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Regulated information – Interim Management Report
EVS Broadcast Equipment S.A.: Euronext Brussels (EVS.BR), Bloomberg (EVS BB), Reuters (EVSB.BR)

EVS REPORTS THIRD QUARTER 2012 RESULTS
RECORD 9M12 SALES ALREADY EXCEEDS 2011 FULL YEAR REVENUES

- **Revenue in 3Q12 of EUR 39.5 million, +32.3% vs. 3Q11 (+6.2% excluding the big events rentals and at constant exchange rate)**
- **3Q12 EBIT margin of 48.8% and EPS of EUR 0.95**
- **9M12: revenue of EUR 112.3 million, +47.9% (+32.2% excluding the big events rentals and at constant exchange rate), EBIT margin of 49.9%**
- **Stable global autumn order book of EUR 34.1 million at October 31, 2012, including EUR 22.4 million to be invoiced in 2012**
- **As usual following big events summers, expected slowdown in 4Q12**
- **With around EUR 134 million secured sales at October 31 for FY12, record sales to grow by more than 25% YoY will be in line with previous expectations**
- **FY12 operating expenses to grow slightly more than 13%, EBIT more than 40%**
- **Interim dividend of EUR 1.16 per share to be paid at the end of November**

Key figures

(unaudited)			EUR millions, except earnings per share expressed in EUR	(unaudited)		
3Q12	3Q11	3Q12/3Q11		9M12	9M11	9m12/9M11
39.5	29.8	+32.3%	Revenue	112.3	75.9	+47.9%
19.3	13.9	+38.6%	Operating profit – EBIT	56.0	31.1	+80.1%
48.8%	46.6%	-	Operating margin – EBIT %	49.9%	41.0%	-
0.0	0.5	N/A	Contribution from dcinex	0.1	3.0	N/A
12.7	10.0	+27.4%	Net profit – Group share	37.4	24.5	+52.3%
13.2	9.8	+34.5%	Net profit from operations, excl. dcinex – Group share (1)	38.8	22.9	+69.4%
0.95	0.74	+27.5%	Basic earnings per share	2.78	1.82	+52.6%
0.98	0.73	+34.6%	Basic earnings per share from operations, excl. dcinex (1)	2.89	1.70	+69.7%

(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

Pierre Rion, Chairman of the Board of EVS, said: “We are delighted to have Joop on board since early September. Integration with the teams and interaction with the Board of Directors work very well. We are looking forward to communicate early 2013 our ambitions for the years till 2016 in”.

Joop Janssen, Managing Director & CEO of EVS, said: “I’m very glad to have joined EVS in early September. The company has performed very well so far this year and all our employees can be proud about their achievements. While the macro-economic environment around us remains uncertain, EVS succeeded in outperforming the market, helped by the rental contracts related to the big sporting events in 2012. Shortly after my arrival at EVS, I started to work on the future vision and strategy plan of the company, with a focus on realizing our growth potential towards the year 2016. The result of this inclusive process will be based on the strong current fundamentals that enabled EVS to become such a successful company. I plan to share this vision in early 2013”.

Commenting on the results and perspectives, Jacques Galloy, CFO, said: “As expected, this third quarter is again very strong with sales growing by 32.3% to EUR 39.5 million. Summer games were really successful and brought EVS to a next level. Our business grew especially in studios (+76%) and in the Americas (+48% at constant exchange rate) over the quarter. Studio sales benefitted directly from dedicated rentals relating to the Summer games. Higher sales and good cost control led to a higher EBIT margin of 48.8% of sales in 3Q12 compared to 46.6% in 3Q11. Combining 9M12 sales and the order book, we had secured sales for around EUR 134 million at

October 31. We confirm record FY12 sales shall exceed +25% growth, despite the expected usual Q4 slowdown following big summer sporting events. EBIT should grow by more than 40% this year and the Board has decided to pay a stable interim dividend of EUR 1.16 per share. Looking forward, we have limited visibility after this record year and remain cautious for uneven year 2013, without major sporting events".

Revenue

EVS revenue amounted to **EUR 39.5 million** in 3Q12, an increase of 32.3% compared to 3Q11, and a +6.2% increase at constant exchange rate and excluding the big events rentals. Sales of solutions in the **studios** jumped by **76.0%** (+36.4% at cst exch. rate and excl. big events) to EUR 20.3 million, representing 51.6% of total group sales in 3Q12. **Outside Broadcast** ("OB") sales grew **4.6%** in 3Q12 to EUR 19.1 million (-11.2% at cst exch.rate and excl. big events). OB sales represented 48.4% of total sales in 3Q12. Revenues in 3Q12 included EUR 6.5 million of rentals relating to the Summer sporting events, mainly recorded in the studio segment.

3Q12	3Q11	% 3Q12 / 3Q11	Revenue – EUR millions (1)	9M12	9M11	% 9M12/ 9M11
39.5	29.8	+32.3%	Total reported	112.3	75.9	+47.9%
38.1	29.8	+27.8%	Total at constant exchange rate	109.7	75.9	+44.4%
31.7	29.8	**+6.2%**	**Total at constant exchange rate and excluding big events rentals**	99.7	75.5	**+32.2%**

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

EVS revenue amounted to **EUR 112.3 million in 9M12**, an increase by 47.9% at actual exchange rate (+32.2% at constant exchange rate and excluding the big events rentals) compared to 9M11. Both segments increased in the first nine months, with studio solutions representing 44.3% of total group sales, and outside broadcast sales 55.7%.

The first nine months of 2012 (9M12) has shown steady growth across all regions and all segments for the company. The macro-economic environment has remained uncertain, but EVS seems to benefit from its strong competitive position and continued investments in innovation. The XT3 platform associated with cutting edge applications continues to generate strong new sales and upgrades. The enlarged portfolio of products is supporting EVS successes in OB and studio, especially around news, entertainment and sport related initiatives. Emerging countries are clear growth drivers in 2012.

Geographically, sales have evolved in 3Q12 as follows:

- Europe, Middle-East and Africa ("**EMEA**"): EUR 19.5 million (+16.2% compared to 3Q11), representing 49.3% of group revenue. The Summer games happened in that region.
- Americas ("**NALA**"): EUR 11.4 million (+47.8% at constant exchange rate). This a the second record quarter in a raw for NALA which successfully introduces innovative solutions for OB and further penetrates the studio segment in different sub-niches with strong service level and enlarged product portfolio.
- Asia & Pacific ("**APAC**"): EUR 8.6 million (+37.3%). This growth is not only due to strong business momentum in Japan after unusual weaker 2011 but also in South Korea, Malaysia, Australia and mainland China.

Operating results in 3Q12

Consolidated gross margin was 79.4% for 3Q12, slightly lower than 3Q11. Operating expenses (R&D, S&A) increased by 18.8% in 3Q12, mainly due to the increased number of new employees, the amortization of a new ERP system which has been deployed worldwide and new top management. Despite that, the **operating (EBIT) margin jumped to 48.8% of revenue**, compared to 46.6% in 3Q11. As a consequence, EBIT grew by 38.6% to EUR 19.3 million.

Group income taxes were EUR 6.1 million in 3Q12. Net profit amounted to EUR 12.7 million in 3Q12, compared to EUR 10.0 million in 3Q11, while net profit from operations, excluding dcinex, was EUR 13.2 million in 3Q12. **Basic net profit per share amounted to EUR 0.95 in 3Q12**, compared to EUR 0.74 for 3Q11.

dcinex group, in which EVS owns 41.3% of shares (30.2% fully diluted), has committed for more than 5,500 digital screens and installed more than 3,700 so far in Europe, representing more than 35% market share, making it the leader. Digitization is expected to accelerate as 35mm value chain is planned to stop soon. dcinex revenue in 3Q12 amounted to EUR 19.6 million. dcinex recorded a positive EBITDA of EUR 5.9 million, or 30.1% of revenues. dcinex had a break-even group share (41.3%) contribution to the 3Q12 results of EVS, compared to a net impact of EUR 0.5 million in 3Q11.

Operating results in 9M12

Consolidated gross margin was 79.6% for 9M12, in line with last year (78.6% in 9M11). Operating expenses increased by 17.7% in 9M12, partially as a result of the increased number of employees as well as investment in new group ERP and lower R&D tax credit than the one-off included in 9M11. Despite these last elements, the **operating (EBIT) margin increased to 49.9% of revenue**, compared to 41.0% in 9M11. dcinex has a neutral contribution to EVS results. Net profit amounted to EUR 37.4 million in 9M12, or +52.3% compared to 9M11, while net profit from operations, excluding dcinex, was EUR 38.8 million in 9M12. **Basic net profit per share amounted to EUR 2.78 in 9M12**, compared to EUR 1.82 for 9M11.

Staff

At the end of September 2012, EVS employed 438 people (FTE), an increase by 8.9% over September 2011. On average, EVS employed on average 427 FTE in the first nine months, compared to 374 over 9M11, a 14.3% increase.

Balance sheet and cash flow statement

Net Equity represents 67.2% of total balance sheet. At the end of 2011, EVS started the construction of a new building in the same area in Liège, 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 stronger cash generation than expected has allowed the company to finance the EUR 7 million investments over 2012 without drawing down on the EUR 14 million credit line which has been put in place earlier this year. The inventories amounted to EUR 16.8 million at the end of September, a 14.3% increase compared to the end of 2011, but a slight decrease compared to June 2012. 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 46.5 million in 9M12. On September 30, 2012, the group balance sheet showed **EUR 43.2 million in cash** and cash equivalents, and EUR 1.0 million in long-term financial debts (including short term portion of it).

At the end of September 2012, there were 13,625,000 EVS outstanding shares, of which 171,303 were owned by the company. In the first nine months of 2012, 12,069 shares were granted or sold to employees in the framework of share-based incentives. On October 31, 2012, 465.400 warrants were outstanding with an average strike price of EUR 38.44, after the bi-annual global grant and acceptance of 185,800 warrants has been made in July (equivalent of average annual dilution of 0.69%), as had been done in big events summers 2006, 2008 and 2010.

Interim dividend

Given the performance of the current year and its confidence in the future long term prospects of the company, the Board of Directors has decided to pay an interim gross dividend of EUR 1.16 per share (or EUR 0.87 net per share after deduction of 25% withholding tax), similar to the interim dividend paid in December 2011. The ex-date for Coupon # 15 is November 19, 2012, and the payment date is November 22, 2012. This coupon #15 shall be solely payable on dematerialized shares as stated in the company statutes.

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°** marketing campaign, EVS will enable 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 8-10% in 2012. 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 **autumn order book** at October 31, 2012 amounts to **EUR 34.1 million**, stable compared to last year. The global order book includes EUR 22.4 million to be invoiced in 2012 (compared to EUR 21.4 million last year and EUR 20.8 million in 2010), and EUR 11.8 million to be invoiced in 2013 and beyond.

As anticipated, the order intake in 3Q12 decreased compared to the first six months of the year, due to the usual market slowdown following the big events of this summer. Nevertheless, it remained relatively strong (+10.7% compared to last year). In Outside Broadcast, the company defends its market share despite competition and even consolidates its position in that segment, with orders up 20.3% in 10M12. Studio orders increased by 25.8% in 10M12, and represent 65.0% of the global autumn order book. EVS continues to gain some market shares and significant customers in this promising and quite competitive segment.

Given EVS has around EUR 134 million secured sales for 2012, **sales will 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 remains cautious in a difficult and competitive environment. In terms of seasonality, order intake is usually slightly lower in autumns following big sporting events summers, translating into lower sequential 4Q sales. The group maintains its good market share in Outside Broadcast while growing it in the competitive studio segment. This is the combined result of the success of the new XT3 platform, the wider EVS applications suites and the continued focus on service quality from 18 offices around the world. As operating expenses should grow slightly more than 13%, **2012 EBIT profit guidance is confirmed and is expected to grow by a bit more than 40%**. As of October 31, 2012, EVS has more than EUR 11 million orders to be delivered in 2013, 2014 and beyond. The company reiterates its low visibility in current markets even if many initiatives are ongoing in the exciting digital media industry. Lastly, EUR 10 million of rental agreements relating to big sporting events have been booked in 2012 and 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 is confident in long term growth drivers and confirms its willingness to pursue dedicated investments **in innovation and added value operations** to further grow within studios market segments. Current sales and margins are benefitting from past R&D investments, creating some leverage on margins: EBIT 9M12 of 49.9% compared to 9M11 of 41.0%. 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, balance-sheets constraints of clients or major currencies fluctuations are not easing any forecast.

Status of the control by the Statutory Auditors

The Statutory Auditor BDO Réviseurs d’Entreprises Soc. Civ. SCRL has not reviewed the quarterly consolidated financial statements as presented in this press release.

With regards to the interim dividend, the auditor has performed a limited review of the statutory accounts of EVS Broadcast Equipment S.A. at September 30, 2012.

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).

These will be attended by Joop Janssen, CEO, Jacques Galloy, CFO and Geoffroy d'Oultremont, IRO.

Corporate Calendar:

November 19, 2012	Interim dividend - ex-date
November 21, 2012	Interim dividend - record date
November 22, 2012	Interim dividend - payment date
Thursday February 21, 2013	FY12 earnings
Thursday May 16, 2013	1Q13 earnings
Tuesday May 21, 2013	Ordinary General Meeting
Thursday August 29, 2013	2Q13 earnings
Thursday November 14, 2013	3Q13 earnings

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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 450 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 5,500 committed digital screens in Europe, out of which 3,700 have already been deployed. www.dcinex.com.

Condensed consolidated interim financial statements

ANNEX 1: CONDENSED CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Note	9M12 Unaudited	9M11 Unaudited	3Q12 Unaudited	3Q11 Unaudited
Revenue	5.4	112,335	75,933	39,468	29,839
Costs of sales		-22,920	-16,256	-8,115	-5,661
Gross profit		**89,414**	**59,678**	**31,353**	**24,179**
Gross margin %		**79.6%**	**78.6%**	**79.4%**	**81.0%**
Selling and administrative expenses		-16,267	-14,132	-6,166	-4,839
Research and development expenses	5.8	-15,914	-13,211	-5,652	-5,111
Other revenue		376	362	93	143
Other expenses		-247	-262	-48	-185
Stock based compensation and ESOP plan		-854	-841	-147	-117
Amortization and impairment on goodwill, acquired technology and IP		-484	-484	-161	-161
Operating profit (EBIT)		**56,024**	**31,110**	**19,273**	**13,909**
Operating margin (EBIT) %		**49.9%**	**41.0%**	**48.8%**	**46.6%**
Net interest		-119	-23	-15	-46
Other net financial income / (expenses)	5.9	-1,424	-60	-483	6
Share in the result of the enterprise accounted for using the equity method	5.1	106	3.054	33	507
Profit before taxes (PBT)		**54,587**	**34,081**	**18,807**	**14,376**
Income taxes	5.10	-17,216	-9,546	-6,070	-4,378
Net profit from continuing operations		**37,371**	**24,535**	**12,737**	**9,998**
Net profit		**37,371**	**24,535**	**12,737**	**9,998**
Attributable to :					
Non controlling interests		-	-	-	-
Equity holders of the parent company		**37,371**	**24,535**	**12,737**	**9,998**
Net profit from operations, excl dcinex – share of the group (1)	**5.3**	**38,813**	**22,913**	**13,190**	**9,805**

RESULT PER SHARE *(in number of shares and in EUR)*	**5.7**	9M12 Unaudited	9M11 Unaudited	3Q12 Unaudited	3Q11 Unaudited
Weighted average number of subscribed shares for the period less treasury shares		13,447,450	13,471,189	13,453,264	13,462,086
Weighted average fully diluted number of shares		13,755,374	13,762,822	13,805,340	13,749,421
Basic earnings – share of the group		**2.78**	**1.82**	**0.95**	**0.74**
Fully diluted earnings – share of the group		**2.72**	**1.78**	**0.92**	**0.73**
Basic net profit from operations, excl dcinex – share of the group		**2.89**	**1.70**	**0.98**	**0.73**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR thousands)	9M12 Unaudited	9M11 Unaudited	3Q12 Unaudited	3Q11 Unaudited
Net profit	**37,371**	**24,535**	**12,737**	**9,998**
Other comprehensive income of the period				
Currency translation differences	-	192	-82	174
Other increase/(decrease)	177	-203	-99	-11
Total comprehensive income for the period	**37,548**	**24,524**	**12,556**	**10,161**
Attributable to :				
Non controlling interests	-	-	-	-
Equity holders of the parent company	**37,548**	**24,524**	**12,556**	**10,161**

(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**	**Sept. 30, 2012** **Unaudited**	**Dec. 31, 2011** **Audited**
Non-current assets :			
Goodwill		610	610
Acquired technology and IP		575	1,059
Other intangible assets		584	328
Lands and buildings		17,610	11,899
Other tangible assets		1,969	2,056
Investment accounted for using equity method	5.11	7,512	7,784
Subordinated loans	5.11	830	830
Other financial assets		188	338
Total non-current assets		**29,879**	**24,903**
Current assets :			
Inventories		16,760	14,657
Trade receivables		22,765	23,994
Other amounts receivable, deferred charges and accrued income		4,143	2,983
Cash and cash equivalents		43,176	19,932
Total current assets		**86,845**	**61,565**
Total assets		**116,723**	**86,468**

EQUITY AND LIABILITIES **(EUR thousands)**	**Annex**	**Sept. 30, 2012** **Unaudited**	**Dec. 31, 2011** **Audited**
Equity :			
Capital		**8,342**	**8,342**
Reserves		76,384	69,704
Interim dividends		-	-15,592
Treasury shares		-6,460	-6,915
Total consolidated reserves		**69,924**	**47,197**
Translation differences		127	127
Equity attributable to equity holders of the parent company		**78,394**	**55,666**
Minority interests		**8**	**8**
Total equity	**4**	**78,402**	**55,674**
Long term provisions		1,050	1,050
Deferred taxes liabilities		1,067	1,083
Financial long term debts		689	875
Non-current liabilities		**2,806**	**3,008**
Short term portion of financial long term debts	5.15	291	291
Trade payables		4,597	5,499
Amounts payable regarding remuneration and social security		8,404	7,501
Income tax payable		15,294	6,139
Other amounts payable, advances received, accrued charges and deferred income		6,930	8,357
Current liabilities		**35,516**	**27,787**
Total equity and liabilities		**116,723**	**86,468**

ANNEX 3: CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR thousands)	9M12 Unaudited	9M11 Unaudited
Cash flows from operating activities		
Operating Profit (EBIT)	56,024	31,110
Adjustment for non cash items :		
- Amortization, depreciation and write-offs on fixed assets	2,553	2,185
- Foreign exchange result	-1,267	13
- Stock based compensation and ESOP	854	841
- Provisions and deferred taxes increase/(decrease)	-17	-66
	58,147	**34,083**
Increase (+)/decrease (-)		
- Amounts receivable	-161	617
- Accruals	902	740
- Trade debts and prepayments	196	1,994
- Taxes, remuneration and social security debts	10,058	3,414
- Other amounts payable	-3,356	-1,463
- Inventories	-2,103	-1,520
Cash generated from operations	*63,683*	*37,865*
Interest received	77	177
Income taxes	-17,216	-9,546
Net cash from operating activities	**46,544**	**28,496**
Cash flows from investing activities		
Acquisition of Opencube, net cash acquired	-	-
Purchase (-)/disposal (+) of intangible assets	-510	-292
Purchase (-)/disposal (+) of property, plant and equipment	-7,463	-2,168
Purchase (-)/disposal (+) of other financial assets	150	8
Net cash used in investing activities	**-7,823**	**-2,452**
Cash flows from financing activities		
Operations with treasury shares	455	-1,274
Other net equity variations	579	-449
Interest paid	-195	-200
Movements on long-term borrowings	-186	-248
Final dividend paid	-16,130	-19,927
Net cash used in financing activities	**-15,477**	**-22,098**
Net increase/(decrease) in cash and cash equivalents	**23,244**	**3,946**
Cash and cash equivalents at beginning of period	**19,932**	**27,946**
Cash and cash equivalents at end of period	**43,176**	**31,892**

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		24,332		192	24,524	1	24,525
Share-based payments		404			404		404
Operations with treasury shares			-1,274		-1,274		-1,274
Final dividend		-19,927			-19,927		-19,927
Balance as per September 30, 2011	**8,342**	**62,469**	**-6,527**	**240**	**64,526**	**7**	**64,533**

(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		37,548		0	37,548	0	37,548
Share-based payments		854			854		854
Operations with treasury shares			455		455		455
Final dividend		-16,130			-16,130		-16,130
Balance as per September 30, 2012	**8,342**	**76,384**	**-6,460**	**127**	**78,394**	**8**	**78,402**

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 9 months period ended September 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)	**9M12**	**9M11**
Net profit for the period – IFRS	37,371	24,535
Allocation to Employees Profit Sharing Plan	507	507
Stock Option Plan	347	334
Amortization and impairment on acquired technology and IP	484	484
Amortization/impairment on Tax Shelter rights assets	156	62
Contribution of dcinex	-52	-3,009
Net profit from operations, excl. dcinex	**38,813**	**22,913**

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.

3Q12	3Q11	% 3Q12/3Q11	Revenue (EUR thousands)	9M12	9M11	% 9M12/9M11
19,119	18,281	+4.6%	Mobile production trucks / outside broadcast	62,624	43,419	+44.2%
20,350	11,560	+76.0%	TV production studios	49,710	32,514	+52.9%
39,468	**29,841**	**+32.3%**	**Total Revenue**	**112,335**	**75,933**	**+47.9%**

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 9-months period (EUR thousands)	APAC	EMEA	NALA	TOTAL
9M12 revenue	**21,954**	**60,601**	**29,780**	**112,335**
Evolution versus 9M11 (%)	+34.8%	+50.8%	+53.0%	**+47.9%**
Segment revenue at constant exchange rate	21,954	60,601	27,119	**109,674**
Variation versus 9M11 (%) at constant exchange rate	+34.8%	+50.8%	+39.3%	**+44.4%**
Variation versus 9M11 (%) at constant exchange rate and excluding big event rentals	+28.9%	+31.0%	+37.2%	**+32.2%**
9M11 revenue	**16,282**	**40,186**	**19,466**	**75,933**

Revenue for the quarter (EUR thousands)	APAC	EMEA	NALA	TOTAL
3Q12 revenue	**8,562**	**19,467**	**11,439**	**39,468**
Evolution versus 3Q11 (%)	+37.3%	+16.2%	+67.1%	**+32.3%**
Segment revenue at constant exchange rate	8,562	19,467	10,118	**39,148**
Variation versus 3Q11 (%) at constant exchange rate	+37.3%	+16.2%	+47.8%	**+27.8%**
Variation versus 3Q11 (%) at constant exchange rate and excluding big event rentals	+23.3%	-14.8%	+42.1%	**+6.2%**
3Q11 revenue	**6,235**	**16,760**	**6,846**	**29,841**

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 one country: the US (NALA, EUR 26.1 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.

The Board of Directors of November 13, 2012 has decided to pay an interim gross dividend of EUR 1.16 per share (EUR 0.87 per share after 25% withholding tax) for the fiscal year 2012, with November 19 as ex-date, November 21 as record date and November 22 as payment date.

(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	-	-
- Interim dividend for 2012 (EUR 1.16 per share less treasury shares)	15	15,606	-	
Total dividends paid		**31,736**	**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	-	49,061
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	-1,000	-7,850
Own shares cancellation	-	-
Number of own shares at September 30	**171,303**	**172,205**
Outstanding warrants at September 30	**373,900**	**288,500**

In 9M12, 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 1,000 shares were used to satisfy the exercise of warrants by employees. At the end of September 2012, the company owned 171,303 own shares at an average historical price of EUR 37.71. At the end of October, 465.400 warrants were outstanding with an average strike price of EUR 38.44 and an average maturity of October 2015, as a result of a global grant of warrants by the Board of Directors this summer.

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 3Q11, 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)	9M12	9M11
Gross R&D expenses	16,754	14,947
R&D tax credits for current fiscal year	-840	-587
R&D tax credits for past fiscal years (2006 to 2009)	0	-1,149
R&D expenses	**15,914**	**13,211**

NOTE 9: OTHER NET FINANCIAL INCOME / (EXPENSES)

(EUR thousands)	9M12	9M11
Exchange results from statutory accounts	-67	106
Exchange results relating to IFRS consolidation methodology	-1,201	-93
Impairment on Tax Shelter investments	-156	-62
Other financial results	-	-11
Other net financial income / (expenses)	**-1,424**	**-60**

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)	9M12	9M11
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	54,481	31,027
Reported tax charge based on the effective tax rate	-17,216	-9,546
Effective tax rate	**31.6%**	**30.8%**
Reconciliation items for the theoretical tax charge		
Tax effect of Tax Shelter	0	-340
Tax effect of deduction for notional interests	-117	-112
Tax effect of non deductible expenditures	435	376
Other increase (decrease)	440	527
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-16,458	-9,095
Theoretical tax rate (relating to EVS operations, excl. dcinex)	**30.2%**	**29.3%**

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 September 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)	9M12	9M11
Revenue	62,035	62,199
EBITDA	15,896	12,489
One-time profit on CineStore disposal	-	5,000
Net result for the period	**127**	**7,285**
Part of dcinex capital held by EVS	41.3%	41.3%
Net result – share of EVS	**52**	**3,009**

The cumulated Tax Loss Carry Forward of dcinex S.A. amounts to EUR 28.9 million on September 30, 2012. Deferred tax assets are being progressively recognized as the business plan materializes. As at September 30, 2012, 58% of deferred tax assets relating to these losses have been recognized.

NOTE 12: HEADCOUNT

(in full time equivalents)	At September 30	Nine-months average
2012	438	427
2011	403	374
Variation	*+8.9%*	*+14.3%*

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 9M	Average exch. rate 3Q	At September 30
Exchange rate 2012	1.2813	1.2502	1.2930
Exchange rate 2011	1.4070	1.4134	1.3648
Variation	*+9.8%*	*+13.1%*	*+5.6%*

For 9M12, the average US dollar exchange rate against the Euro has increased by 9.8% compared to 9M11. It had a positive impact of EUR 2.7 million (2.4%) 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 September 30, 2012, the group held USD 5.0 million in forward exchange contracts earmarked to hedge 50% of the net future cash-flows in dollars with an average maturity date of March 10, 2013 and with an average exchange rate EUR/USD of 1.2896.

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 September 30, 2012, EVS has financed EUR 9.3 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

Except the grant of warrants to some Directors and members of the management of EVS, there were no significant related party transactions in the first nine months of 2012.