Publication on August 30, 2012, before market opening
Regulated information – Interim Management Report
EVS Broadcast Equipment S.A.: Euronext Brussels (EVS.BR), Bloomberg (EVS BB), Reuters (EVSB.BR)

EVS REPORTS RECORD QUARTER IN 2Q12
2012 GUIDANCE INCREASE

- **Record revenue in 2Q12: EUR 42.8 million, +82.9% vs. 2Q11**
- **2Q12 EBIT margin of 54.2% and EPS of EUR 1.18**
- **1H12: revenue of EUR 72.9 million, +58.1% (+49.0% excluding the big events rentals and at constant exchange rate), EBIT margin of 50.4%**
- **Record summer global order book of EUR 48.0 million at August 29, 2012, +31.6%**
- **Supported by the Summer Games and strong business, 2H12 looks better than expected**
- **With more than EUR 120 million secured sales at august 29 for FY12, record sales expected to grow by more than 25% in FY12**
- **Operating expenses and EBIT are expected to grow by around 13-16% and 40%, respectively**

Key figures

(unaudited)			EUR millions, except earnings per share expressed in EUR	(reviewed)		
2Q12	2Q11	2Q12/2Q11		1H12	1H11	1H12/1H11
42.8	23.4	+82.9%	Revenue	72.9	46.1	+58.1%
23.2	8.2	+183.4%	Operating profit – EBIT	36.8	17.2	+113.7%
54.2%	35.0%	-	Operating margin – EBIT %	50.4%	37.3%	-
0.0	-0.1	N/A	Contribution from dcinex	0.0	2.5	N/A
15.9	5.7	+181.0%	Net profit – Group share	24.6	14.5	+69.5%
16.7	6.6	+153.6%	Net profit from operations, excl. dcinex – Group share (1)	25.6	13.1	+95.5%
1.18	0.42	+181.4%	Basic earnings per share	1.83	1.08	+69.9%
1.24	0.49	+154.0%	Basic earnings per share from operations, excl. dcinex (1)	1.91	0.97	+96.0%

(1) The net profit from operations, excl. dcinex, is the net profit (share of the group) excluding non operating items (net of tax) and the dcinex contribution. Refer to Annex 5.3: use of non-gaap financial measures.

Comments

Commenting on the results and perspectives, Jacques Galloy, CFO, said: "This quarter is awesome. This is the best quarter in the history of our company at sales level. High market demand for our solutions resulted in a jump of 83% of 2Q12 sales to EUR 42.8 million, partially in relation with the Euro soccer 2012 but mainly due to market share gains. This growth is a fact in all our regions and market segments, despite a macro-economic environment that remained uncertain. Higher EBIT margin of 54.2% has been achieved thanks to higher sales leverage and good cost control, even though we continue to reinforce some of our teams in a selective way around the globe. This record first half year, combined with a high order book, anticipates a very strong 2012 year. Even though we expect the usual slow down that follows large sporting events, it is now clear that the second half of the year will be better than anticipated at the beginning of the year with full year sales growing by more than 25% while operating expenses should grow by around 13-16%, implying results growth around 40%. Last, we remain cautious for uneven year 2013, without big sporting events".

Pierre Rion, Chairman of the Board of Directors of EVS added: "I'm very proud of what our teams have achieved during this summer. Being involved in big sporting events is always a great challenge. And these events are only the visible part of the iceberg, as usual business goes on. We are also very happy to welcome Joop Janssen, our new CEO, in a few days. This is the beginning of a new era for EVS, based on the strong fundamentals that have been built over the years. Our current management team is strong, and Joop will bring even more experience to it".

Revenue

EVS revenue amounted to **EUR 42.8 million** in 2Q12, a strong increase of 82.9% at actual exchange rate compared to 2Q11, and a +62.0% increase at constant exchange rate and excluding the big events rentals. Sales of solutions in the **studios** increased by **79.3%** (+57.2% at cst exch. rate and excl. big events) to EUR 17.2 million, representing 40.2% of total group sales in 2Q12. **Outside Broadcast** ("OB") sales grew **85.3%** in 2Q12 to EUR 25.6 million (+65.6% at cst exch.rate and excl. big events). OB sales represented 59.8% of total sales in 2Q12. Revenues in 2Q12 included EUR 3.5 million of rentals relating to the Euro football championships, equally split in OB and Studio.

2Q12	2Q11	% 2Q12 / 2Q11	Revenue – EUR millions (1)	1H12	1H11	% 1H12 / 1H11
42.8	23.4	+82.9%	Total reported	72.9	46.1	+58.1%
41.4	23.4	+76.9%	Total at constant exchange rate	71.5	46.1	+55.0%
37.9	23.4	**+62.0%**	**Total at constant exchange rate and excluding big events rentals**	67.9	45.6	**+49.0%**

(1) Refer to the geographical segmentation in annex 5.4.

EVS revenue amounted to **EUR 72.9 million in 1H12**, an increase by 58.1% at actual exchange rate (+47.9% at constant exchange rate and excluding the big events rentals) compared to 1H11. Both segments increased in the first half, with studio solutions representing 40.3% of total group sales, and outside broadcast sales 59.7%.

The first half of 2012 has shown steady growth in all regions and segments for the company. While the industry seems to suffer from the uncertain macro-economic environment and the stronger euro, the strong competitive position of EVS has enabled EVS to post record numbers. Both the outside broadcast and the studio segments continued to show good momentum in 2Q12. The XT3 platform associated with cutting edge applications continues to generate strong new sales but also some upgrades. The enlarged portfolio of products is increasing the credibility of EVS. The success rate in studio increases as well in a very competitive environment, especially around news, entertainment and sport related initiatives. Launches of new TV stations and emerging countries were also clear growth drivers in this first six months.

Geographically, sales have evolved in 2Q12 as follows:

- Europe, Middle-East and Africa ("**EMEA**"): EUR 23.5 million (+146.9% compared to 2Q11), representing 54.9% of group revenue. The Euro2012 happened in that region.
- Americas ("**NALA**"): EUR 12.7 million (+42.7% at constant exchange rate).
- Asia & Pacific ("**APAC**"): EUR 6.6 million (+10.8%).

IBC Tradeshow

At the IBC tradeshow that will be held in Amsterdam in one week, EVS will highlight its strategy and showcase solutions for the sport market, the news market, the TV production market. Underlying to these three targets, EVS will introduce the latest developments on its server range, i.e. the triple encoding:

- **I-Frame** codecs for live editing, requiring frame accuracy;
- Long-GOP encoding with Sony **XDCAM** HD422 at 50Mbps for optimized media sharing;
- **LoRes**: proxy-generated files for augmented connectivity and control during production operations (including bidirectional productions).

The EVS servers will be the first in the market to offer this triple encoding capability.

Operating results in 2Q12

Consolidated gross margin was 81.2% for 2Q12, more than 400 basis points higher than 2Q11, mainly due to higher sales leverage on fixed manufacturing and field support expenses. Operating expenses (R&D, S&A) increased by 17.5% in 2Q12. This growth is due to the increased number of new employees at EVS and R&D was also technically lower in 2Q11 due to positive and significant adjustment of past R&D tax credit (EUR 1.1 million). As a result of all these elements, the **operating (EBIT) margin jumped to 54.2% of revenue**, compared to 35.0% in 2Q11. As a consequence, EBIT grew by 183% from EUR 8.2 million to EUR 23.2 million.

Group income taxes were EUR 7.3 million in 2Q12, representing a 31.4% tax rate. Net profit amounted to EUR 15.9 million in 2Q12, compared to EUR 5.7 million in 2Q11, while net profit from operations, excluding dcinex, was EUR 16.7 million in 2Q12. **Basic net profit per share amounted to EUR 1.18 in 2Q12**, compared to EUR 0.42 for 2Q11.

dcinex group, in which EVS owns 41.3% of shares (30.2% fully diluted), continues to benefit from the digital cinema transition. The dcinex Group has committed for more than 5,000 digital screens and installed more than 3,700 so far in Europe, representing more than 35% market share, making it the leader. dcinex revenue in 2Q12 amounted to EUR 20.4 million. Dcinex recorded a positive EBITDA of EUR 10.0 million, or 23.5% of revenues. dcinex had a break-even group share (41.3%) contribution to the 2Q12 results of EVS, compared to a net impact of EUR -0.1 million in 2Q11.

Operating results in 1H12

Consolidated gross margin was 79.7% for 1H12 (77.0% in 1H11), thanks to higher sales. Operating expenses increased by 17.1% in 1H12, partially as a result of the increased number of employees, and higher R&D tax credit in 1H11. As a result of these elements, the **operating (EBIT) margin increased to 50.4% of revenue**, compared to 37.3% in 1H11. dcinex has a neutral contribution to EVS results. Taxes increased in line with profitability. Net profit amounted to EUR 24.6 million in 1H12, or +69.5% compared to 1H11, while net profit from operations, excluding dcinex, was EUR 25.6 million in 1H12. **Basic net profit per share amounted to EUR 1.83 in 1H12**, compared to EUR 1.08 for 1H11.

Staff

At the end of June 2012, EVS employed 435 people (FTE), an increase by 12.1% over June 2011. On average, EVS employed 431 FTE in 2Q12, compared to 369 in 2Q11, a 16.8% increase. While EVS will continue to hire some good broadcast experts in the future, the company will be more selective and not only focus on R&D, but also on the other departments of the company.

Balance sheet and cash flow statement

Net Equity represents 64.8% of total balance sheet. The inventories amounted to EUR 17.6 million at the end of June, a 20.2% increase compared to the end of 2011. This increase is mainly due to the accumulation of strategic components to allow fast delivery, the higher value of the XT3 servers compared to the previous XT2 and the servers rented for the big sporting events of this summer.

The net cash from operating activities amounted to EUR 21.7 million in 1H12. On June 30, 2012, the group balance sheet showed **EUR 19.2 million in cash** and cash equivalents (after the payment of the final dividend of EUR 16.1 million at the end of May), and EUR 1.1 million in long-term financial debts (including short term portion of it).

At the end of 2011, EVS started the construction of a new building in the same area, in order to gather all employees of EVS headquarters, split today in 6 different buildings. That project will be partly financed through financial debt but current strong cash generation has allowed to pay the final dividend without initiating the first drawdown of the EUR 14 million credit line which has been put in place.

At the end of June 2012, there were 13,625,000 EVS outstanding shares, of which 171,803 were owned by the company. In the first half of 2012, 11,569 shares were granted or sold to employees in the framework of share-based incentives. On June 30, 2012, 280,500 warrants were outstanding with an average strike price of EUR 39.33. On August 30, 476,400 warrants are outstanding after the bi-annual global grant of 195,900 warrants has been made in July (equivalent of average annual dilution of 0.73%), as had been done in big events summers 2006, 2008 and 2010.

Outlook 2012

Sport is where EVS is born. And sport is also where all the new technologies are used first. This is why the long term growth drivers that have supported the development of EVS over the last decade are now also supporting its diversification outside of live sport productions. With its **EVS Sports360°** strategy, EVS wants its clients to be at the forefront in this rapidly changing environment: the partitioning of rights, the mergence between IT and traditional broadcast technology, the profusion of digital media platforms. EVS Sports360° helps the market to take on these challenges successfully, bringing together the industry's most reliable live production tools, novel highlight creation and content management suites, resourceful archive monetization tools, and instant multimedia delivery platforms.

In its diversification process, EVS wants to take a leading position in niches that have a high growth potential. Its **"Speed to Air"** strategy is an answer to TV stations desire to move to new production workflows, benefiting from the flexibility of tapeless workflows. The other main reasons of investments in TV stations are the transition from standard definition (SD) to high definition (HD), the look for catching audiences on "second screens", and an increased focus of broadcasters/IPTV and advertisers on large popular sport broadcasts to gain new viewers. 3D technologies appear to speed up the conversion to tapeless HD production facilities. In the medium to long term, EVS targets the studio market (tapeless solutions) which is estimated to be currently **USD 0.8 billion** per annum according to the IABM Broadcast Industry survey and includes storage solutions, video servers, editing solutions, services, etc,. The tapeless studio market is expected to grow by 10% per annum in the next decade, partly due to the simple fact that still 60% of studio processes are tapebased. EVS succeeded in growing its market share in its currently addressable market from 1% in 2005 to around 8% currently. Therefore, taking into account usual business risks and uncertainties, EVS Board and teams believe that the long term underlying demand for EVS products should continue to be supported by these structural growth drivers, which will impact positively the business over a long period of time and will follow usual equipment investment wave patterns.

The global **summer order book** (to be invoiced in 2012) at August 29, 2012 amounts to **EUR 48.0 million**, which is 31.6% higher (+15.0% excluding big event rentals) compared to EUR 36.5 million in 2011 (at August 29, 2011), and EUR 38.9 million in 2010 (August 25, 2010), another sporting year. In addition to this EUR 48.0 million order book, EVS already has orders for EUR 8.4 million that should be invoiced in 2013 and beyond. EVS increases progressively its recurring service revenues.

Group order intake in 2Q12 was strong and reached EUR 37.9 million, only slightly lower than 1Q12 with EUR 40.6 million, and **global order intake** over 1H12 was 33% higher while the **first 8 months has grown by around 33%** as well. In Outside Broadcast, the company defends its market share despite competition and even consolidates its position in that segment, with orders up 34% in 1H12. Studio orders increased by 32% in 1H12, represent 53.3% of the summer order book. EVS continues to gain some market shares and significant customers in this promising and quite competitive segment.

Given EVS has already more than EUR 120 million secured sales for 2012, **sales should grow by more than 25% in 2012**. The Management and the Board of Directors want to highlight the following elements: the current business trend exceeds earlier expectations but EVS remain cautious in a difficult and competitive environment. The usual slow-down of the broadcast market (4Q12) following big event summer could be partially offset by new market opportunities even if the macro-economic environment adds some uncertainties. The group growth is not only due to the success of the new XT3 platform and EVS continued focus on service quality but also due to the fact that the EVS product portfolio allows to bid for more diversified studio systems. Additionally, EVS sold less to rental companies involved in big events in 1H12 than in 1H08, what created some overcapacity post-Beijing2008 in the market in 2H08. As operating expenses should to grow by around 13 to 16%, **2012 EBIT profit should grow by around 40%**. With more than EUR 8 million orders to be delivered in 2013 and beyond, the company reiterates its low visibility in current markets even if many initiatives are ongoing in the buoyant Digital Media industry. Last, current year benefits from around EUR 10 million of rental agreements relating to Big Sporting Events that are not repeatable as such in 2013 which shall be a "studio year" while 2014 should again benefit from big events deals, mainly in emerging countries.

The Board decided to accelerate **investments in innovation** back early 2009 when the industry was hit by the most severe downturn in a decade. This strategy obviously translates into growing operating expenses, mainly R&D. Thanks to the current strong momentum, margins are improving (EBIT 1H12 of 50.4% compared to 1H11 of 37.3%). Past R&D investments are creating and should generate some future positive leverage on longer term margins while industry remains competitive. EVS targets small niches where the combination of infrastructure reliability, applications agility and service quality are essential satisfaction criteria. It should be clear that risk factors such as economic uncertainties, financial turmoil, balance-sheets constraints for clients or major currencies fluctuations are not easing any forecast.

EVS will hold today the following events:
- Financial analysts & investors meeting in French/Dutch in EVS offices in Liège at 11:00 am CET.
- A conference call in English will be held at 3:00 pm CET (please contact corpcom@evs.tv to receive the dial-in number and the presentation).

They will be attended by Jacques Galloy, CFO and Geoffroy d'Oultremont, IRO.

Corporate Calendar:

Thursday August 30, 2012	2Q12 earnings
Friday August 31, 2012	Postponed Extraordinary General Meeting
September 7-11, 2012	IBC trade faire in Amsterdam (NL)
Thursday November 15, 2012	3Q12 earnings
Thursday February 21, 2013	FY12 earnings
Thursday May 16, 2013	1Q13 earnings
Tuesday May 21, 2013	Ordinary General Meeting

For more information, please contact:
Jacques GALLOY, Director & CFO
Geoffroy d'OULTREMONT, Investor Relations & Corporate Communications Manager
EVS Broadcast Equipment S.A., Liege Science Park, 16 rue du Bois Saint-Jean, B-4102 Seraing, Belgium
Tel: +32 4 361 70 14. E-mail: corpcom@evs.tv; www.evs-global.com

Forward Looking Statements

This press release contains forward-looking statements with respect to the business, financial condition, and results of operations of EVS and its affiliates. These statements are based on the current expectations or beliefs of EVS's management and are subject to a number of risks and uncertainties that could cause actual results or performance of the Company to differ materially from those contemplated in such forward-looking statements. These risks and uncertainties relate to changes in technology and market requirements, the company's concentration on one industry, decline in demand for the company's products and those of its affiliates, inability to timely develop and introduce new technologies, products and applications, and loss of market share and pressure on pricing resulting from competition which could cause the actual results or performance of the company to differ materially from those contemplated in such forward-looking statements. EVS undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

About EVS Group

EVS Broadcast Equipment designs leading broadcast and media production systems for sports, news and TV entertainment. Its innovative Live Slow Motion system revolutionized live broadcasting, and its reliable and integrative tapeless solutions are now widely used for non-linear editing and 3D HD productions across the globe. The company's dedicated hardware and software suite offer a complete production platform: live slow motion (LSM), high speed slow motion, replay only, clips generation, quick clips editing, real-time SD/HD video files transfer, time delay, multi-camera recording, metadata association, graphics storage and play-out, digital transmission, multi-format ingest and play-back, audio record & edit, webcasting, mobile phone clipping. Main software applications like the "IP Director®" are running on the dedicated robust and flexible hardware the "XT3® Platform". The world's leading broadcasters, such as NBC, BSkyB, FOX, RTBF, RTL, NHK, CANAL+, ABC, ESPN, TF1, CCTV, PBS, CBS, BBC, ZDF, Channel One, Channel7, RAI, TVE, NEP, MEDIAPRO, EUROMEDIA, BEXEL, ALFACAM and many others use EVS' solutions.
The company is headquartered in Belgium and has offices in Europe, the Middle East, Asia and North America. Approximately 435 EVS professionals from 20 offices are selling its branded products in over 100 countries, and provides customer support globally. EVS is a public company traded on Euronext Brussels: EVS, ISIN: BE0003820371. For more information, refer to www.evs-global.com, www.evs.tv
dcinex, of which EVS owns 41.3%, is the European leader for Digital Cinema technology and services in Europe with more than 4,900 committed digital screens in Europe, out of which 2,000 have already been deployed. www.dcinex.com.

Condensed consolidated interim financial statements

ANNEX 1: CONDENSED CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Note	1H12 Reviewed	1H11 Reviewed	2Q12 Unaudited	2Q11 Unaudited
Revenue	5.4	72,866	46,094	42,816	23,417
Costs of sales		-14,805	-10,595	-8,061	-5,416
Gross profit		**58,061**	**35,499**	**34,755**	**18,001**
Gross margin %		**79.7%**	**77.0%**	**81.2%**	**76.9%**
Selling and administrative expenses		-10,101	-9,293	-5,660	-5,138
Research and development expenses	5.8	-10,262	-8,100	-5,154	-4,062
Other revenue		282	219	159	172
Other expenses		-200	-76	-136	-9
Stock based compensation and ESOP plan		-707	-724	-602	-617
Amortization and impairment on goodwill, acquired technology and IP		-323	-323	-162	-161
Operating profit (EBIT)		**36,751**	**17,201**	**23,200**	**8,186**
Operating margin (EBIT) %		**50.4%**	**37.3%**	**54.2%**	**35.0%**
Net interest		-103	22	-75	14
Other net financial income / (expenses)	5.9	-941	-66	107	-160
Share in the result of the enterprise accounted for using the equity method	5.11	73	2,547	-17	-90
Profit before taxes (PBT)		**35,780**	**19,705**	**23,215**	**7,949**
Income taxes	5.10	-11,146	-5,168	-7,295	-2,282
Net profit from continuing operations		**24,634**	**14,536**	**15,921**	**5,667**
Net profit		**24,634**	**14,536**	**15,921**	**5,667**
Attributable to :					
Non controlling interests		-	-	-	-
Equity holders of the parent company		**24,634**	**14,536**	**15,921**	**5,667**
Net profit from operations, excl dcinex – share of the group (1)	**5.3**	**25,623**	**13,107**	**16,717**	**6,592**

RESULT PER SHARE *(in number of shares and in EUR)*	**5.7**	1H12 Reviewed	1H11 Reviewed	2Q12 Unaudited	2Q11 Unaudited
Weighted average number of subscribed shares for the period less treasury shares		13,444,520	13,477,656	13,447,368	13,469,681
Weighted average fully diluted number of shares		13,729,653	13,774,097	13,731,105	13,762,896
Basic earnings – share of the group		**1.83**	**1.08**	**1.18**	**0.42**
Fully diluted earnings – share of the group		**1.79**	**1.06**	**1.16**	**0.41**
Basic net profit from operations, excl dcinex – share of the group		**1.91**	**0.97**	**1.24**	**0.49**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR thousands)	1H12 Reviewed	1H11 Reviewed	2Q12 Unaudited	2Q11 Unaudited
Net profit	**24,634**	**14,536**	**15,921**	**5,667**
Other comprehensive income of the period				
Currency translation differences	82	18	160	-47
Other increase/(decrease)	276	-192	224	-180
Total comprehensive income for the period	**24,992**	**14,362**	**16,305**	**5,440**
Attributable to :				
Non controlling interests	0	-	1	-
Equity holders of the parent company	**24,992**	**14,362**	**16,306**	**5,440**

(1) The net profit from operations, excl. dcinex, is the net profit (share of the group) excluding non operating items (net of tax) and the dcinex contribution. Refer to Annex 5.3: use of non-gaap financial measures.

ANNEX 2: CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

ASSETS (EUR thousands)	**Annex**	**June 30, 2012 Reviewed**	**Dec. 31, 2011 Audited**
Non-current assets :			
Goodwill		610	610
Acquired technology and IP		736	1,059
Other intangible assets		1,009	328
Lands and buildings		17,289	11,899
Other tangible assets		2,033	2,056
Investment accounted for using equity method	5.11	7,479	7,784
Subordinated loans	5.11	830	830
Other financial assets		212	338
Deferred tax assets		0	0
Total non-current assets		**30,198**	**24,903**
Current assets :			
Inventories		17,622	14,657
Trade receivables		30,920	23,994
Other amounts receivable, deferred charges and accrued income		3,449	2,983
Cash and cash equivalents		19,163	19,932
Total current assets		**71,155**	**61,565**
Total assets		**101,352**	**86,468**

EQUITY AND LIABILITIES (EUR thousands)	**Annex**	**June 30, 2012 Reviewed**	**Dec. 31, 2011 Audited**
Equity :			
Capital		**8,342**	**8,342**
Reserves		63,598	69,704
Interim dividends		0	-15,592
Treasury shares		-6,478	-6,915
Total consolidated reserves		**57,120**	**47,197**
Translation differences		209	127
Equity attributable to equity holders of the parent company		**65,672**	**55,666**
Minority interests		**8**	**8**
Total equity	**4**	**65,679**	**55,674**
Long term provisions		1,050	1,050
Deferred taxes liabilities		1,179	1,083
Financial long term debts		765	875
Non-current liabilities		**2,993**	**3,008**
Short term portion of financial long term debts	5.15	291	291
Trade payables		5,984	5,499
Amounts payable regarding remuneration and social security		7,007	7,501
Income tax payable		9,747	6,139
Other amounts payable, advances received, accrued charges and deferred income		9,651	8,357
Current liabilities		**32,680**	**27,787**
Total equity and liabilities		**101,352**	**86,468**

ANNEX 3: CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR thousands)	1H2012 Reviewed	1H2011 Reviewed
Cash flows from operating activities		
Operating Profit (EBIT)	36,751	17,201
Adjustment for non cash items :		
- Amortization, depreciation and write-offs on fixed assets	1,663	1,459
- Foreign exchange result	-939	-21
- Stock based compensation and ESOP	707	724
- Provisions and deferred taxes increase/(decrease)	95	-25
	38,277	**19,338**
Increase (+)/decrease (-)		
- Amounts receivable	-6,510	166
- Accruals	1,588	350
- Trade debts and prepayments	2,643	1,237
- Taxes, remuneration and social security debts	3,115	1,055
- Other amounts payable	-3,338	-965
- Inventories	-2,965	-1,134
Cash generated from operations	*32,810*	*20,047*
Interest received	45	151
Income taxes	-11,146	-5,168
Net cash from operating activities	**21,709**	**15,030**
Cash flows from investing activities		
Purchase (-)/disposal (+) of intangible assets	-291	-236
Purchase (-)/disposal (+) of property, plant and equipment	-7,096	-1,066
Purchase (-)/disposal (+) of other financial assets	127	29
Net cash used in investing activities	**-7,260**	**-1,273**
Cash flows from financing activities		
Operations with treasury shares	436	-356
Other net equity variations	736	-610
Interest paid	-149	-129
Movements on long-term borrowings	-110	-167
Interim dividend paid	-	-
Final dividend paid	-16,130	-19,842
Net cash used in financing activities	**-15,217**	**-21,104**
Net increase/(decrease) in cash and cash equivalents	**-768**	**-7,347**
Cash and cash equivalents at beginning of period	**19,932**	**27,946**
Cash and cash equivalents at end of period	**19,163**	**20,599**

ANNEX 4: CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

(EUR thousands)	Issued capital	Other reserves	Treasury shares	Currency translation differences	Equity attributable to shareholders of the parent company	Minority interest	Total equity
Balance as per December 31, 2010	**8,342**	**57,660**	**-5,253**	**49**	**60,799**	**6**	**60,806**
Total comprehensive income for the period		14,344		18	14,362	1	14,363
Share-based payments		287			287		287
Operations with treasury shares			-356		-356		-356
Final dividend		-19,927			-19,927		-19,927
Balance as per June 30, 2011	**8,342**	**52,365**	**-5,609**	**66**	**55,165**	**7**	**55,172**

(EUR thousands)	Issued capital	Other reserves	Treasury shares	Currency translation differences	Equity attributable to shareholders of the parent company	Minority interest	Total equity
Balance as per December 31, 2011	**8,342**	**54,112**	**-6,915**	**127**	**55,666**	**8**	**55,674**
Total comprehensive income for the period		24,910		82	24,992		24,992
Share-based payments		707			707		707
Operations with treasury shares			436		436		436
Final dividend		-16,130			-16,130		-16,130
Balance as per June 30, 2012	**8,342**	**63,599**	**-6,479**	**209**	**65,671**	**8**	**65,679**

ANNEX 5: NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of EVS Group for the 6 months period ended June 30, 2012 are established and presented in accordance with the International Financial Reporting Standards (IFRS), as adopted for use in the European Union.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES AND METHODS

The accounting policies and methods adopted for the preparation of the Company's IFRS consolidated financial statements are consistent with those applied in the 2011 consolidated financial statements. The Company's IFRS accounting policies and methods are available in the 2011 annual report on www.evs-global.com.

NOTE 3: USE OF NON-GAAP FINANCIAL MEASURES

EVS uses certain non-GAAP measures in its financial communication. EVS does not represent these measures as alternative measures to net profit or other financial measures determined in accordance with IFRS. These measures as reported by EVS might differ from similar titled measures used by other companies. We believe that these measures are important indicators of our business and are widely used by investors, analysts and other parties. In the press release, the non-GAAP measures are reconciled to financial measures determined in accordance with IFRS.

The reconciliation between the net profit for the period and the net profit from operations, excl. dcinex is as follows:

(EUR thousands)	1H12	1H11
Net profit for the period - IFRS	24,634	14,536
Allocation to Employees Profit Sharing Plan	507	507
Stock Option Plan	200	217
Amortization and impairment on acquired technology and IP	323	323
Amortization/impairment on Tax Shelter rights assets	-	41
Contribution of dcinex	-41	-2,517
Net profit from operations, excl. dcinex	**25,623**	**13,107**

NOTE 4: SEGMENT REPORTING

4.1. General information

The company already applies IFRS 8 ("Operating segments") since the fiscal year ended on December 31, 2007.

From an operational point of view, the company is vertically integrated with the majority of its staff in the headquarters in Belgium, including the R&D, production, marketing and administration departments. This explains why the majority of the investments and costs are located at the level of the Belgian parent company. The foreign subsidiaries are primarily sales and representative offices. Sales relate to products of the same nature and are realized by commercial polyvalent teams.

The company internal reporting is the reflection of the abovementioned operational organization, and is characterized by the strong integration of the activities of the company; only sales are identified by geographical market in which they are realized.

By consequence, the company is composed of one segment according to the IFRS 8 definition, and the consolidated income statement of the group reflects this unique segment. However, it does not exclude a future evolution of the segmentation according to the development of the company, of its products and of its internal performance indicators.

4.2. Additional information

4.2.1. Information on products and services

Revenue can be presented by destination: the outside broadcast vans and the TV production studios. Maintenance and after sale service are included in the complete solution proposed to the clients.

2Q12	2Q11	% 2Q12/2Q11	Revenue (EUR thousands)	1H12	1H11	% 1H12/1H11
25,595	13,809	+85.3%	Mobile production trucks / outside broadcast	43,505	25,138	+73.1%
17,221	9,606	+79.3%	TV production studios	29,361	20,954	+40.1%
42,816	**23,415**	**+82.9%**	**Total Revenue**	**72,866**	**46,093**	**+58.1%**

4.2.2. Geographical information

Activities are divided in three regions: Asia-Pacific ("APAC"), Europe, Middle East and Africa ("EMEA"), and America ("NALA").

4.2.2.1. Revenue

Revenue for the 6-months period (EUR thousands)	APAC	EMEA	NALA	TOTAL
1H12 revenue	**13,392**	**41,134**	**18,341**	**72,866**
Evolution versus 1H11 (%)	+33.3%	+75.6%	+45.3%	**+58.1%**
Segment revenue at constant exchange rate	13,392	41,134	16,939	**71,465**
Variation versus 1H11 (%) at constant exchange rate	+33.3%	+75.6%	+34.2%	**+55.0%**
Variation versus 1H11 (%) at constant exchange rate and excluding big event rentals	+32.4%	+64.4%	+34.2%	**+49.0%**
1H11 revenue	**10,047**	**23,425**	**12,620**	**46,093**

Revenue for the quarter (EUR thousands)	APAC	EMEA	NALA	TOTAL
2Q12 revenue	**6,623**	**23,501**	**12,692**	**42,816**
Evolution versus 2Q11 (%)	+10.8%	+146.9%	+60.2%	**+82.9%**
Segment revenue at constant exchange rate	6,623	23,501	11,308	**41,432**
Variation versus 2Q11 (%) at constant exchange rate	+10.8%	+146.9%	+42.7%	**+76.9%**
Variation versus 2Q11 (%) at constant exchange rate and excluding big event rentals	+9.0%	+111.3%	+42.7%	**+62.0%**
2Q11 revenue	**5,976**	**9,517**	**7,922**	**23,415**

Sales from external clients in Belgium (the country of origin of the company) represent less than 10% of the total annual sales. In the last 12 months, the group realized significant sales to external clients (according to the definition of IFRS 8) in two countries: the US (NALA, EUR 22.4 million in the last 12 months) and Russia (EMEA, EUR 13.8 million in the last 12 months).

4.2.2.2. Long term assets

Considering the explanations given in 4.1, all long term assets are located in the parent company EVS Broadcast Equipment S.A. in Belgium.

4.2.3. Information on important clients

No external client of the company represents more than 10% of the sales over the last 12 months.

NOTE 5: DIVIDENDS

The Ordinary General Meeting of May 15, 2012 approved the payment of a total gross dividend of EUR 2.36 per share, including the interim dividend of EUR 1.16 per share paid in December 2011.

(EUR thousands)	# Coupon	2012	2011	2010
- Final dividend for 2009 (EUR 1.48 per share less treasury shares)	10	-	-	20,057
- Interim dividend for 2010 (EUR 1.16 per share less treasury shares)	11	-	-	15,638
- Final dividend for 2010 (EUR 1.48 per share less treasury shares)	12	-	19,927	-
- Interim dividend for 2011 (EUR 1.16 per share less treasury shares)	13	-	15,592	-
- Final dividend for 2011 (EUR 1.20 per share less treasury shares)	14	16,130	-	
Total dividends paid		**16,130**	**35,519**	**35,695**

NOTE 6: EQUITY SECURITIES

The number of treasury shares has changed as follows during the period, together with the outstanding warrants at year-end:

	2012	2011
Number of own shares at January 1	**183,372**	**140,403**
Acquisition of own shares on the market	-	20,228
Sale of own shares on the market	-	-
Allocation to Employees Profit Sharing Plans	-11,069	-9,409
Sales related to Employee Stock Option Plan (ESOP) and other transactions	-500	-3,900
Own shares cancellation	-	-
Number of own shares at June 30	**171,803**	**147,322**
Outstanding warrants at June 30	**280,500**	**288,500**

In 1H12, the company has not repurchased any share on the stock market. The Ordinary General Meeting of shareholders of May 15, 2012 approved the allocation of 11,069 shares to EVS employees (grant of 23 or 46 shares to each staff member) as a reward for their contribution to the group successes. A total of 500 shares were used to satisfy the exercise of warrants by employees. At the end of June 2012, the company owned 171,803 own shares at an average historical price of EUR 37.71. At the same date, 280,500 warrants were outstanding with an average strike price of EUR 39.33 and an average maturity of December 2014. However, only 2,000 warrants were exercisable and in-the-money at June 30, 2012.

Later in July 2012, the Board of Directors has decided to grant a total of 195,900 warrants to more than 35% of its employees, at a strike price of EUR 37.11, which is the average closing price of the last 30 days preceding the grant date, July 23, 2012.

EVS has anticipated the dematerialization of its shares. As a consequence, since December 15, 2011, the securities in bearer form issued by the company which have not yet been registered on a securities account will automatically be converted in book-entry securities as of December 15, 2011.

NOTE 7: EARNINGS PER SHARE (EPS)

The group calculates both the basic earnings per share and the diluted earnings per share in accordance with IAS 33. The basic earnings per share are calculated on the basis of the weighted average number of ordinary shares in circulation during the period less treasury shares. The diluted earnings per share are calculated on the basis of the average number of ordinary shares in circulation during the period plus the potential dilutive effect of the warrants and stock options in circulation during the period less treasury shares.

NOTE 8: RESEARCH AND DEVELOPMENT

Since 4Q10, EVS takes into account a withholding tax exemption given since 2006 by the Belgian government to companies paying or allocating compensation to individual researchers who are engaged in collaborative R&D

programs according to some criteria defined under section 273 of the Code of income tax in Belgium. In the presentation of the accounts, this amount comes as a deduction of R&D charges.

In addition, at the end of 2010, EVS introduced, at the Belgian tax authorities, an application for automatic relief relating to the regularization of withholding taxes deducted from the remuneration of its R&D staff during the January 1, 2006 to December 31, 2009 period. This claim on the past has been settled in 2Q11, leading to a total one-time profit of EUR 1.1 million in FY11.

The detail of the R&D expense is as follows:

(EUR thousands)	**1H12**	**1H11**
Gross R&D expenses	10,856	9,622
R&D tax credits for current fiscal year	-594	-373
R&D tax credits for past fiscal years (2006 to 2009)	-	-1,149
R&D expenses	**10,262**	**8,100**

NOTE 9: OTHER NET FINANCIAL INCOME / (EXPENSES)

(EUR thousands)	**1H12**	**1H11**
Exchange results from statutory accounts	-167	532
Exchange results relating to IFRS consolidation methodology	-772	-553
Impairment on Tax Shelter investments	-	-41
Other financial results	-2	-4
Other net financial income / (expenses)	**-941**	**-66**

The functional currency of EVS Broadcast Equipment S.A. as well as all of the subsidiaries is the euro, except for the American EVS Inc. subsidiary, whose functional currency is the US dollar. The presentation currency of the consolidated financial statements of EVS Group is the euro. For more information on exchange rates, see also the annex 5.13.

NOTE 10: INCOME TAX

Reconciliation of the tax charge

The effective tax charge of the group obtained by applying the effective tax rate to the pre-tax profit of the group, has been reconciled for the two periods with the theoretical tax charge obtained by applying the theoretical tax rate:

(EUR thousands)	**1H12**	**1H11**
Reconciliation between the effective tax rate and the theoretical tax rate		
Reported profit before taxes, share in the result of the enterp. accounted for using the equity method and dilution profit	35,707	17,158
Reported tax charge based on the effective tax rate	-11,146	-5,168
Effective tax rate	**31.2%**	**30.1%**
Reconciliation items for the theoretical tax charge		
Tax effect of Tax Shelter	0	-127
Tax effect of deduction for notional interests	-78	-82
Tax effect of non deductible expenditures	246	186
Other increase (decrease)	550	335
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-10,429	-4,856
Theoretical tax rate (relating to EVS operations, excl. dcinex)	**29.2%**	**28.3%**

NOTE 11: INVESTMENTS IN ASSOCIATES - dcinex S.A. (formerly XDC S.A.)

EVS currently owns 41.3% of dcinex S.A. share capital and has a fully diluted share of 30.2% in the company. As of June 30, 2012, dcinex shares accounted for using equity method in EVS consolidated accounts, plus the EVS share of the subordinated bonds issued by dcinex, amounted to EUR 7.7 million.

The dcinex accounts and their contribution into EVS consolidated accounts break down as follows:

(EUR thousands)	1H12	1H11
Revenue	42,532	42,364
EBITDA	9,979	8,048
One-time profit on CineStore disposal	-	5,000
Net result for the period	**101**	**6,095**
Part of dcinex capital held by EVS	41.3%	41.3%
Net result – share of EVS	**42**	**2,517**

The cumulated Tax Loss Carry Forward of dcinex S.A. amounts to EUR 29.0 million on June 30, 2012. Deferred tax assets are being progressively recognized as the business plan materializes. As at June 30, 2012, 58% of deferred tax assets relating to these losses have been recognized.

NOTE 12: HEADCOUNT

(in full time equivalents)	As at June 30	Quarter average
2012	435	431
2011	388	369
Variation	*+12.1%*	*+16.8%*

NOTE 13: EXCHANGE RATES

The main exchange rate that influences the consolidated financial accounts is USD/EUR which has been taken into account as follows:

USD / EUR	Average exch. rate 1H	Average exch. rate 2Q	At June 30
Exchange rate 2012	1.2968	1.2825	1.2590
Exchange rate 2011	1.4041	1.4394	1.4453
Variation	*+8.3%*	*+12.2%*	*+14.8%*

For 1H12, the average US dollar exchange rate against the Euro has increased by 8.3% compared to 1H11. It had a positive impact of EUR 1.4 million (1.9%) on revenue. This was offset by both the natural hedge (both on operating expenses and foreign taxes) and the financial hedge.

NOTE 14: FINANCIAL INSTRUMENTS

Periodically, EVS measures the group's anticipated exposure to transactional exchange risk over one year, mainly relating to the EUR/USD risk. Given the group has a "long" position in USD and based on sales forecasts, EVS hedges future USD net in-flows by forward foreign exchange contracts. The relevant hedging results are booked as financial results.

On June 30, 2012, the group held USD 4.0 million in forward exchange contracts earmarked to hedge 50% of the net future cash-flows in dollars with an average maturity date of November 13, 2012 and with an average exchange rate EUR/USD of 1.3414.

NOTE 15: FINANCIAL DEBT AND NEW BUILDING INVESTMENT

In order to partially finance its new HQ and operating facilities of around EUR 40 million (EUR 26 million net of the resale value of existing facilities and new subsidies), EVS has entered into a roll-over straight loan for EUR 14 million early July 2012, at an interest rate based on EURIBOR 3 months and associated with a silent pledge on the new building. The new headquarter shall be inaugurated in the first half of 2014.

As of June 30, 2012, EVS has financed EUR 6.5 million with own cash without drawing this straight loan.

NOTE 16: SUBSEQUENT EVENTS

There is no significant subsequent event.

NOTE 17: RISK AND UNCERTAINTIES

Investing in the stock of EVS involves risks and uncertainties. The risks and uncertainties relating to the remainder of the year 2012 and similar to the risks and uncertainties that have been identified by the management of the company and that are listed in the management report of the annual report (available at www.evs-global.com).

NOTE 18: RELATED PARTY TRANSACTIONS

There were no significant related party transactions in the first half of 2012.

Statutory auditor's report to the Board of Directors of EVS Broadcast Equipment SA on the review of consolidated interim financial information for the six-month period ended 30 June 2012

Introduction

We have reviewed the condensed consolidated interim financial statements of EVS Broadcast Equipment as of 30 June 2012, included the condensed statement of comprehensive income, the consolidated statement of financial position, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the six-month period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Battice, August 29, 2012

BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory auditor
Represented by
Félix Fank

Certification of responsible persons

Michel Counson, Managing Director and CTO
and Jacques Galloy, Director and CFO

Certify that, based on their knowledge,

a) the interim condensed financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, fairly present in all material respects the financial condition and results of operations of the issuer and the companies included in the consolidation,
b) the Directors' report fairly presents the important events and related parties transactions of the first six months of 2012, including their impact on the interim condensed financial statements, and a description of the existing risks and uncertainties.