



EUROPACORP

PRESS RELEASE

Consolidated annual income on 31 March 2009

- **€146 million investment for the financial year, an increase of 53%, debt is under control**
- **Cash flow has significantly increased (€93 million, +25%)**
- **Operating margin rate up by 2.2 points**
- **Net result 2008/2009 is €9.4 million**

Paris, 18 June 2009 – EUROPACORP (FR0010490920), film producer and distributor and one of the very first independent film studios in Europe, announces today its consolidated annual revenue for the financial year, which closed on 31 March 2009.

| Consolidated accounts (€m) | Financial Year 2008/09 | Financial Year 2007/08 | Δ |
|---|---------------------------|---------------------------|--------|
| Revenue | 128.5 | 147.1 | -12.6% |
| Cost of sales* | -100.5 | -118.3 | -15.0% |
| Operating margin (<i>excluding overheads</i>) | 28.0 | 28.8 | -2.7% |
| <i>% of Revenue</i> | 21.8% | 19.6% | |
| Operating income | 7.4 | 10.6 | -29.8% |
| <i>% of Revenue</i> | 5.8% | 7.2% | |
| Net result (group share) | 9.4 | 6.9 | 34.8% |
| Shareholders equity | 145.4 | 136.5 | 6.5% |

**including film amortization*

Investment in films has increased significantly and debt is under control

For the financial year, the sum of money invested in the production and acquisition of films increased by 53% with a total of €145.8 million, compared with €95.6 million for the previous financial year. This indicator is confirmation of the Group's development strategy.

The net debt ratio in relation to its own funds was 0.42 on 31 March 2009, which is a satisfactory ratio as far as the market is concerned and compared with debt ratios in the sector. Moreover, the Group has at its disposal the credit capacity necessary for its growth, thanks to, amongst other things, the establishment of an additional credit line of €15 million in December 2008, which brings the total credit envelope to more than €85 million.

Cash flow from operating activities increased by 25% compared with the previous financial year

To cover some of these major investments, the Group has concentrated its efforts on the cash flow from operating activities, which stands at €93.2 million as compared with €74.7 million previously, thanks to amongst other things the establishment of a specific cash management committee. This improvement has been particularly effective for the second half year for which the operating cash flow reached €73.6 million as compared with €19.6 million for the first half year.

Furthermore, the value of the rights owned by the Group on the films released before 31 March 2009 is estimated to amount to €100 million.

New increase of the operating margin rate

As announced on 14 May 2009, EuropaCorp's annual revenue stands at €128.6 million, a decrease from the previous financial year with 10 films released in French cinemas compared with 12 in 2007/2008, but almost stable if we don't take into account an exceptional item (Line Producer activity in 2007/2008). The majority of strategic activities have seen an increase: Cinema, International sales and TV sales.

The operating margin (revenue minus operating expenses excluding overheads) amounts to €28.0 million, which is quite stable compared to the previous financial year despite the decrease in revenue. As a result, the operating margin rate is therefore 21.8% of revenue compared with 19.6% for the previous financial year and 17% in 2006/2007.

This increase in operating margin rate is notably due to:

- "French Television" activity has seen a significant increase, a result due amongst other things to the growing sales from the EuropaCorp and Roissy Films catalogue;
- An increase of 42.2% in the "French Cinema" activity, which has generated a high operating margin for the financial year;
- The international success of the third opus in the *Transporter* series, which confirms the effectiveness of the "sagas" strategy, which is very favourable in terms of revenue and profitability.

Furthermore, the acquisition, distribution, broadcasting, partnership and license contracts which had been signed by 31 March 2009 amount to revenue for future financial years of €134 million against €131 million on 31 March 2008, or 104% of revenue on 31 March 2009.

Net result increased by €9.4 million

As expected, the overheads have grown by +11%, mainly due to the integration of Roissy films over 12 months compared with 3 months in the previous financial year.

As a result, the financial year's operating income has decreased to €7.4 million against €10.6 million for the previous financial year.

The financial result amounts to €5.2 million thanks in particular to the effect of a favourable foreign exchange rate for €3.8 million.

The net result is €9.4 million against €6.9 million for the 2007/2008 financial year.

Proposal for distributing dividends

The EuropaCorp Group's Board of Directors will propose to the AGM which will take place on 11 September 2009, to distribute a dividend of 0.18 euro per share.

Future perspectives

As with previous years, the Group expects to see a significant imbalance between the first and the second half-year, especially with the release of three major films planned for the second half-year: *Arthur and the Revenge of Maltazard*, *From Paris with Love* and *22 Bullets*.

In the medium-term, the Group intends to focus its activities on the consolidation of its operating margin in particular through the development of an increasingly international line-up and recurring activities which are complementary to the production and distribution of films.

Financial Calendar

13 August 2009 : Revenue 1st Quarter 2009/2010
11 September 2009 : General Assembly
30 November 2009 : Half-year results

Contacts

EuropaCorp

Séverine Madinier - *Investor relations*
investors@europacorp.com
Tel: +33 1 53 83 03 03

NewCap

Axelle Vuillermet - *Investor Relations*
avuillermet@newcap.fr
Tel: +33 1 44 71 94 94