



EUROPACORP

PRESS RELEASE

High profitability while maintaining a sustained investment strategy in the United States

- A record operating margin of 31.5%, the highest since the company Initial Public Offering
- Operating income of €19.5 million, an increase of more than €11 million over the previous financial year, and net income (Group share) of €16.2 million.
- A significant number of films entering production with high international potential that promise brisk business in the future

Saint-Denis, 25 June 2015 – EUROPACORP, the producer and distributor of feature films and one of the leading independent film studios in Europe, today announces its consolidated annual results for the 2014/2015 financial year to 31 March 2015, as approved by the Board of Directors on 24 June 2015.

Consolidated results*

Consolidated accounts (€ million)	FY 2014/15	FY 2013/14	Var. 2014/15
Revenue	226.9	211.8	15.1
Cost of sales	-155.4	-154.1	-1.4
Operating margin (before overheads)	71.5	57.7	13.8
<i>% of revenue</i>	<i>31.5%</i>	<i>27.3%</i>	<i>+4.2 pt</i>
Operating income	19.5	8.5	11.0
<i>% of revenue</i>	<i>8.6%</i>	<i>4.0%</i>	<i>+4.6 pt</i>
Net income (Group share)	16.2	0.2	16.0
Equity	184.7	156.2	28.5

* FY2014/2015 annual financial statements, approved by the Board of Directors at their meeting on 24 June 2015

FY2014/2015 annual revenue of €226.9 million (+7% over the previous financial year), marked especially by the performance of the activities in International Sales and Cinemas, France

International Sales stayed very brisk over the financial year, amounting to €96 million.

Sales were driven mainly by the international revenues of English language films such as *Lucy*, *Taken 3* and *Brick Mansions*, and by the first royalties from *Lucy*, as well as those from catalogue films (especially *Three Days To Kill*, *Malavita (The Family)*, *Colombiana* and *Transporter 3*).

With the release of eight films in FY2014/2015, **Cinemas, France** totalled €29.2 million, up 180% compared to the previous year. This was driven mainly by the success of *Lucy* (over 5.3 million French admissions), *Taken 3* (almost 2.7 million French admissions) and *Bis* (over 1.5 million French admissions to date). Overall, films released by the EuropaCorp Group in France during the financial year attracted around 11 million admissions.

Revenue from the **TV Series** segment reached €32.8 million. The sales were generated mainly by the delivery to TF1 of Season 3 of *No Limit*, the international sales of the series *Taxi Brooklyn*, and the delivery of seven television films.

The **Video & VOD France** activity, with revenues of €13.7 million, mainly benefited from the video releases of *Lucy*, *I Did It Again*, *Jack and the Cuckoo-Clock Heart*, *Brick Mansions*, and *The Homesman*, as well as continued sales of catalogue films.

Television, France sales reported annual revenue of €29.1 million, which corresponds to various broadcast windows opening for new films during the financial year (particularly *Malavita (The Family)* and *Jack and the Cuckoo-Clock Heart*), and dynamic catalogue sales (*Taken 2*, the *Transporter* and *Taxi* franchises...).

Revenue from the French **Subsidies** totalled €9.8 million.

The **Events** segment generated €4.4 million revenue from events organised both within and outside the Cité du Cinéma during the financial year.

Multiplexes reported €5.8 million revenue. This segment grew steadily and corresponds to the income generated by the first EuropaCorp Cinemas in the Aéroville shopping centre. The multiplex has generated 567 thousand admissions in its first full year of operation, in line with forecasts.

Other activities (€6.4 million) were driven mainly by partnerships, music publishing, brand-content and post-production activities.

A year marked by very high profitability

Operating income rose from €8.5 million to €19.5 million, an increase of €11 million.

The profits generated during FY2014/2015 confirm that the Group's strategic choices are relevant. They are the result of:

- the major contribution from international sales, thanks to the high degree of pre-sales screening rights (guaranteed minimum) of films in the line-up (*Lucy*, *Taken 3* and *Brick Mansions*), the very first royalties collected on *Lucy* and *Taken 3*, and the income received from catalogue films with international potential (*Malavita (The Family)*, *Three Days to Kill*, *Colombiana*, *Transporter 3*, etc.);
- the performance of the Cinemas, France segment, with the eight films totalling nearly 11 million admissions;
- dynamic operation of the catalogue;
- control of the cost of sales, despite the expanded business activity.

The Group's major strategic investments in the US through EuropaCorp Films USA and the RED platform explains the variation in overheads, which were €51.5 million as of 31 March 2015 (compared to €44.6 million for the previous financial year).

Financial income stood at €4.7 million, and was positively impacted by the evolution of the US dollar/euro exchange rate over the period.

The tax expense was (€7.0) million and the net income (Group share) stood at €16.2 million as of 31 March 2015, compared to €0.2 million over the previous financial year, a gain of €16 million.

Positive net cash flows from operations

Net cash flows from activities reported €146 million, against €94 million for the previous financial year, a nearly 56% increase.

Equity (Group share) was €184.7 million, a gain of €28.5 million.

The net gearing ratio remained quite satisfactory, specifically in regard with the sector benchmark (net debt-to-equity ratio of 0.46 at 31 March 2015, down from 0.70 at 31 March 2014).

Outlook

The Transporter Refueled, directed by Camille Delamarre and starring Ed Skrein in the leading role, will be released in the US on 4 September 2015 by EuropaCorp Films USA (through its RED service platform).

Shut In, with Naomi Watts in the leading role, is currently in post-production, with its US release scheduled for 19 February 2016.

Other high-potential English-language films have recently entered production. Shooting of *The Lake*, written and produced by Luc Besson and directed by Steven Quale (*Into the Storm*) with Sullivan Stapleton (*300: Rise of an Empire*) in the leading role, began late April. The US release is slated for 15 July 2016.

Shooting of the next film by Barry Sonnenfeld (*Men in Black*, *The Addams Family*), entitled *Nine Lives*, with Kevin Spacey, Jennifer Garner and Christopher Walken, started early May (for release due on 29 April 2016), as did filming for *Warrior's Gate*, the first French-Chinese co-production by EuropaCorp and Fundamental Films, directed by Matthias Hoene, with Uriah Shelton, Dave Bautista and Mark Zhao.

Shooting of the film *Escobar*, currently in development, directed by Fernando Leon de Aranoa, with Javier Bardem and Penélope Cruz in the leading roles, should begin in October 2015. EuropaCorp recently announced that Jean-François Richet (*Mesrine*) will direct *Twice*, a new English-language action film.

Finally, shooting of the upcoming science-fiction film directed by Luc Besson, *Valerian*, announced at the Cannes Film Festival this year and generating record pre-sales, is due to start in January 2016, for US release planned on 21 July 2017. Based on the eponymous French sci-fi graphic novels, Dane DeHaan and Cara Delevingne will play the leading roles.

As for French-language productions, the next film with Sandrine Kiberlain in the leading role and directed by Benoît Graffin is currently in post-production.

In terms of **TV Series**, the quarter was marked by the start of production of the series *Section Zéro*, directed by Olivier Marchal for Canal+. Two new English-language TV series are currently in development, and are in advanced discussions with US broadcasters. In addition, season 4 of the series *No Limit* is currently in development, as are three new television fictions from the Mary Higgins Clark collection.

Finally, administrative appeals against the second multiplex EuropaCorp Cinemas located in La Joliette (Marseilles) are now cleared. Work will begin at the end of the year; scheduled to open in summer 2017.

*"EuropaCorp's many successes during this financial year have doubled our operating income. This is a testament to the relevance of our strategic plan, which consists of choosing films with an international scope, such as Lucy and Taken 3 and, at the same time, developing activities with recurring income, such as TV and VOD series", remarked **Christophe Lambert**, CEO of EuropaCorp.*

Financial agenda 2015/2016

Annual General Meeting of Shareholders
HY2015/2016 Revenue and Consolidated Income

September 2015
November 2015

ABOUT EUROPACORP

EuropaCorp is among the top tier of European film studios. Founded in 1999, EuropaCorp's different activities include production, distribution for cinemas, home entertainment, video on-demand services, sales of TV rights for France; and following the recent opening of its first new multiplex at Roissy's 'Aéroville', the group now counts a 'Europacorp Cinemas' branch. The group is also present in the sale of rights internationally, as well as the production and distribution of original soundtracks. Since 2010, the group has also been producing television fiction. 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 created a U.S. distribution and marketing joint venture together with Relativity, that allows EuropaCorp to fully control its distribution in the U.S. and maximize the visibility for its films.

EuropaCorp was founded by French director, screenwriter and producer Luc Besson. 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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