Bondoufle, July 1st, 2015

ANNUAL RESULTS FOR 2014 :
An improved balance sheet and strong foundations for growth in 2015/2016

Cybergun, a world leader in recreational shooting, publishes its annual results for 2014 - ended March 31, 2015 - which were approved June 30, 2015 by the board of directors. the Group's annual accounts highlight the following major aspects:

- the success of the first phase of the recovery plan with an streamlined and strengthened balance sheet that provides the company with means to implement its stimulus plan.
- significant punctual impact of the thorough reduction of stock and of non-recurring items on the financial result.
- benefits of a substantial staff reduction (-19%) and of the rationalization of operating costs already expected for fiscal year 2015 started on april 1.([1])

Improved and strengthened balance sheet

In MEUR- IFRS Standards	31/03/2014	**31/03/2015**	Progression
Equity capital	3,5	**13,4**	+283 %
Loan and financial debts	40,0	15,9	-60 %
Cash flow	1,3	**2,6**	+100 %
Financial debt	38,7	**13,3**	-66 %

With the support of its new shareholder, RESTARTED INVESTMENT, Cybergun has implemented a thorough and essential reorganization of its balance sheet during financial year 2014. Ongoing actions involved:

- Cybergun acquired 21 MEUR of bank debts from its Belgium and French partners in July 2014
- This deb was partially converted as the company carried on two new increases of capital (August 2014 and December 2014) to strengthen its equity base.
- stocks were reduced of 9,5 MEUR thanks to an active clearance and depreciating policy on the slow moving inventories.

This first phase was a success and by March 31, 2015 Cybergun could submit a sound balance sheet with 16.3 MEUR of capital equity and 13.3 MEUR of financial debt. **It should be remembered that at the end of March 2014 the gearing ration was 1 106%.**

(1) see media release dated April 8, 2015: Progress of the strategic plan and a fully staffed management committee.

On the debt side, only one 8,9 MEUR bond loan due 2020([2]) is left, 1 MEUR of long-term bank loan, and 5.7 MUSD (5,4MEUR) drawn on the revolving credit facility with NEWSTAR in the US. (3) Let us recall that at the end of October 2014, at the time we signed this credit facility, more than 7.7 MUSD were used. As at June 22, 2015 4.4 MUSD of the credit facility were still available, **a drop of nearly 43% in 8 months**.

At the same time net stocks have decreased from 23.6 MEUR to 14.2 MEUR, less than 4 months sales revenue.

This excludes the proceeds from the increase in capital of April 2015 for a total of 1.9 MEUR with the participation of 3 new institutional shareholders.

Non-recurring items that punctually impact the balance sheet

In MEUR- IFRS standards	31/03/2014	**31/03/2015**
Sales revenue	51,2	**46,0**
Gross margin	17,6	**12,5**
Gross Margin as a percentage	*34.5%*	***27,1%***
Ebitda restated ([4])	0,0	**- 2,4**
Operating current result	-1,9	**-12,8**
Operating result	- 4,3	**-13,3**
Cost of net financing debt	- 2,1	**-1,2**
Net result, Group share	- 4,1	**-13,0**

As announced, the annual revenue came in at 46.0 MEUR versus 51.2 MEUR last year. Examination of this variation reveals a regained control over the second semester, as soon as the new management was put in place, after an important slowdown in the previous semester([5]) .

Aggressive de-stocking policy (-9.4 MEUR) implemented during the second semester and exchange rate movements have momentarily weighted on gross margin which amounted to 27.7% for the period.

Based on the combined impacts of these two factors (volumes and margins) together with the ongoing rationalization of the cost structure (see below), Ebitda restated comes at -2.4 MEUR.

Accelerated write-offs and impairment of assets (goodwill, stocks and debt) accounted for 6.7 MEUR and other non-recurring charges for 0.9 MEUR. In the end, operation profit totaled -12.8 MEUR.

The Group has indeed decided to clean the company's balance sheet and has therefore adopted an active policy of stock reduction. All supplies that haven't been sold within 12 months are depreciated . Supplies whose inventory turnover is longer than 36 months are depreciated by 60% (20% at March 31, 2014) and the 300 less frequently sold product references - on which we will now decrease commercial pressure- are depreciated by 33%.

(2) see media release dated January 9, 2014: Bondholders' General Meeting report of January 9 2014
(3) cf media release dated October 28, 2015: reduction of the American branches' financing cost and reminder of the terms and conditions of the future increase in capital
(4) profit before taxes, financing costs, depreciation and non-recurring items
(5) cf media release dated April 22, 2015: Turnover 2014: a positive trend in revenue growth is under way, realization of the development projects

After considering the financing charge (significantly decreasing), the net result for the financial year is -13.0 MEUR.

With this announcement, Hugo Brugière, vice Chairman of Cybergun 's Group said: »markets are expecting a fund that is taking over an activity in decline to start by « cleaning ».Thanks to the outstanding work of Bernard LIATTI we have carried on a thorough cleansing of the company and its costs centers. We also had to be consistent and post every necessary accounting entry to reach our gaol which is regain positive EBITDA for 2015/2016. We have already cleaned the company and its balance sheet, we now need to go on with our offensive phase, the first steps of which are very positive.

Positive outlooks

2014 was dedicated to the financial stage of the strategic plan, 2015 which just started, however, will be totally focused on the operational plan designed and carried out by Bernard LIATTI and his teams.

For the record, the plan includes a defensive phase (process and cost optimization) and a offensive phase the aim of which is provide cybergun with a sustainable position on track for growth.

The defensive phase is already well under way and should **optimise Ebitda by 4 MEUR in a full year basis**. For example, the number of employees in the Group fell by 19% in 2014. the impact will be felt from this year onwards considering the costs incurred in this re-organization.

Many strong actions of the offensive phase of the plan were simultaneously taken such as:

- Enhancing the fight against counterfeit
- several Framework agreements signed in Eastern Europ and Asia
- Acceleration of the development strategy in South America
- development of new calibers (4,5mm and 22. caliber) in partnership with GSG.

In the end, Cybergun expects to return gradually to growth and to improve significantly its results

You can receive a financial report for Cybergun including all information by registering at:
www.cybergun.com

About Cybergun: www.cybergun.com
Cybergun is a world leader in the leisure shooting market and has been classified as an "Innovative Enterprise" by Bpifrance. During the financial year closing 31 March 2014, the company generated a turnover of 51 MUSD (51 MEUR). Cybergun securities are eligible for Innovation Funds, the PEA and PEA-SME.
Cybergun shares: FR0004031839 – ALCYB
Cybergun bonds: FR0010945725 – CYBO

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