



EUROPACORP

PRESS RELEASE

EuropaCorp presents its strategic plan of actions

Paris, May 4, 2011 – During a meeting held today chaired by the new Management team, EuropaCorp presented its strategic plan of actions, which is aligned with the Group's main strengths and the far-reaching changes in the industry. The plan defines the Group's short-term and medium-term objectives:

- A target of renewed profitability for the 2011/2012 financial year, in particular driven by optimized operating management and a rich, balanced line-up;
- An increase in the weight of international sales (65% of 2014 revenue) and in activities with a high recurrence rate (franchised TV series, catalogue and music publishing) that will account for 35% of revenue;
- A sharp rise in television production (16% of 2011/2012 activity rising to 30% in 2014), which makes a substantial contribution;
- 2014 target operating income of 15% of revenue with, in particular, overheads stabilized at less than 10% of revenue;
- The implementation of strengthened vertical integration, with, in particular, involvement in the running of the Cité du Cinéma film and TV sets.

For Christophe Lambert, Group Chief Executive Officer, *"In ten years, EuropaCorp has made its mark on the worldwide feature film industry. The new operating team is now fully dedicated to profitable growth, with the aim of continuing to grow the value of our catalogue. With the benefit of its excellent track record of international successes and its high-impact creativity, EuropaCorp will use its investment capacity and its integrated model to optimize how value is harnessed."*

- **New organization**

In order to improve the effectiveness of its response to market changes, the Group has adopted a crosscutting organization by function (Sales, Marketing, Operations, Licenses and Live Entertainment), supported by a new operating management team and a simplified organization chart with a single management line.

- **Stricter management requirements**

The Group has implemented stricter management and governance rules, in particular for investment commitments, which notably involve scrupulous adherence to the rules on covering film costs; this has led to a vast improvement in pre-financing rates. These actions are accompanied by an effort to secure international pre-financing (as shown by the output deal signed with Universum) and the winding up of non-strategic activities. EuropaCorp, which intends to continue its optimization of film making costs, has an annual investment capacity for new releases of EUR 115 million.

- **2014 objectives supported by five strategic orientations**

- **Continue international development**

In order to benefit from a global film market with high potential upside (growth of +26% expected over the next four years: source PricewaterhouseCoopers) and in particular the spectacular emergence of the Chinese market, the Group intends to produce English-language films systematically and on a regular basis (at least 30% of the line-up), and plans to set up a sales office in China.

- **Diversify supply sources and build a demand-driven line-up**

EuropaCorp is targeting distribution figures of 15 to 20 films per year, plans on signing production contracts with French independent producers and intends to adapt its film offering to worldwide demand for 3D major features.

- **Significantly grow the television production activity**

Given the ever-increasing demand from broadcasters for new, exclusive content, in particular in English aimed at an international audience, EuropaCorp intends to develop international co-productions and sign framework agreements with key French broadcasters.

- **Complete vertical integration**

Priority actions have already been implemented, such as the Cité du Cinéma studios, in which EuropaCorp has a 40% stake in the running of nine film and TV sets and the plan to build a 3D/VFX studio, in order to move to an in-house solution for the increasing preponderance of 3D and special effects needed for film making.

- **Generate profit from new methods of film distribution**

The studio intends to derive greater revenue from VOD, for which the market is developing dramatically, using a new method for marketing rights in the form of the signature of exclusive deals for new releases.

ABOUT EUROPACORP

EuropaCorp ranks amongst the top European film studios. Founded in 1999, EuropaCorp's different activities include production, theater distribution, home entertainment, VOD, sales of TV rights for France as well as sales of international rights, partnerships and licenses, original soundtrack production and publishing. The Group has also been producing TV drama since 2010. EuropaCorp's integrated financial model generates revenues from a wide range of sources. With films from a wide range of genres and a strong presence in the international market, the Group has produced some of the latest French worldwide record-breaking successes. EuropaCorp's catalogue includes 500 films and the company employs 120 permanent staff members.

More information on www.europacorp-corporate.com

Contacts

Groupe EuropaCorp

Séverine Madinier – *Investor Relations*
smadinier@europacorp.com

Tél : 01 53 83 03 03

Image Sept

Delphine Guerlain/Claire Doligez
dguerlain@image7.fr
cdoligez@image7.fr

Tél : 01 53 70 74 70

EuropaCorp is listed on **Euronext Paris - Compartment C** by NYSE Euronext
ISIN: FR0010490920 - Mnemonic: ECP