period from April 1 to September 30, 2016). The semi-annual financial report has been made available to the public and is available on the Company's website at www.cybergun.com (Company Information / Investors / Regulated Information).

IFRS standards Unaudited data	In MEUR	
	S1 2015	S1 2016
Annual turnover	21,3	18,7
Gross margin	6,6	5,0
<i>% of turnover</i>	<i>31,0%</i>	<i>26,8%</i>
Retired Ebitda¹	-0,3	-0,9
Operational result	-1,4	-3,2
Cost of net financial debt	-0,4	-0,1
Net result for the given period	-2,2	-3,4

NEW STRUCTURE COST REDUCTION

Cybergun generated revenues of 18.7 million € in the first half of 2016. The difference between the first half of 2015 (approximately 2 million €) was due to the loss of the Softair business of one of the Group's main customers (Announced in the spring of 2016 and expected to have an impact in the provisional budget) and a shift in orders in Latin America, due to the depression of the economy in some countries of the zone and high barriers at the entry point that slowed down the import authorization requests.

However, Europe and the rest of the world are showing strong resistance pending the opening of new markets, notably military ones, which will be the subject of a subsequent communication.

Restated for the destocking effect, gross margin remained stable at 30% (vs. 31% last year), even if, excluding restatement, the gross margin decreased slightly to almost 27%, mainly due to The implementation of a voluntarist destocking policy in order to reduce the need for working capital and to create financial room for maneuver.

¹ Current operating income before restructuring, amortization and provisions

Despite the 1.6 million € decline in gross margin, EBITDA, an economic indicator to measure the progress of the reorganization plan, remains more than controlled at -0.9 MEUR versus -0.3 MEUR and at the same time that -1.9 MEUR were expected without effect of the strong measures of lowering the point of equilibrium. This control of the landing of the restated EBITDA thus demonstrates the sharp decrease in the fixed costs of the structure supported by the Group, in particular the costs linked to the logistics chain in the United States (centralization of the entire activity on a unique site in Dallas) that will save 700 KUSD in a full year and will bear fruit only in the second half of fiscal year 2016-2017 ending March 31st.

Other operating expenses, mainly related to this reorganization in the United States (destocking, restructuring of logistics in the United States, exceptional depreciation of assets, etc.), led to an operating loss of € 3.2 million, Budget and with a lower cash consumption than the previous year as described below.

After taking into account financial expenses, a sharp reduction, the net result stands at -3.4 MEUR.

DIVISION PAR 3 OF CASH FLOWS BY ACTIVITY OPERATIONAL

Thanks to the sharp reduction in the working capital requirement of more than 2.1 million € (lower inventories and good performance of customers and suppliers), Cybergun halved its cash flow from operating activities in the first half (-0.45 MEUR in net flows related to operating activities compared to -1.4 MEUR in the first half of the previous year).

After taking into account investment flows (-0.2 MEUR) and financing (+0.3 MEUR, including a new contribution to the current account of the main shareholders for 0.5 MEUR), cash decreased only by 0.3 million € over the half-year (excluding the impact of changes in the exchange rate) and without having to make a massive market call again in accordance with the commitment made at the September 2016 General Meeting.

STABILIZATION OF THE FINANCIAL SITUATION

On September 30th, 2016, Cybergun had 8.1 million € of equity capital. Given the sound management of cash, net financial debt stood at EUR 12.9 million, compared to 12.4 million EUR at on March 31st 2016.

The Group has continued to consolidate its financial position since the end of the first half of the year, with an additional 0.5 million € raised per share warrants and a draw on the equity capital a new contribution to the current account of its main shareholder, Claude SOLARZ, which, since the closing, has added 0.5 million € again demonstrating his firm conviction in the future of the Group.

In order to secure the financing necessary for business continuity, the main shareholders have pledged to provide financial support, either in the form of loan guarantees or in the form of current account contributions.

Hugo BRUGIERE, Vice President and General Manager of CYBERGUN, states: "The results certainly take some time to recover, but we must not forget that during the first half of the year, almost 0.5m € was invested in the military market and training of the forces which possesses a gigantic potential and whose first markets surpass our most optimistic hopes. We will be releasing a press release on the coming construction sites and it is true that the Group is transforming itself in depth to surpass the objectives we set for ourselves. Our shareholders, particularly Claude Solarz, continue to financially support on a human as well as a personal level the company, proof that they firmly believe in the path we have taken. It has invested more than EUR 1 million since the beginning of the current financial year. A good proof of confidence! "

Receive all of the financial information from the Cybergun's company for free via email by subscribing on:

www.cybergun.com

About Cybergun : www.cybergun.com

Cybergun is a worldwide leader in the leisure shooting area, referred as an « Innovative company » by Bpifrance. During its closed exercise of March 31st 2016, the company had a turnover of 41.3 Million Euros. The Cybergun titles are eligible at FCPI, PEA as well as PEA-PME.

Cybergun shares: FR0004031839 – ALCYB - Obligation Cybergun : FR0010945725 – CYBO

Contacts :

ACTUS finance & communication

Relations Investisseurs : Jérôme Fabreguettes-Leib au +33 1 53 67 36 78

Relations Presse : Nicolas Bouchez au +33 1 53 67 36 74

ATOUT CAPITAL

Listing Sponsor: Rodolphe Ossola au +33 1 56 69 61 86

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