



EUROPACORP

PRESS RELEASE

HY1 2009/2010 – Consolidated income

- As expected, a decrease in half-year results due to the line-up for the period, which is however not indicative of the overall results for the financial year
- Efforts continue to improve operating cash flow for the half-year
- Second half-year revenue expected to be up on last year's with the release of several films with high potential in France and worldwide

Paris, 30 November 2009 – EuropaCorp (FR0010490920), film producer and distributor and one of Europe's leading independent film studios, today announces its consolidated results up to 30 September 2009, or the first half-year of the financial year 2009/2010.

Consolidated half-year results

Consolidated figures (€ millions)	30 September 2009 (6 months)	30 September 2008 (6 months)
Revenue	47.1	48.9
Cost of sales	-42.5	-34.9
Operating margin	4.6	14.0
<i>% of Revenue</i>	<i>9.8%</i>	<i>28.6%</i>
Operating income	-5.8	3.3
<i>% of Revenue</i>	<i>-12.3%</i>	<i>6.7%</i>
Financial income	-0.8	3.8
Net income (Group Share)	-4.5	5.3
<i>% of Revenue</i>	<i>-9.6%</i>	<i>10.8%</i>

Revenue for the first half of the current financial year amounts to €47.1 million, a slight decrease compared with the €48.9 million revenue generated for the corresponding period of the previous financial year.

Once the cost of sales has been deducted, the consolidated operating margin stands at €4.6 million, or 9.8% of revenue, compared with €14 million and 28.6% of revenue for the corresponding period of the previous financial year.

The decrease in the operating margin rate as compared with the 1st half-year of the 2008/2009 financial year is mainly due to three factors:

- French television figures are significantly lower due to the small number of broadcast windows opened during the period (19.6% of 2009/10 revenue compared with 55.3% of 2008/09 revenue), an activity which usually generates a significant margin;
- A concentration of films with a weak margin during the first half-year and the absence of films with strong potential during the period;
- Results for films distributed in French theatres during the period are less than expected.

General costs are stable. The financial results amount to -€0.8 million, compared with €3.8 million on 30 September 2008, due to an inversed euro/dollar exchange rate effect, as compared with the first half-year from the previous financial year. As a result, the net Group share income amounts to a loss of -€4.5 million.

The Group recalls that its revenue is linked to the release schedule of its films in their different modes of exploitation. The schedule can include significant variations in revenue for each format from one half-year to the next. The revenue and the results achieved during the half-year therefore have little bearing on the annual revenue and results.

Current investments

While several films with a high international potential will be released during the second half-year 2009/2010 and the majority of the investments associated with the production of these films has already been made, EuropaCorp has invested €43.9 million of films, compared with €77.8 million for the first half-year 2008/2009.

The Group's investments continue during the second half-year. They will be higher than those in the first half-year with, amongst others, the current productions of *Adèle Blanc-Sec* by Luc Besson, *The Big Picture* by Eric Lartigau, *A Monster in Paris* by Bibo Bergeron, *La Mécanique du Cœur* by Mathias Malzieu and Stéphane Berla, *Significant Others* by Guillaume Canet, *A View of Love* by Nicole Garcia, and the third part of the adventures of *Arthur*.

Cash Flow

Already increased during the financial year 2008/2009, the operating cash flow is improving again with €27 million for the half-year, compared with €19.7 million for the first 6 months of last year, while revenue is slightly down.

Second half-year line-up

EuropaCorp confirms the release of several ambitious films during the second half-year. The following films, in particular, will be released in French theatres:

- *Arthur and the Revenge of Maltazard*, 2nd opus of *Arthur and the Minimoys*, animated film directed by Luc Besson;
- *22 Bullets* by Richard Berry starring Jean Reno, Kad Merad, Marina Fois, based on the eponymous novel by Franz-Olivier Giesbert;
- *I Love You Phillip Morris* by Glenn Ficarra and John Requa, starring Jim Carrey and Ewan McGregor;
- *From Paris With Love* by Pierre Morel, starring John Travolta and Jonathan Rhys-Meyers.

In light of this schedule, EuropaCorp expects activity for the second half-year to be significantly higher than that of the first half-year of the financial year, in a difficult economic climate for the TV and international rights market. The Group's annual revenue figures will increase compared with 2008/2009 annual revenue figures.

Financial Calendar*

- 15 February 2010: Third quarter 2009/2010 revenue

** Publication of press releases at the close of markets, subject to changes*

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