



EUROPACORP

PRESS RELEASE

Consolidated revenue and profit – H1 FY2015/2016

Consolidated revenue of €76.6 million
Operating margin of €20.7 million

- **Operating margin remained high despite lower activity : 27.1%**
- **Significant investment in support of the international development strategy**
- **Half-year net income was affected by :**
 - **the recognition of all US distribution costs for *The Transporter – Refueled*, released in theaters at the end of the half-year, and whose US revenues will for the most part be recognized starting in the second half of the current year**
 - **a half-year financial loss of €7.6 million, impacted by unrealized currency effects and interest expense on credit facilities**

Saint-Denis, December 24, 2015 – EuropaCorp, producer and distributor of feature films and one of Europe's leading independent film studios, today announces its consolidated revenue and results for the six months as of September 30, 2015.

Consolidated half-year results

Consolidated net income (€m)	Sept. 30, 2015	Sept. 30, 2014
	6 months	6 months
Revenue	76.6	98.0
Cost of sales	(55.9)	(69.1)
Operating margin	20.7	28.9
<i>% of revenue</i>	<i>27%</i>	<i>29%</i>
Operating profit (loss)	(4.1)	7.6
<i>% of revenue</i>		<i>8%</i>
Financial income	(7.6)	4.0
Net income - Group share	(3.5)	7.3
<i>% of revenue</i>		<i>7%</i>

The consolidated financial statements for the first half of FY2015/2016 show consolidated revenue of €76.6 million, compared with €98.0 million in the first half of the previous financial year, hence a decline of 21.8%.

International Sales totaled €36.4 million, or 47.5% of total revenue. The revenue of this business was mainly derived from international deliveries of *The Transporter – Refueled* and royalties received on the film catalog (notably *Lucy* and *Colombiana*).

Revenue related to the **Cinemas** business amounted to €8.1 million, breaking down as €2.8 million in France and €5.2 million in the United States. Activity was marked by the release of the following films:

- *Buddy Guards* on April 15 (147 thousand admissions);
- *A Love You* on April 24 (27 thousand admissions);
- *The Transporter – Refueled* on September 4 in the United States and September 9 in France (as of September 30, 2015, \$15.8 million in domestic box office¹ receipts, and 492 thousand admissions in France).

Revenue from the **Video and VOD** business in France amounted to €7.0 million, or 9.1% of the period's total revenue, compared with €3.7 million for the first half of FY2014/2015. This business in France, highlighted mainly by the releases of *Taken 3* and *Bis*, had revenue of €5.3 million. Meanwhile, activity in the United States contributed €1.7 million thanks to the release of *Big Game*, mainly in VOD.

Revenue related to **Television rights** rose over the period to €11.1 million, or 14.5% of total revenue, compared with €9.2 million in the first half of FY2014/2015. This revenue mainly reflects the start of broadcast rights windows during the period for *Lucy*, *Malavita (The Family)* and *It Boy* in the French market and for *Big Game* in the U.S. market.

In the first half of FY2015/2016, the **TV Series** business generated revenue of €3.4 million, or 4.4% of half-year revenue. Few deliveries took place during the period, which was marked primarily by the continued exploitation of *Taxi Brooklyn* and the delivery to France 3 of the TV film *Les Années Perdues*.

The **Events** activity generated revenue of €2.0 million, compared with €1.4 million in the six months to September 30, 2014, corresponding to events organized at the Cité du Cinéma and elsewhere during the period.

The revenue of the **Multiplexes** business was €3.3 million in the first half of FY2015/2016, compared with €2.7 million in the first half of FY2014/2015, growth of 22% attributable chiefly to an increase in attendance. Over the period, the number of admissions totaled 338 thousand, compared with 257 thousand in the first half of 2014/2015.

Revenue from **Subsidies**, chiefly generated by Production activities (including TV productions), Distribution in cinemas, Video releases and Theatrical exploitation, was €2.4 million, compared with €4.9 million in the first half of FY2014/2015.

The **Other activities** (€2.9 million) mainly comprise the partnerships, licensing, music publishing and post-production activities.

The consolidated **operating margin** stood at €20.7 million, or 27.1% of the half-year's revenue, compared with €28.9 million or 29.5% of revenue for the same period the previous year. Operating margin remained high (over 27%) primarily due to the significant contribution of International Sales during the half-year.

Half-year financial income was a loss of €7.6 million, compared with a profit of €4.0 million in the six months to September 30, 2014, and was mainly affected by interest expense incurred during the period, notably on Senior and Secondary credit facilities, as well as unrealized foreign currency effects.

Taking into account a positive tax effect of €9.0 million, **half-year net income – Group share** was a loss of €3.5 million.

Cash flows from operations amounted to €21.6 million, down compared with the first half of the previous fiscal year. This decline was the result of a lighter film release schedule during the first half of FY2015/2016, as well as the success of *Lucy* in the first half of the previous year (5.2 million admissions in France).

During the first half, the Group invested €84.6 million in the production of films and TV series, an increase of nearly 8% compared to the first half of 2014/2015.

Investments were primarily focused on the production of English-language films with strong international potential, which will provide the line-up for the current and upcoming fiscal year.

The Group confirmed its strategy to develop its line-up of international productions through several projects with strong revenue potential.

¹ Domestic box office includes receipts within the borders of the United States and Canada.

Prospects

Several high-potential films in English are currently in post-production:

- *Shut in*, directed by Farren Blackburn, with Naomi Watts in the leading role, and Oliver Platt, Charlie Heaton, Jacob Tremblay, David Cubitt and Clémentine Poidatz;
- *The Lake*, written and produced by Luc Besson and directed by Steven Quale (*Into the Storm*), starring Sullivan Stapleton (*300: Rise of an Empire*);
- *Nine Lives*, the next film directed by Barry Sonnenfeld (the *Men In Black* trilogy, *The Addams Family* etc.), starring Kevin Spacey, Jennifer Garner and Christopher Walken;
- *Warrior's Gate*, the first French-Chinese coproduction between EuropaCorp and Fundamental Films, directed by Matthias Hoene with Uriah Shelton, Dave Bautista and Mark Zhao.

The second half of the fiscal year will also see production start on *Miss Sloane*, directed by John Madden, with Jessica Chastain in the title role.

Moreover, the next science-fiction film directed by Luc Besson, *Valerian and the City of a Thousand Planets*, announced during the last Cannes Festival, is due to start shooting in France in January 2016 with a view to a release in the United States on July 21, 2017. Adapted from the graphic novel of the same name, it will feature Cara Delevingne, Dane DeHaan, Clive Owen, Rihanna, Ethan Hawke and Herbie Hancock.

With regard to films shot in French language, *Stop Me Here*, directed by Gilles Bannier and with Reda Kateb, Léa Drucker and Gilles Cohen, will open in French theaters January 6, 2016, while *Hopefully*, the next film starring Sandrine Kiberlain and directed by Benoît Graffin, will open on January 27, 2016.

In terms of the TV Series business, the eight episodes of the series *Section Zero*, directed by Olivier Marchal will be delivered to Canal+ in the second half of the year. In addition, several single-episode programs will be put into production, including one from the Mary Higgins-Clark collection. Lastly, three new English-language TV series are in development and are under agreement with North American networks:

- *Taken*, a 10-episodes prequel to the hit trilogy, coproduced with Universal Studios for NBC. Alexander Cary (*Homeland*) will be the showrunner;
- *These Final Hours*, for which the pilot is in development for Fox. The script will be written by Zak Hilditch, the writer and director of the original Australian film from which this adaptation was made; and
- *Janus*, the remake of an Austrian series on the public network ORF, for which the pilot is in development for ABC.

2015/2016 financial calendar

May 2016	Annual 2015/2016 revenue
June 2016	Consolidated annual 2015/2016 income

ABOUT EUROPACORP

EuropaCorp is one of Europe's leading film studios. Founded in 1999, EuropaCorp has operations spanning production, theatrical distribution, video and VOD, and French TV sales, as well as the operation of theaters since the opening of the first EuropaCorp multiplex in Aéroville in 2013. EuropaCorp also has international rights, partnerships and licensing, production and soundtrack publishing activities. The Group has also been producing TV series since 2010. EuropaCorp's integrated business model allows it to benefit from diversified sources of revenue. With a line-up boasting various types of films and a very strong foothold in international markets, the Group has produced France's biggest international hits in recent years. In February 2014, EuropaCorp joined forces with Relativity Media to create RED, a distribution joint venture in the United States, allowing it to fully control its distribution in the United States and maximize the visibility of its films in international markets. EuropaCorp was founded by French filmmaker, screenwriter and producer Luc Besson. The Group owns a catalog of 500 movies and has 150 permanent employees. For more information, go to www.europacorp-corporate.com

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EuropaCorp is listed in **Compartment C** of Euronext Paris, a market of the NYSE Euronext Group
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Appendix

H1 2015/2016 revenue

<i>Revenue by business line (€m)</i>	Q1 2015/16	Q1 2014/15	Q2 2015/16	Q2 2014/15	H1 2015/16	H1 2014/15	Δ
International Sales	3.6	8.5	32.7	29.6	36.4	38.1	-4.6%
<i>% of revenue</i>	<i>20.8%</i>	<i>38.2%</i>	<i>55.3%</i>	<i>39.1%</i>	<i>47.5%</i>	<i>38.9%</i>	
Cinema	0.6	1.9	7.5	14.6	8.1	16.5	-51.2%
<i>% of revenue</i>	<i>3.3%</i>	<i>8.4%</i>	<i>12.6%</i>	<i>19.3%</i>	<i>10.5%</i>	<i>16.8%</i>	
Video & VOD	4.9	2.0	2.1	1.7	7.0	3.7	89.3%
<i>% of revenue</i>	<i>27.9%</i>	<i>9.0%</i>	<i>3.6%</i>	<i>2.3%</i>	<i>9.1%</i>	<i>3.8%</i>	
Television	1.8	2.0	9.3	7.2	11.1	9.2	21.1%
<i>% of revenue</i>	<i>10.3%</i>	<i>8.9%</i>	<i>15.8%</i>	<i>9.5%</i>	<i>14.5%</i>	<i>9.4%</i>	
Subsidy	0.9	1.7	1.5	3.2	2.4	4.9	-50.3%
<i>% of revenue</i>	<i>5.1%</i>	<i>7.8%</i>	<i>2.6%</i>	<i>4.2%</i>	<i>3.2%</i>	<i>5.0%</i>	
TV series	1.5	3.6	1.9	15.1	3.4	18.7	-81.9%
<i>% of revenue</i>	<i>8.3%</i>	<i>16.2%</i>	<i>3.3%</i>	<i>19.9%</i>	<i>4.4%</i>	<i>19.1%</i>	
Events	1.0	0.4	1.1	0.9	2.0	1.4	46.0%
<i>% of revenue</i>	<i>5.5%</i>	<i>2.0%</i>	<i>1.8%</i>	<i>1.2%</i>	<i>2.7%</i>	<i>1.4%</i>	
Multiplexes	1.7	1.2	1.6	1.4	3.3	2.7	20.5%
<i>% of revenue</i>	<i>9.7%</i>	<i>5.6%</i>	<i>2.6%</i>	<i>1.9%</i>	<i>4.2%</i>	<i>2.7%</i>	
Other	1.6	0.9	1.4	2.0	2.9	2.9	1.4%
<i>% of revenue</i>	<i>9.0%</i>	<i>4.0%</i>	<i>2.3%</i>	<i>2.6%</i>	<i>3.8%</i>	<i>2.9%</i>	
TOTAL	17.5	22.3	59.1	75.8	76.6	98.0	-21.8%