



# EUROPACORP

## PRESS RELEASE

### Consolidated revenue and profit – H1 FY2014/2015

**Consolidated revenue: €98.0 million**  
**Net profit (excluding minorities): €7.3 million**

- **Strong performance over the half-year (+46% compared to H1 FY2013/2014)**
- **The operating margin ratio remains high (29%)**

**Saint-Denis, 26 November 2014** – 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 at 30 September 2014.

#### *Half-year consolidated results*

<i>Consolidated results (€m)</i>	<b>30 Sept. 2014</b> (6 months)	<b>30 Sept. 2013</b> (6 months)
<b>Revenue</b>	<b>98.0</b>	<b>67.0</b>
Cost of sales	-69.1	-45.8
<b>Operating margin</b>	<b>28.9</b>	<b>21.2</b>
<i>% of revenue</i>	<i>29%</i>	<i>32%</i>
Operating income	7.6	3.6
<i>% of revenue</i>	<i>9%</i>	<i>5%</i>
Financial income	4.0	-1.2
<b>Net profit (excluding minorities)</b>	<b>7.3</b>	<b>0.9</b>
<i>% of revenue</i>	<i>7%</i>	<i>1%</i>

Noteworthy points for H1 include the release of the film *Lucy* and year-on-year growth reported by the International Sales, Cinemas, France and TV Series segments (total revenue is up by more than 46%)

The consolidated financial statements for H1 FY2014/2015 show consolidated revenue of €98.0 million, compared to the year-ago figure of €67 million, an increase of 46.3%.

**International Sales** total €38.1 million, or 38.9% of total revenue.

Segment revenue was primarily generated by the international deliveries of *Lucy*, *Brick Mansions* and *The Homesman*, as well as royalties from catalogue films (in particular *Malavita (The Family)*, *Three Days To Kill* and *Colombiana*).

**Cinemas, France** posted revenue of €16.5 million, driven by the theatrical release of four films: *Brick Mansions* on 23 April, *FastLife* on 16 July, *Lucy* on 6 August and *Saint Laurent* on 24 September. *Lucy* was extremely successful, with 5 million total French admissions as of 30 September 2014 (5.2 million admissions to date). Aside from guaranteed minimum amounts, virtually the entire income from international sales of *Lucy* is not recognised in these half-year financial statements.

Revenue from the **Video France** segment is €3.7 million compared to €4 million for H1 FY2013/2014. The primary revenue drivers were the H1 video releases, including *Never on the First Night*, *The Boy with the Cuckoo-Clock Heart* and *Three Days To Kill*, as well as sales generated by catalogue films (mainly *It Boy* and *Möbius*).

**Television, France** revenue totals €9.2 million over H1 FY2014/2015.

During H1 FY2014/2015, the **TV Series** segment generated revenue of €18.7 million compared to the year-ago figure of €12.1 million, an increase of around 55%. Revenue for this half-year primarily corresponds to continuing royalties from *Taxi Brooklyn*, the delivery of the first episodes of Season 3 of *No Limit* and the delivery of the features *L'Héritière*, *Where Are You Now (Mary Higgins Clark Collection)* and *Danbé, Heads up*.

**Subsidy** funds contributed revenue of €4.9 million, the main reason for which is the buoyant activity of the Cinemas, France segment compared to H1 FY2013/2014.

The **Events** segment posted revenue of €1.4 million, which is on par with the year-ago figure, and for the most part was generated by functions held at the Cité du Cinéma during the half-year.

Revenue for the **Multiplexes** segment is €2.7 million for H1 FY2014/2015. This corresponds to income from the first of the *EuropaCorp Cinemas* movie theatres in Aéroville, which, since it opened in November 2013, has seen a sharp increase in admissions.

Revenue from **Other activities**, €2.9 million, was mainly generated by partnerships, music publishing, brand content and post-production services.

### **The operating margin ratio remains high: 29%**

The consolidated operating margin is €28.9 million, or 29% of revenue, compared to €21.2 million for H1 FY2013/2014. Maintaining a high operating margin ratio is linked to the major revenue contribution by the International Sales segment, the continued growth of the TV Series segment and limiting the increase in sales costs, which is a direct consequence of improved performance in H1 FY2014/2015.

The main contributors to the operating margin during H1 FY2014/2015 were International Sales, with around 39% of the Group's half-year revenue, TV Series, for which revenue grew by more than 50% and accounted for 19% of the revenue for the period and Cinemas, France, which generated 17% of H1 revenue.

### **A sharp rise in net profit (excluding minorities): €7.3 million**

Financial income for the half-year is €4.0 million, compared to expenses of (€1.2 million) at 30 September 2013. Among other things, it was impacted by a foreign exchange gain linked to favourable changes in dollar prices over the period. The other components of the financial income are the impact of discounting debts on Sofica EuropaCorp securities and the period-end valuation of foreign exchange hedging instruments.

After an income tax expense of €3.9 million, the half-year net profit, excluding minorities, is €7.3 million compared to the year-ago figure of €0.9 million.

### **Capex on films – Cash Flow**

During this first half-year, the Group invested €78.5 million in film and television series production, compared to €45.4 million during H1 FY2013/2014.

Investments during the half-year were primarily in the continued production of English-language films with strong international potential, which will provide the line-up for the current and upcoming financial years.

Given the healthy operating income over the first half of the financial year, the cash flows from operations over H1 are €70.3 million, compared to the year-ago figure of €8 million. This change is the result of strong sales in H1 FY2014/2015, in particular linked to the delivery and release of *Lucy*, as well as lower sales in H1 FY2013/2014.

## **Prospects**

The third film in the *Taken* saga, with Liam Neeson reprising his role as Bryan Mills, is finished and the worldwide release is slated for January 2015.

*Transporter Legacy* will be released in the United States by EuropaCorp USA (via RED) on 19 June 2015. Seven English-language films will enter production in the next few weeks.

Shooting for *Bis*, directed by Dominique Farrugia, starring Franck Dubosc and Kad Merad, is finished and French theatrical release is scheduled for February 2015.

*Buddy Guards*, a comedy starring Manu Payet and Joey Starr, is in post-production. French release is scheduled for the 2015 Easter vacation.

Shooting for Benoît Graffin's next film, starring Sandrine Kiberlain, started on 25 November 2014.

Regarding TV Series, H2 FY2014/2015 will see the delivery of the final episodes of *No Limit* Season 3, the international release of the first season of *Taxi Brooklyn* and the start of shooting for *Section Zéro*, directed by Olivier Marchal.

On 22 October 2014 EuropaCorp announced the closing of its \$400 million credit facility, a \$150 million accordion clause and a second lien credit facility of \$50 million, which boosted the Company's financial capacities to \$600 million.

This 5-year credit facility is primarily intended to finance new studio productions and in particular EuropaCorp's English-language film productions.

## **2014/2015 financial agenda**

<b>February 2015</b>	Q3 Revenue 2014/2015
<b>May 2015</b>	Annual Revenue 2014/2015
<b>June 2015</b>	Consolidated Annual Results 2014/2015

### ***About EuropaCorp***

*EuropaCorp ranks among 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 and now movie theatre management, since the inauguration in October 2013 of the first EuropaCorp CINEMAS multiplex in Aéroville. EuropaCorp's activities also include the sale 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. In February 2014 EuropaCorp founded a US distribution and marketing joint venture with Relativity Media, which gives EuropaCorp full control over its US distribution and allows it to maximise international visibility for its films.*

*EuropaCorp was founded by Luc Besson, the French filmmaker, screenwriter and producer. 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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EuropaCorp is listed on **Euronext Paris – Compartment C** by NYSE Euronext  
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## Appendix

### H1 - FY2014/15

<b>Revenue by segment (€m)</b>	<b>Q1 2014/15</b>	<b>Q1 2013/14</b>	<b>Q2 2014/15</b>	<b>Q2 2013/14</b>	<b>H1 2014/15</b>	<b>H1 2013/14</b>	<b>Δ</b>
<b>International Sales</b>	8.5	3.5	29.6	31.1	38.1	34.6	10.2%
<i>% of revenue</i>	38.2%	28.2%	39.1%	56.8%	38.9%	51.6%	
<b>Cinemas, France</b>	1.9	0.7	14.6	0.9	16.5	1.6	925.3%
<i>% of revenue</i>	8.4%	5.4%	19.3%	1.7%	16.8%	2.4%	
<b>Video, France</b>	2.0	2.1	1.7	1.9	3.7	4.0	-5.9%
<i>% of revenue</i>	9.0%	16.9%	2.3%	3.5%	3.8%	5.9%	
<b>Television, France</b>	2.0	1.9	7.2	7.0	9.2	8.9	4.0%
<i>% of revenue</i>	8.9%	15.5%	9.5%	12.7%	9.4%	13.2%	
<b>Subsidies</b>	1.7	0.3	3.2	0.5	4.9	0.8	489.2%
<i>% of revenue</i>	7.8%	2.6%	4.2%	0.9%	5.0%	1.2%	
<b>TV Series</b>	3.6	1.7	15.1	10.4	18.7	12.1	55.1%
<i>% of revenue</i>	16.2%	13.4%	19.9%	19.0%	19.1%	18.0%	
<b>Events</b>	0.4	1.1	0.9	0.3	1.4	1.4	-0.6%
<i>% of revenue</i>	2.0%	8.8%	1.2%	0.5%	1.4%	2.0%	
<b>Multiplexes</b>	1.2	N/A	1.4	N/A	2.7	N/A	N/A
<i>% of revenue</i>	5.6%		1.9%		2.7%		
<b>Other Activities</b>	0.9	1.1	2.0	2.6	2.9	3.7	-23.0%
<i>% of revenue</i>	4.0%	9.1%	2.6%	4.8%	2.9%	5.6%	
<b>TOTAL</b>	<b>22.3</b>	<b>12.3</b>	<b>75.8</b>	<b>54.7</b>	<b>98.0</b>	<b>67.0</b>	<b>46.3%</b>