

MND Group (FR0011584549, MND) designs and builds efficient solutions to develop mountain areas and facilitate transport in tourist and urban areas. The Group is listed on the Paris Euronext regulated market, compartment C.

Sainte Hélène du Lac (Savoie, France), 16 February 2017 (before market open)



MND and CCZMM sign an industrial alliance with a view to boosting MND's growth in China

Xavier Gallot-Lavallée, MND Group CEO, and Li Guo Ping, Executive Director and General Manager of CCZMM, today announced they have signed an industrial alliance with a view to boosting MND's growth in China and Asia generally.

French industrial group MND is a global player with a comprehensive range of products and services dedicated to the development and equipment of ski resorts, leisure areas, access roads and other mountain infrastructure. With a unique strategy, MND Group has enjoyed buoyant and ongoing international growth and in December 2015 opened a China-based distribution subsidiary.

Chinese state-owned company China Coal Zhangjiakou Coal Mining Machinery ("CCZMM") is a wholly owned subsidiary of China Coal Group Corporation, a leading manufacturing company in China providing equipment for mines. Backed by 4,000 employees, CCZMM has an ultra-modern production plant, located in Zhangjiakou, a town in the mountainous region north-west of Beijing. Zhangjiakou, together with Beijing, will host the 2022 Winter Olympic Games.

MND and CCZMM have decided to join forces through a joint venture, the majority of which is held by MND¹. The joint venture will, on behalf of MND, manufacture and assemble some equipment for the Chinese market and for the broader Asian market.



CCZMM will provide the joint venture with manufacturing tools, industrial technology and its manufacturing workforce. MND in turn will provide an exclusive licence to use its patents and trademarks for the Chinese market. MND's French manufacturing plants will supply the joint venture with all high security or specific high-tech components and sub-assemblies. MND and CCZMM will pool their sales branches and partners throughout China in order to boost the joint venture's growth.

¹ 80% held by MND and 20% by CCZMM



A win-win industrial alliance

This agreement allows **MND, buoyed by a booming Chinese market**, to part-produce and assemble locally for Asian markets at optimized cost, to promote its innovations, ensure high quality after-sales service and proximity with customers, and lastly to benefit from inventories in China, thereby minimizing time to market.

For **CCZMM**, this partnership offers the **opportunity to diversify the activities of its industry-leading Zhangjiakou production site**, and expand its industrial know-how in a very high potential business sector.

A full pipeline of orders and projects

The joint venture, named **MND Zhangjiakou Mountain Development (" MND ZMD",)** will start manufacturing equipment for mountain, tourist and urban areas very rapidly. It already has two large contracts:

- **Its first contract is for the turnkey design and equipment of the new Snowland ski resort amounting to €110 million over 3 years.** The resort will be built from scratch on a greenfield site with strong potential north-west of Beijing. The developer has shown confidence in MND by entrusting it with the entire development of the mountain, including ropeways, 55km of slopes equipped with a snow-making system, and safety equipment. The Snowland ski area will be able to host international competitions and offer a full range of outdoor recreational activities (see today's separate press release).
- **The second agreement has been signed with China's Wanlong resort for an 8-seat new generation detachable gondola lift.** After an order for 120 snow machines delivered by MND in 2015, Wanlong has returned to the Group with this contract for an innovative detachable gondola lift, which will be carried out during 2018/2019.

MND chairman Xavier Gallot-Lavallée commented: *"This industrial alliance represents a big step forward in our goal to expand MND's operations in China and Asia. We have chosen CCZMM, a state-owned Chinese firm acclaimed for the reliability and performance of its production facilities, its ideal location in one of the base camps of the 2022 Winter Olympic Games, and finally for its ability to support our growth in Asia. This cooperation is fully consistent with our French R&D and industrial strategy for the European market, and boosts the Group's prospects for growth, while also contributing to create jobs at the Group's manufacturing plants in France."*

Li Guo Ping, Executive Director and General Manager of CCZMM welcomed the event: *"Signing this deal represents recognition of our industrial know-how. MND is for us a partner of choice for diversifying our production at the plant in Zhangjiakou. The outlook for MND, in particular for ropeways in China and Asia, points to a chance for us to grow significantly."*

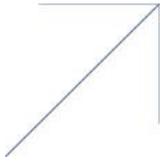
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ABOUT MND GROUP

The MND Group has been based at Sainte Hélène du Lac (Savoie), in the very heart of the French Alps, since 2004. MND is one of the few market players to have a global range of products and services dedicated to the development, equipping and protection of ski resorts, leisure areas and other mountain infrastructure. Buoyed by its industrial expertise in the mountain cable transport market and by innovative technology protected by worldwide patents, the MND Group has strong growth potential in the urban cable public transport field, where it offers an unobtrusive alternative mode of urban transport. With 5 manufacturing plants in Europe, 8 distribution subsidiaries and 30 distributors worldwide, the MND Group has 350 employees and almost 3,000 customers in 49 countries.

Find all the information you need on www.mnd-bourse.com

ABOUT CCZMM

Located at Zhangjiakou around 200 km north of Beijing, China Coal Zhangjiakou Coal Mining Machinery is the subsidiary of the China Coal group, a state-owned company specialising in mining equipment. Since 2010, CCZMM has established new premises in Zhangjiakou and has installed an ultra-modern production plant that mainly manufactures cutting-edge mining and conveyor-belt systems. The company has 4,000 employees and posts turnover of around €400 million generated in China and neighbouring countries.

Find all the information you need on www.zmm.com.cn