



EUROPACORP

PRESS RELEASE

Half-year consolidated revenue and earnings – FY 2012/2013

**Clear confirmation of a return to profitability: earnings of €12.0m
(excluding minorities)**

Saint-Denis, 28 November 2012 – EUROPACORP (FR0010490920), the producer and distributor of feature films and one of the leading independent film studios in Europe, today announces its half-year consolidated revenue and earnings at 30 September 2012.

Half-year consolidated results

Consolidated results (€m)	30 Sept. 2012 (6 months)	30 Sept. 2011 (6 months)
Revenue	82.1	70.6
Cost of sales	-51.8	-64.2
Operating margin	30.3	6.3
<i>% of revenue</i>	<i>37%</i>	<i>9%</i>
Operating income	18.5	-5.9
<i>% of revenue</i>	<i>23%</i>	<i>-8%</i>
Financial income	0.3	-4.0
Earnings (excluding minorities)	12.0	-12.6
<i>% of revenue</i>	<i>15%</i>	<i>-18%</i>

Major year-over-year growth (+16%)

The consolidated financial statements for H1 FY 2012/2013 show consolidated revenue of €82.1 million, compared to €70.6 million for H1 FY 2011/2012, an increase of 16%.

International Sales have increased sharply year over year (+20%) at €46.8 million, representing 57% of total revenue.

They are primarily driven by the first international deliveries of *Taken 2* and by royalties received in North America for *Colombiana* and *Taken*. This trend confirms the relevance of the studio's strategic decision to invest in English-language films with strong international potential.

Video & VOD revenue is €5.3 million compared to €4.8 million for H1 FY 2011/2012 (+11%). VOD accounts for 21% of segment revenue. The main video releases were *Lock Out*, *The Lady* and *Love Lasts 3 Years*.

Revenue from **television rights** is recognised when each film broadcast window opens. Over the half-year the opening of these windows generated revenue of €19 million compared to €13 million during H1 FY 2011/2012.

During the half-year, the **TV Series** segment generated revenue of €5.6 million compared to €3.4 million for H1 FY 2011/2012. This result is primarily due to the delivery of the mini-series *Flight of the Storks* to Canal+ during the half-year.

This sharp rise in Group consolidated revenue was achieved despite the revenue for the **Cinemas, France** segment of €1.8 million declining significantly year over year (down from €4.1 million). This is due to the reduced number of theatrical releases in France over the half-year.

Strong operating margin increase: + €24m

The Group posted a consolidated operating margin of €30.3 million (37% of revenue) compared to €6.3 million (9% of revenue) for H1 FY 2011/2012. This upturn in the Group's operating margin can be explained by the combined effect of rising revenue and falling sales costs. During the first half of the previous fiscal year the cost of sales was exceptionally high due to the Group's ad hoc decision to pay all *Colombiana's* theatrical promotion and advertising expenses (around €23m) in North America.

The operating margin was also buoyed by the Television, France segment, which generates healthy margins and enjoyed strong year-over-year growth.

The highest half-year earnings (excluding minorities) since EuropaCorp was floated

The financial income for the half-year is €0.3 million, compared to a loss of €4 million at 30 September 2011. The main factors that impacted the financial income are the discounting of the debts on Sofica EuropaCorp and EuropaCorp Television securities, as well as the period-end valuation of foreign exchange hedging instruments.

After an income tax expense of €6 million, the half-year earnings, excluding minorities, are €12.0 million compared to a loss of €12.6 million for H1 FY 2011/2012, an increase in earnings of €24.6 million.

These half-year earnings of €12m are the highest EuropaCorp has ever recorded over a full fiscal year since its flotation on the stock market.

Capex on films – cash flow

The Group recorded film investments of €43.9 million during the half-year, compared to €10.9 million for H1 FY 2011/2012. This more sustained level of investment will give the Group the benefit of a production line-up that is both rich and diversified.

The cash flows from operations during the half-year totalled €56.8 million compared to €30.6 million during H1 FY 2011/2012. This change is directly connected to the significant inflows recorded over the half-year following the international deliveries of *Taken 2*.

Prospects

The start of H2 FY 2012/2013 was marked by the worldwide success of *Taken 2*. The film has already recorded 2.9 million admissions in France and to date totalled global box office takings of more than \$350 million. These figures mean that *Taken 2* is the French film that has enjoyed the greatest international success.

In addition to *Taken 2*, the line-up for the second half-year will be deeper than for the first half-year. Releases scheduled for H2 include *The Man Who Laughs* (directed by Jean-Pierre Améris, with Gérard Depardieu and Marc-André Grondin), *Operación E* (directed by Miguel Courtois), *The Journey* (starring Vincent Perez, directed by Philippe Lellouche), *Intersections* (starring Roschdy Zem, Jaimie Alexander and Frank Grillo, directed by David Marconi), *Mobius* (Jean Dujardin's next film, directed by Eric Rochant) and *It's a Boy* (directed by David Moreau, starring Virginie Efira).

Malavita, the forthcoming film directed by Luc Besson, starring Robert de Niro, Michelle Pfeiffer and Tommy Lee Jones, and *World Petank Tour*, starring Gérard Depardieu, Edouard Baer and Virginie Efira, are now in post-production. They are scheduled for release in FY 2013/2014.

Shooting for *Three Days to Kill*, starring Kevin Costner, will start on 5 December 2012.

For the TV Series segment, the second half-year will see increased business, in particular with the delivery of six episodes of the series *No Limit*, which generated exceptional viewing figures when the first four episodes aired on TF1 on 15 November 2012 (more than 7 million viewers) and 22 November 2012.

The second half-year will also be marked by the delivery of season two of the series *XIII* (Canal+ and M6) as well as the feature-length drama *Code Name Rose* (TF1).

The projects *Brooklyn South*, *No Limit Season 2*, *The Lost Patrol* and *The Passenger* are in the development phase, as well as *Life after life*, the first English-language series based on an original idea by Luc Besson.

The Group continues to honour the commitments made in its strategic three-year plan:

- After signing agreements for China, the USA, Scandinavia, the Middle East and Germany, the Group recently signed an exclusive distribution agreement for the Benelux countries with Belga Films,
- EuropaCorp has also announced its association with one of the leading French independent producers that is specialised in broad-appeal comedy, Dominique Farrugia's production company, Few,
- Moreover, work on EuropaCorp Live's first multiplex at the Roissy airport complex is continuing: the Group expects to take delivery of the structure before the end of the FY 2012/2013.

All of the actions taken since the announcement of the strategic plan have enabled the Group to confirm the objectives it announced at that time.

Financial agenda 2012/2013

14/02/2013: Q3 revenue 2012/2013

23/05/2013: Annual revenue 2012/2013

27/06/2013: Consolidated annual revenue 2012/2013

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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EuropaCorp is listed on **Euronext Paris – Compartment C** by NYSE Euronext
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Appendix

H1 Revenue- FY 2012/13

Revenue by segment (€m)	Q1 2012/13	Q1 2011/12	Q2 2012/13	Q2 2011/12	H1 2012/13	H1 2011/12	Δ
International Sales	8,3	4,0	38,5	34,9	46,8	38,9	20.3%
<i>% of revenue</i>	<i>37.7%</i>	<i>21.0%</i>	<i>64.1%</i>	<i>67.9%</i>	<i>57.0%</i>	<i>55.1%</i>	
Cinemas, France	1.3	2.1	0.5	1.9	1.8	4.1	-56.6%
<i>% of revenue</i>	<i>5.9%</i>	<i>11.1%</i>	<i>0.8%</i>	<i>3.7%</i>	<i>2.2%</i>	<i>5.7%</i>	
Video & VOD, France	3.2	2.8	2.1	2.0	5.3	4.8	11.4%
<i>% of revenue</i>	<i>14.6%</i>	<i>14.6%</i>	<i>3.5%</i>	<i>3.9%</i>	<i>6.5%</i>	<i>6.8%</i>	
Television France	7.9	6.1	11.2	6.9	19.0	13.0	46.4%
<i>% of revenue</i>	<i>35.9%</i>	<i>32.0%</i>	<i>18.6%</i>	<i>13.3%</i>	<i>23.2%</i>	<i>18.4%</i>	
Subsidies	0.7	1.9	0.2	0.6	0.9	2.6	-65.1%
<i>% of revenue</i>	<i>3.3%</i>	<i>10.1%</i>	<i>0.3%</i>	<i>1.3%</i>	<i>1.1%</i>	<i>3.7%</i>	
TV Series	0.0	0.5	5.6	2.9	5.6	3.4	64.1%
<i>% of revenue</i>	<i>0.1%</i>	<i>2.8%</i>	<i>9.2%</i>	<i>5.6%</i>	<i>6.8%</i>	<i>4.8%</i>	
Other Activities	0.5	1.6	2.1	2.2	2.6	3.8	-31.0%
<i>% of revenue</i>	<i>2.4%</i>	<i>8.4%</i>	<i>3.5%</i>	<i>4.3%</i>	<i>3.2%</i>	<i>5.4%</i>	
TOTAL	21.9	19.2	60.1	51.4	82.1	70.6	16.3%