PRESS RELEASE

FY 2011/2012 Half-Yearly Sales and Consolidated Results

Consolidated revenue: €70.6 million (+23%)
Net loss (excluding minorities): (€12.6 million)

- **Healthy revenue growth (+23%) boosted by International Sales (+102%), in particular those from the film *Colombiana***
- **Operating margin for *Colombiana* is already positive**
- **Total operating margin is lower due to the underperformance of the Video, France and Cinemas, France segments, which, in particular, triggered an additional asset write-down**
- **Net income is also adversely affected by the negative weight of financial income**
- **Given the half-yearly performance and the delayed release of *Taken 2*, the Group is not in a position to meet its target of a return to breakeven during FY 2011/2012**

Paris, 30 November 2011 – EUROPACORP (FR0010490920), producer and distributor of feature films and one of Europe's leading independent film studios, today announces its half-yearly consolidated revenue and income at 30 September 2011.

Consolidated half-yearly results

Consolidated income (€ million)	**30 September 2011** (6 months)	**30 September 2010** (6 months)
Revenue	**70.6**	**57.2**
Cost of sales	-64.2	-48.1
Operating margin	**6.3**	**9.0**
% of Revenue	*9.0%*	*15.8%*
Operating income	-5.9	-4.3
% of Revenue	*-8.3%*	*-7.5%*
Financial income	-4.0	-0.2
Net loss (excluding minorities)	**-12.6**	**-3.3**
% of Revenue	*-17.9%*	*-5.8%*

Healthy growth in business activity compared to the same period in FY 2010/2011 (+23%)

The half-yearly consolidated results for FY 2011/2012 show consolidated revenue of €70.6 million, compared to €57.2 million at the same point in FY 2010/2011, an increase of 23%.

A sharp rise in International Sales (+102%)

Half-yearly International Sales total €38.9 million, or 55% of total revenue, compared to HY1 figures of €19.3 million (33.7% of revenue) for the previous fiscal year.

This improved performance primarily results from *Colombiana*, due to the film's success in the USA, and from a higher percentage of gross profit under the agreement reached with Sony Pictures Entertainment. The HY1 International Sales also include royalties from *Taken*. This trend confirms the relevance of the studio's strategic choices to invest in English-language films with significant international potential.

Less buoyant markets for the Cinemas, France (-34%), TV Series (-50%) and Video (-34%) segments

Revenue from the Cinemas, France segment totaled €4.1 million, compared to a half-yearly figure of €6.1 million for the previous fiscal year. During HY1 2011-2012, five films were distributed, including the Palme d'Or winner at the last Cannes film festival, *The Tree of Life*, which saw 872,000 tickets sold in France over the half-year. In contrast, HY1 2010/2011 figures were boosted by the theatrical release of *The Extraordinary Adventures of Adèle Blanc-Sec*.

During HY1 2011/2012, the TV Series segment generated revenue of €3.4 million (which primarily corresponds to a 90-minute feature, *Emma)*, compared to €6.8 million for HY1 2010/2011. As this segment relies on production launch decisions by broadcasters, some new projects have been postponed. However, performance should improve in HY2, given that production has started for several films, including *Flight of the Storks* for Canal+.

Revenue for the Video segment was €4.8 million compared to €7.3 million for HY1 2010/2011. This result reflects lower sales from DVD and Blu-Ray releases over the half-year (*A View of Love*, *Halal Five-O*) but also the continued growth of VOD revenue and catalogue sales, in particular of *The Extraordinary Adventures of Adèle Blanc-Sec, Little White Lies, Arthur 3* and *22 Bullets*.

Sharp increase in revenue for Television, France (+57%)

Revenue from television rights is recognized each time a broadcast window opens for a film. Over the half-year, such openings generated revenue of €13 million compared to €8.3 million during HY1 2010/2011. This segment represents 18.4% of total revenue, with notable contributions from *The Extraordinary Adventures of Adèle Blanc-Sec* and *The Big Picture*.

A reduced operating margin despite a positive contribution by the International Sales segment

The consolidated operating margin is €6.3 million, or 9% of revenue, compared to €9 million for HY1 2010/2011, due to the "cost of sales" expense, which has risen to (€64.2 million) compared to (€48.1 million) for HY1 2010/2011. This increase can primarily be explained by the payment of promotional and advertising costs for the release of the film *Colombiana* on US territory, which has had a temporary impact on the operating margin ratio.

As announced last August, and in particular in light of the international potential of *Colombiana* and its positive pre-release tracking results, the Group decided to pay these costs, totaling €24 million, which allowed it benefit from a higher percentage of theatrical, Home Entertainment and Television revenue, under the agreement reached with Sony Pictures Entertainment. As the film was released on the North American market on 26 August 2011, the full amount of these costs are included on the "cost of sales" line in the half-yearly financial statements, whereas all the associated revenues (in particular Video and Television rights) will be received progressively.

Colombiana has scored very highly in French film rankings and, at the end of October, in terms of ticket sales over the last five years, was ranked eighth in the world and second in the USA. At 30 September 2011 the operating margin for the film was already positive.

The operating margin ratio was also affected by the lower performances of the Cinemas, France, TV Series and Video, France segments.

The box office receipts in the Cinemas, France segment from the animated film *A Monster in Paris*, which was released on 12 October 2011 (ticket sales of 1.6 million to date) were not enough to finish recouping the investment for this film. Consequently, additional impairment of an intangible asset was recognized for this film in the half-yearly financial statements.

Net Loss (excluding minorities) – Cash Flow

The half-yearly financial income was a loss of (€4 million), compared to (€0.2 million) at 30 September 2010. €2.9 million of this decline can be explained by the impact of performances of the EuropaCorp Sofica (venture capital vehicle), which received cash injections between 2003 and 2008, and by the discounting of the debt on the securities linked to this vehicle. The other changes in the financial income are primarily attributable to the closing-rate valuation of foreign exchange hedging instruments.

The negative tax impact seen at 30 September 2011 is primarily caused by changes in deferred tax balances linked to temporary differences between carrying values and tax bases.

The consolidated net loss (excluding minorities) is therefore (€12.6 million), compared to (€3.3 million) at 30 September 2010.

The Group saw a fall in film investments during the half-year, with HY1 investments of €10.9 million compared to €52.7 million during HY1 of the previous fiscal year. The investments received during the half-year were mainly for continuance of productions started previously, for the current fiscal year's line-up.

The half-yearly cash flows from operations were €30.6 million, compared to €66.3 million for HY1 2010/2011, which was noted for significant levels of cash inflows linked to high-potential films that were released at the end of FY 2009/2010.

Outlook

Given the half-yearly performance and the delayed release of *Taken 2*, the Group is not in a position to meet its target of a return to breakeven during FY 2011/2012.
The release of *Taken 2*, a film anticipated as having strong international potential, had to be postponed until 5 October 2012 in the USA by Fox. It will only be recognized in the financial statements as from FY 2012/2013.

The injury to lead actor Chris Vance has slowed production of *Transporter - The Series*. The 12 episodes (52 minutes each) of this TV series will therefore be delivered later than planned. Discussions are currently being held with the line producer, Atlantique Productions (Lagardère Group), to minimize the impact of these delays on the current fiscal year.

However, given the release and international delivery schedule for the films, HY2 revenue should be higher than in HY1, in particular due to the theatrical release of six new films *A Monster in Paris, The Source, The Lady* directed by Luc Besson*, Love Lasts Three Years, Lock-out* and *Blind Man*.

Moreover, the Group has signed a lease with Unibail-Rodamco under which a first multiplex will be opened in a mall that is under construction in the Roissy international airport area.

The Group has confirmed its strategy of developing its line-up of productions with international potential, in particular through several projects with Luc Besson that are in the pipeline. Other projects for French-language films are under review. Shooting has already started for *Taken 2* and will start for *Möbius* and *The Man Who Laughs* during the second half-year.

Consequently, Group Management is reviewing possible ways to strengthen equity as part of EuropaCorp's strategic actions plan announced to the market on 4 May 2011, which, among other things, aims to pursue the development of international activity, increase television production and launch the multiplex branch.

Financial agenda 2011/2012

14/02/2012: Third quarter revenue 2011/2012
24/05/2012: Annual revenue 2011/2012
27/06/2012: Consolidated annual result 2011/2012

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.
For more information go to www.europacorp-corporate.com

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Appendix

Half-yearly revenue – FY 2011/12

Revenue by segment (€ million)	**Q1 2011/12**	**Q1 2010/11**	**Q2 2011/12**	**Q2 2010/11**	**HY1 2011/12**	**HY1 2010/11**	**Δ**
International sales	4.0	4.8	34.9	14.5	38.9	19.3	102%
% of Revenue	*21.0%*	*20.9%*	*67.9%*	*42.4%*	*55.1%*	*33.7%*	
Cinemas, France	2.1	5.6	1.9	0.6	4.1	6.1	-34%
% of Revenue	*11.1%*	*24.3%*	*3.7%*	*1.8%*	*5.7%*	*10.7%*	
Video, France	2.8	2.8	2.0	4.4	4.8	7.3	-34%
% of Revenue	*14.6%*	*12.2%*	*3.9%*	*12.9%*	*6.8%*	*12.7%*	
Television, France	6.1	3.8	6.9	4.5	13.0	8.3	57%
% of Revenue	*32.0%*	*16.5%*	*13.3%*	*13.2%*	*18.4%*	*14.4%*	
Subsidies	1.9	1.3	0.6	2.8	2.6	4.1	-37%
% of Revenue	*10.1%*	*5.7%*	*1.3%*	*8.2%*	*3.7%*	*7.2%*	
TV series	0.5	3.6	2.9	3.2	3.4	6.8	-50%
% of Revenue	*2.8%*	*15.7%*	*5.6%*	*9.4%*	*4.8%*	*11.9%*	
Other Activities	1.6	1.2	2.2	4.3	3.8	5.4	-30%
% of Revenue	*8.4%*	*5.2%*	*4.3%*	*12.6%*	*5.4%*	*9.5%*	
TOTAL	**19.2**	**23.0**	**51.4**	**34.1**	**70.6**	**57.2**	23%