



# EUROPACORP

## PRESS RELEASE

### Net income (excluding minorities) of €19.6m: EuropaCorp sees a return to bumper profits

- Operating income is €30.3m, or 16.3% of revenue: this is the highest level of profitability ever recorded by the company (under IFRS)
- Shareholders' equity has increased by €49m (+48%), driven by the success of the cash capital increase in February 2013 and the Group's record net income
- A financial year marked by improved TV Series performance and International Sales that are still extremely robust
- Group segments with synergies (brand entertainment and post-production) have been combined
- Strong growth prospects: the outlook is positive for the future

Saint-Denis, 27 June 2013 – EUROPACORP, the producer and distributor of feature films and one of the leading independent film studios in Europe, today announces its consolidated annual results as of 31 March 2013, as approved by the Board of Directors on 26 June 2013, for FY2012/2013.

#### Consolidated results\*

Consolidated financial statements (€m)	FY 2012/13	FY 2011/12	Change 2012/13
Revenue	185.8	168.3	17.5
Cost of sales	-129.7	-137.3	7.6
Operating margin (before overheads)	56.1	30.9	25.2
<i>% of revenue</i>	<i>30.2%</i>	<i>18.4%</i>	<i>+ 11.8 points</i>
Operating income	30.3	6.8	23.5
<i>% of revenue</i>	<i>16.3%</i>	<i>4.1%</i>	<i>+ 12.2 points</i>
Net income (excluding minorities)	19.6	0.1	19.5
Shareholders' equity	151.5	102.4	49.1

\* Annual financial statements for FY2012/2013 approved by the Board of Directors during its meeting of 26 June 2013, currently being audited

## **FY2012/2013 annual revenue of €185.8m (+10% year over year) marked by improved TV series performance and robust International Sales**

**TV Series** revenue increased appreciably over the financial year, reaching €28.4m. This shows that the Group's strategy of developing recurring revenue sources is yielding results.

The revenue from this segment represents 15.3% of overall annual revenue, compared to 5.2% for the previous financial year. These sales primarily correspond to royalties from the series *XIII, No Limit* and *Flight of the Storks*.

**International Sales** remained healthy over the period at €71.7m.

They were driven by *Taken 2*, which was released in October 2012, royalties from English-language catalogue films (*Colombiana*, *Taken*, *Transporter 3* and *I Love You Phillip Morris*, among others) and the revenue associated with the contractual stages defined with the US distributor of *Malavita*, which were completed by the close of the financial year.

**Cinemas, France** sales for the past financial year total €16.2m, up around 16% compared to FY2011/2012, with the release of 9 films, including *Taken 2* (around 3 million admissions), *It Boy* (over 1.4 million admissions to date) and *Möbius* (around 1.1 million admissions).

The **Video, France** segment, which posted revenue of €15.1m, primarily benefited from the video and VOD releases of *Taken 2*, *Lock Out* and *The Lady*, as well as continuing catalogue sales (*A Monster in Paris*, *Colombiana*, *The Tree of Life* and *Little White Lies*, among others).

**Television, France** revenue increased by 9.9%, reaching €41.4m over the financial year. This change was caused by a significant number of broadcast windows opening during the financial year for television premieres, as well as proactive catalogue management.

The **Other Activities** (€6.1m) primarily correspond to the revenue generated from partnerships, music publishing and coproduction sales during the financial year.

Revenue from **Subsidies** totalled €6.8m.

## **A year marked by all-time record profitability for the company (under IFRS)**

### **Operating income is up from €6.8m to €30.3m, an increase of €23.5m**

The profitability generated over FY2012/2013 confirms the Group's strategic choices and is a consequence of:

- the strong contribution by international sales, in particular through royalties from international catalogue films (such as *Colombiana*, *Taken* and *Transporter 3*), the high level of marketing right pre-sales (guaranteed minimum) for *Taken 2*, as well as its success, and the revenue associated with the contractual stages defined with the US distributor of *Malavita*, which were completed by the close of the financial year;
- improved TV Series performance;
- pro-active catalogue management;
- lower cost of sales (down 6% year over year) mainly through production and distribution cost control and the exceptional payment during the previous financial year of the promotion and advertising expenses for the release of *Colombiana* on North American territory, which drove the cost of sales up, but ensured that the Group benefited from better revenue channel conditions for the film.

Overheads are €26.1m, compared to €25.2m during the previous financial year, an increase of €0.9m, primarily caused by the effects of changes in perimeter (addition of brand entertainment and post-production). Other than flows linked to perimeter changes and equity transactions, overheads are under control and do not vary from one financial year to the next (€25.2m per financial year).

The financial income totalled (€0.02m).

The tax expense is €9.4m and the net income (excluding minorities) is €19.6m at 31 March 2013, compared to €0.1m for the previous financial year, an increase of €19.5m.

## Positive net operating cash flow

Net cash flow from operations was €87m, compared to €82m during the previous financial year, an increase of 6%.

Bank covenants were honoured as of 31 March 2013.

The Group's shareholders' equity is €151.5m, an increase of €49m.

The net gearing ratio remains highly satisfactory in relation to the sector benchmark (net debt to equity ratio of 0.21 at 31 March 2013 compared to 0.50 at 31 March 2012).

## Prospects

In FY2013/2014, the Cinemas, France segment will benefit from an extremely rich and highly diversified line-up.

The coming financial year will see the international release of three English language films: *Malavita*, directed by Luc Besson, starring Robert de Niro, Michelle Pfeiffer and Tommy Lee Jones, *Three Days to Kill*, directed by McG, starring Kevin Costner, and *Brick Mansions*, directed by Camille Delamarre, starring Paul Walker and David Belle.

Shooting for Luc Besson's next film, *Lucy*, starring Scarlett Johansson, will start in September 2013.

The third film in the *Taken* saga will start production in February 2014, with Liam Neeson reprising his role as Bryan Mills. The film is expected to be released worldwide in February 2015.

During the 2013 Cannes Film Festival, the Group announced that it had signed an agreement with the Chinese company Fundamental Films for the production of a new trilogy of the successful *Transporter* film franchise.

In the TV Series segment, shooting for the second series of *No Limit* has started and the English-language series *Taxi Brooklyn South* is in pre-production.

FY2013/2014 will also see the opening of the first EuropaCorp Cinemas movie theatre in October.

## 2013/2014 Financial Agenda

Q1 revenue	August 2013
General Meeting	September 2013
H1 Revenue and Consolidated Results	November 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 150 permanent staff members.*

*For more information go to [www.europacorp-corporate.com](http://www.europacorp-corporate.com)*

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