



EUROPACORP

PRESS RELEASE

Half-year results in line with budget forecasts:

Consolidated revenue: €67 million
Net profit (excluding minorities): €0.9 million

- **Revenue is down (-18% compared to H1 FY2012/2013):**
 - **Several films with high international potential to be released in H2**
 - **Lower H1 revenue from Cinemas, France**
 - **Fewer first-run television broadcasting rights during H1**
- **A healthy operating margin ratio (32%)**
- **Net profit despite an expense linked to the launch of the bonus share plan (€4.2 million) and a negative foreign exchange impact (€1.1 million)**
- **H1 reflects little of the potential for the full financial year: H2 sales and operating income forecasts are healthy**

Saint-Denis, 29 November 2013 – EuropaCorp, 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 results as of 30 September 2013.

Half-year consolidated results

Consolidated results (€m)	30 Sept. 2013 (6 months)	30 Sept. 2012 (6 months)
Revenue	67.0	82.1
Cost of sales	-45.8	-51.8
Operating margin	21.2	30.3
<i>% of revenue</i>	<i>32%</i>	<i>37%</i>
Operating income	3.6	18.5
<i>% of revenue</i>	<i>5%</i>	<i>23%</i>
Financial expenses/income	-1.2	0.3
Net profit (excluding minorities)	0.9	12.0
<i>% of revenue</i>	<i>1%</i>	<i>15%</i>

Operating income fell over the half-year, in line with budget forecasts

The consolidated financial statements for H1 FY2013/2014 show consolidated revenue of €67 million, compared to €82.1 million in the year-ago half, a decrease of 18%.

International Sales totalled €34.6 million, representing 52% of total revenue.

The revenue in this segment was primarily generated from international deliveries of *Malavita*, as well as royalties from catalogue films (in particular *Taken 2*, *Taken* and *Colombiana*).

Cinemas, France posted revenue of €1.6 million. Significant events included the theatrical release of three films: *Les Petits Princes*, *For a Woman* and *Les Invincibles*. H1 revenue also includes receipts generated since 1 April 2013 by *It Boy* and *Möbius*.

Revenue for **Video, France** is €4 million, compared to €5.3 million for H1 FY2012/2013. It corresponds to video releases over the half-year, including *Möbius* and *It Boy*, and revenue from catalogue films (mainly *A Monster in Paris*, *The Lady* and *Little White Lies*).

Television, France revenue totals €8.9 million, a reflection of the restricted number of significant first-run broadcasting rights.

During H1 FY2013/2014, the **TV Series** segment generated revenue of €12.1 million, compared to a year-ago figure of €5.6 million, an increase of 116%. Revenue for this half-year primarily corresponds to royalties from Season 2 of *XIII* (sold to M6), the delivery to France Télévision of the feature *C'est pas de l'amour* and the deliveries of the first episodes of *No Limit* Season 2 to TF1.

Subsidy funds contributed revenue of €0.8 million, which can be explained by the low level of activity in the Cinemas, France segment.

The **Events** segment, which was acquired at the end of the previous financial year following the combination of the Group's synergetic activities, generated revenue of €1.4 million through events held at the Cité du Cinéma during the period.

H2 revenue should be higher than H1 revenue, due to the highly seasonal nature of operations in this segment.

Revenue from the **Other Activities**, €3.7 million, was mainly generated by music publishing, brand content and post-production business lines.

A healthy operating margin ratio: 32%

The consolidated operating margin is €21.2 million, 32% of revenue, compared to a year-ago figure of €30.3 million (37% of revenue). Maintaining a robust operating ratio is a result of strict control over direct costs, despite a quieter first half in FY2013/2014.

The main contributors to the operating margin for H1 FY2013/2014 are International Sales, which accounted for more than 50% of H1 revenue, and TV Series, for which revenue is up by more than 100%.

Net profit for H1 (excluding minorities)

Financial expenses for the half-year were (€1.2 million), compared to income of €0.3 million at 30 September 2012 and were negatively impacted by the dollar exchange rate trend over the period. The remainder of the financial expenses comprise the impact of discounting debts on Sofica EuropaCorp and EuropaCorp Télévision securities, as well as the period-end valuation of foreign exchange hedging instruments.

After an income tax expense of (€0.8 million), the half-year net profit, excluding minorities, is €0.9 million, compared to €12 million for H1 FY2012/2013.

Capex on films – Cash Flow

During this half-year, the Group invested €45.4 million in films and television series production, compared to €43.9 million during H1 FY2012/2013.

Investments during the half-year were primarily in on-going productions that will provide the line-up for the current and upcoming financial years.

Given the low operating income over the first half of the financial year, the cash flows from operations over H1 are €8 million, compared to a year-ago figure of €56.8 million. This change can also be explained by significant income from exports during the previous financial year (in particular receipt of the guaranteed minimum royalties for *Taken 2* and *Lock Out*).

Prospects

The start of H2 FY2013/2014 saw the release of *Malavita*. The film has already generated more than one million admissions in France and to date has taken around 37 million dollars at the US box office.

In addition to *Malavita*, the line-up for the second half of the financial year will be much richer than for the first half, with the releases of *La Marche* (directed by Nabil Ben Yadir, starring Jamel Debbouze, Olivier Gourmet and Tewfik Jallab), the remake of *Angélique* (directed by Ariel Zeitoun, starring Nora Arnezeder and Gérard Lanvin), *Jamais le premier soir* (directed by Mélissa Drigeard, starring Alexandra Lamy, Mélanie Doutey and Julie Ferrier), *Le Jeu de la vérité* (an adaptation of the play with the same title, starring Philippe Lellouche and Vanessa Demouy) and *Jack & the Cuckoo-Clock Heart* (starring Mathias Malzieu, Olivia Ruiz and Grand Corps Malade).

Two English-language films with international potential will also be released during the last quarter of the financial year: *Brick Mansions*, a US remake of *Banlieue 13*, directed by Camille Delamarre, starring Paul Walker and David Belle in the lead roles, and *3 Days to Kill*, directed by McG, starring Kevin Costner and Amber Heard.

Shooting for the upcoming film written and directed by Luc Besson, *Lucy*, starring Scarlett Johansson and Morgan Freeman, started in September 2013. EuropaCorp has also announced the signature of an agreement with Universal for Universal Pictures to distribute the film throughout the world, excluding France, the Benelux countries and China. Its worldwide release is scheduled for the end of 2014.

The third film in the *Taken* franchise will begin shooting on 3 March 2014, with Liam Neeson reprising his role as Bryan Mills. Worldwide release is slated for February 2015.

TV Series activity will remain buoyant during H2. TF1 will take delivery of the final episodes of *No Limit* Season 2, and the series *Taxi Brooklyn* will start to run (twelve 45-minute episodes), as will the series *Le Passager* (six 52-minute episodes).

TF1 has also confirmed the start of production for *No Limit* Season 3.

Lastly, the start of H2 FY2013/2014 saw the inauguration in October of the first EuropaCorp Cinema in Aéroville, on the Roissy airport platform.

Financial agenda 2013/2014

14/02/2014 Q3 Revenue 2013/2014
23/05/2014 Annual Revenue 2013/2014
26/06/2014 Consolidated Annual Results 2013/2014

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

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

Appendix

H1 revenue - FY2013/14

Revenue by segment (€m)	Q1 2013/14	Q1 2012/13	Q2 2013/14	Q2 2012/13	H1 2013/14	H1 2012/13	Δ
International Sales	3.5	8.3	31.1	38.5	34.6	46.8	-26.2%
<i>% of revenue</i>	<i>28.2%</i>	<i>37.7%</i>	<i>56.8%</i>	<i>64.1%</i>	<i>51.6%</i>	<i>57.0%</i>	
Cinemas, France	0.7	1.3	0.9	0.5	1.6	1.8	-9.8%
<i>% of revenue</i>	<i>5.4%</i>	<i>5.9%</i>	<i>1.7%</i>	<i>0.8%</i>	<i>2.4%</i>	<i>2.2%</i>	
Video, France	2.1	3.2	1.9	2.1	4.0	5.3	-25.8%
<i>% of revenue</i>	<i>16.9%</i>	<i>14.6%</i>	<i>3.5%</i>	<i>3.5%</i>	<i>5.9%</i>	<i>6.5%</i>	
Television, France	1.9	7.9	7.0	11.2	8.9	19.0	-53.4%
<i>% of revenue</i>	<i>15.5%</i>	<i>35.9%</i>	<i>12.7%</i>	<i>18.6%</i>	<i>13.2%</i>	<i>23.2%</i>	
Subsidies	0.3	0.7	0.5	0.2	0.8	0.9	-8.5%
<i>% of revenue</i>	<i>2.6%</i>	<i>3.3%</i>	<i>0.9%</i>	<i>0.3%</i>	<i>1.2%</i>	<i>1.1%</i>	
TV Series	1.7	0.0	10.4	5.6	12.1	5.6	116.3%
<i>% of revenue</i>	<i>13.4%</i>	<i>0.1%</i>	<i>19.0%</i>	<i>9.2%</i>	<i>18.0%</i>	<i>6.8%</i>	
Events	1.1	N/A	0.3	N/A	1.4	N/A	N/A
<i>% of revenue</i>	<i>8.8%</i>	<i>N/A</i>	<i>0.5%</i>	<i>N/A</i>	<i>2.0%</i>	<i>N/A</i>	
Other Activities	1.1	0.5	2.6	2.1	3.7	2.6	42.1%
<i>% of revenue</i>	<i>9.1%</i>	<i>2.4%</i>	<i>4.8%</i>	<i>3.5%</i>	<i>5.6%</i>	<i>3.2%</i>	
TOTAL	12.3	21.9	54.7	60.1	67.0	82.1	-18.4%