

# EUROPACORP

## PRESS RELEASE

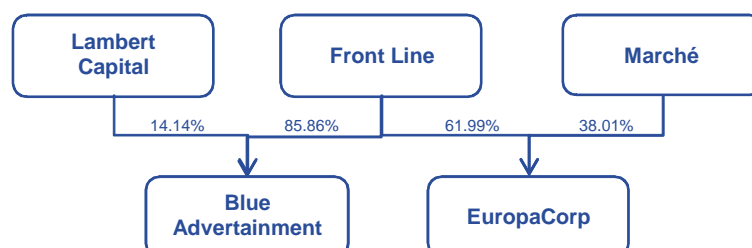
### EuropaCorp streamlines the Group's synergistic activities and boosts its equity

**Saint-Denis, 3 January 2013:** On 10 January 2013, EuropaCorp will ask its Board of Directors to approve two concomitant capital increases: an in-kind capital increase and a cash capital increase. Both these capital increases are designed to strengthen EuropaCorp's business model, which involves being present throughout the motion picture value chain, both horizontally (production, distribution and screening) and vertically (feature films, television products and brand entertainment):

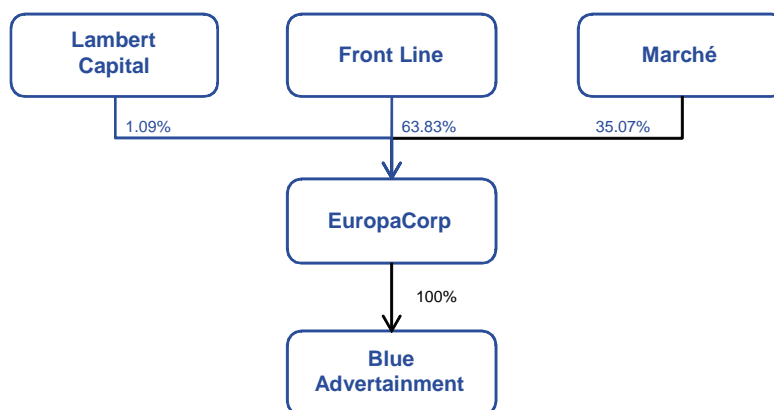
- The purpose of the in-kind capital increase is to place synergistic activities at the head of EuropaCorp, i.e. the brand entertainment and post-production operations that were previously run by subsidiaries of Front Line, EuropaCorp's controlling shareholder, which holds around 62% of its capital. The brand entertainment segment operates under the Blue Advertainment and Blue Event labels. The segment's offering includes making EuropaCorp know-how available to client brands (e.g. for designing new-generation brand image movies and events management). The "Digital Factory" label's post-production services include all sound and vision post-production operations.
- The cash capital increase will enable EuropaCorp to finance its diversification, in particular in the areas of televised series production and multiplex development, such as the deployment of its innovative "EuropaCorp live" concept in northern Paris at the Unibail Rodamco "Aéroville" mall complex, and in Marseille, at the heart of Euromed's redevelopment project for the Joliette district.

From a structural standpoint, the in-kind capital increase is for 100% of Blue Advertainment's stock. Digital Factory's entire post-production activities were contributed to Blue Advertainment, which already runs the Group's brand entertainment operations.

#### Organisation chart before the in-kind contribution



### Organisation chart after the in-kind and cash contributions



The exchange values proposed to the EuropaCorp Board of Directors have been set at around €10.3m for 100% of Blue Advertainment's securities and at around €122m for that of EuropaCorp. The report filed by the two independent auditors appointed as Contributions Appraisers by the President of the Bobigny Commercial Court, concluded that the value of these contributions is not overestimated and that the consideration offered for them is fair. This report can be consulted at the Bobigny Commercial Court Registry, at EuropaCorp's headquarters and on its website ([www.europacorp-corporate.com](http://www.europacorp-corporate.com)). The Appraisers based their opinion primarily on the EuropaCorp evaluation report prepared by Paper Audit, as well as on Accuracy's evaluation of the catalogue, which are also available at EuropaCorp's headquarters and on its website ([www.europacorp-corporate.com](http://www.europacorp-corporate.com)).

Upon completion of this contribution, and independently of the cash capital increase, 1,705,128 new shares will be issued in consideration for the in-kind contribution, i.e. around 8.39% of EuropaCorp's share capital (prior to the in-kind contribution): 1,464,017 shares will be allocated to Front Line and 241,111 to Lambert Capital, with the amount remaining on the market falling to 35.07% compared to 38.01% at present. This transaction is contingent on the prior completion of the cash capital increase described below.

At the same time as this in-kind capital increase, the EuropaCorp Board of Directors will be asked to carry out a cash capital increase, for which pre-emptive subscription rights will be maintained, for an amount of between €15m and €20m (total value of the subscription, capital increase and premium); firm subscription commitments have already been received for shares issued as of right and excess shares for a total of €13m. Once the Board has made its decision, this capital increase will be detailed in a prospectus that is submitted to the Autorité des Marchés Financiers for approval.

Overall, the contemplated transaction would therefore lead to two increases in EuropaCorp's capital for a total of between €25.3m and €30.3m, of which around €10.3m will remunerate in-kind contributions and €15m to €20m will remunerate cash contributions, for which pre-emptive subscription rights will be maintained. These capital increases would have to be voted by the Board of Directors under the delegations of powers granted by the General Meeting of 28 September 2012.

EuropaCorp will inform the market shortly of the precise aspects of these capital increases, for which the subscription period, for the cash increase, should fall between the end of January and the beginning of February 2013. The in-kind contribution will be implemented as part of the capital increase, for which pre-emptive subscription rights will be maintained.

### **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](http://www.europacorp-corporate.com)*

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