PRESS
RELEASE

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Regulated information – Press release annual results
EVS Broadcast Equipment S.A.: Euronext Brussels (EVS.BR), Bloomberg (EVS BB), Reuters (EVSB.BR)

EVS REPORTS RECORD REVENUE FOR 2012
NEW STRATEGY, WITH AN EYE ON RIO2016

- **Record FY12, driven by sporting events and even more by strong market share gains in EVS' other segments**
  - Revenue: +29.0% (+18.0% excl. event rentals and at constant currency), in line with guidance
  - EBIT before one-off costs (EUR 1.4 million): +42.0% (45.4% margin), in line with guidance
- **4Q12 revenue of EUR 25.6 million following expected slowdown post big events**
- **2013: strong winter order book of EUR 37.4 million at February 15, 2013**
  - -12.4% vs early 2012, excl. big events
  - As usual, low visibility at the start of a non-big sporting event year
- **New strategy: more focus on key markets to accelerate long-term growth**

KEY FIGURES

(unaudited)			EUR millions, except earnings per share expressed in EUR	Audited		
4Q12	4Q11	4Q12/4Q11		FY12	FY11	FY12/FY11
25.6	31.0	-17.5%	Revenue	137.9	106.9	+29.0%
5.2	13.0	-60.1%	Operating profit – EBIT	61.2	44.1	+38.8%
20.3%	41.9%	-	Operating margin – EBIT %	44.4%	41.3%	-
0.4	-0.7	N/A	Contribution from dcinex	0.4	2.3	-82.0%
4.4	7.5	-42.0%	Net profit – Group share	41.7	32.1	+30.2%
5.8	8.7	-34.2%	Net profit from operations, excl. dcinex – Group share (1)	44.6	31.7	+40.8%
0.32	0.56	-42.0%	Basic earnings per share	3.10	2.38	+30.3%
0.43	0.65	-34.3%	Basic earnings per share from operations, excl. dcinex (1)	3.31	2.35	+40.9%

(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

"These results mark a new milestone in the already very rich and successful history of EVS," said Joop Janssen, Managing Director & CEO of EVS. "In 2012, we generated record sales and I want to thank our teams for their energy and extraordinary efforts they put in delivering on our promises. In partnership with our customers, we set a new standard in the live coverage of sporting events and even more encouraging is our growth in non-sport markets. Our team outperformed competition in these businesses, and served the fast growing demand for EVS technologies and services from entertainment, news and media customers. In these areas, past investments in innovation are starting to pay off."

On the new strategy, Mr. Janssen added: "In the last few months we reviewed in detail our strategic options and I'm glad to launch today our new four-market strategy plan. We listened to our growing number of customers and repositioned our activities, organization and brand accordingly. Key was to focus even more our resources and investments in the most attractive markets and to strengthen our leadership team in order to deliver our renewed growth ambition."

Commenting on the results and prospects, Jacques Galloy, Director and CFO, said: "After some years of sales stagnating at EUR 110 million, we closed 2012 with a record level, with sales growing by 29.0% and topping EUR 137.9 million. As said; we benefited from big sporting events rentals this year for about EUR 10 million but our overall business grew strongly, especially in studios (+30.9%) and in the Americas (+32.7% at constant currency). The operating result (EBIT) grew by 39.0% compared to last year, which includes a EUR 1.4 million one-off provision for the strategic repositioning of the group. Adjusted for these non-recurring items, the EBIT margin would have been 45.4% in FY12 and the EBIT growth would have reached 42.0%, which is in line with our previous guidance. As anticipated, 4Q12 delivered a weaker performance following a very strong sporting summer. The order book as of February 15, even though lower than at the beginning of 2001, is record for starting an uneven year, highlighting our strong competitive position and the successful investments in the past. We remain optimistic about the long term growth drivers of EVS while our short to medium term visibility remains limited as usual. 2013 shall not benefit from such big sporting events but our continued investments in innovation and expansion pave the way for positioning the company for the future".

Revenue in 4Q12 and FY12

EVS revenue amounted to **EUR 25.6 million in 4Q12**, a decrease of 17.5% (-17.3% at constant currency and excluding the big events rentals) compared to 4Q11. Studio solutions represent 53.1% of total group sales, and outside broadcast sales 46.9%.

EVS revenue amounted to **EUR 137.9 million** in FY12, an increase of 29.0% compared to FY11 (+18.0% at constant currency and excluding the big events rentals). Sales of solutions in the **studios** increased by 30.9**%** (+17.3% at cst exch. rate and excl. big events) to EUR 63.3 million, representing 45.9% of total group sales in FY12. **Outside Broadcast** ("OB") sales increased by 27.4% in FY12 to EUR 74.6 million (+18.8% at cst exch. rate and excl. big events). OB sales represented 54.1% of total sales in FY12.

4Q12	4Q11	%4Q12 / 4Q11	Revenue – EUR millions (1)	FY12	FY11	% FY12/ FY11
25.6	31.0	-17.5%	Total reported	137.9	106.9	+29.0%
25.3	31.0	-18.3%	Total at constant currency	135.1	106.9	+26.4%
25.3	30.6	**-17.3%**	**Total at constant currency and excluding big events rentals**	125.1	106.1	**+18.0%**

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

FY12 has shown steady growth across all regions and all segments for the company. The macro-economic environment remained uncertain, but EVS seems to have benefited from its strong competitive position and continued investments in innovation. The XT3 platform associated with cutting edge software applications continues to generate strong new sales upgrades and new customer groups. The enlarged portfolio of products is supporting EVS' successes in OB and studio, especially around news, entertainment and sport related initiatives. Americas and Emerging countries have been clear growth drivers in 2012.

Geographically, sales have evolved in FY12 as follows:

- Europe, Middle-East and Africa ("**EMEA**"): EUR 74.6 million (+29.0% compared to FY11), representing 54.1% of group revenue. The United Kingdom, Eastern Europe and the Middle East were clear drivers of the business in 2012, and will continue to do so in 2013, with notably a major studio project in Middle East. Sales in 4Q12 decreased by 20.6% to EUR 14.0 million.
- "**Americas**": EUR 36.7 million (+32.7% at constant currency). The studio segment increased by 67% compared to 2011. Americas posted a strong performance driven by new OB vans and upgrades to HD, as well as dynamic studio. In 4Q12, revenue increased by 14.2% to EUR 6.9 million.
- Asia & Pacific ("**APAC**"): EUR 26.6 million (+13.0%). Australia, China and South Korea were in 2012 the most active countries for the EVS business. The continued high demand for European sport content on TV in APAC is a long term driver for our company in that part of the world. In 4Q12, revenue decreased by 36.3% to EUR 4.6 million.

Operating results in 4Q12

Consolidated gross margin was 67.3% for 4Q12, lower than 4Q11 (78.0%) due to the deleveraging effect of lower sales on growing fixed operations costs but also due to the set up of a new provision of EUR 1.0 million for 2-years standard technical warranty. The gross margin in Q412 excluding the provision would be 71.2%. Operating expenses grew by 9.3% and include one-off repositioning costs of EUR 1.4 million partly offset by the release of a past litigation provision of EUR 1.0 million which has become irrelevant. Year-on-year opex evolution excluding one-off items was flat in the quarter. **4Q12 reported EBIT margin reached 20.3%** and would have reached 25.8% on a comparable basis with 4Q11 (41.9%). The temporary lower quarterly EBIT margin is due to seasonally lower sales with growing costs. dcinex contributed EUR 0.4 million to EVS results in 4Q12, compared to a negative EUR 0.7 million in 4Q11. Group net profit amounted to EUR 4.4 million in 4Q12 (EUR 5.3 million excluding the one-off costs), compared to EUR 7.5 million in 4Q11, while net profit from operations, excluding dcinex, was EUR 5.8 million in 4Q12 (-34.2%). **Basic net profit per share amounted to EUR 0.32 in 4Q12** (EUR 0.39 excluding the one-off costs), compared to EUR 0.56 for 4Q11.

Operating results in FY12

Consolidated gross margin was 77.3% for FY12, slightly lower than FY11 (78.4%). The operating leverage effect of higher sales on fixed operations costs has been offset by the growth of those fixed operations costs (development of a profitable service organization with 117 professionals end of 2012) as well as by the set up of a new provision of EUR 1.0 million for standard technical warranty. The gross margin excluding the one-off provision would have reached 78.1%. Operating expenses increased by 15.3% in FY12 and include one-off repositioning costs of EUR 1.4 million partly offset by the release of a past litigation provision of EUR 1.0 million which has become irrelevant. Opex growth of 14.3% excluding one-off items is mainly due to the increased number of employees as well as investments in a new group ERP and lower R&D tax credit than the positive one-off included in FY11. The **operating (EBIT) margin increased to 44.4% of revenue (45.4% excluding the one-off costs)**, compared to 41.3% in FY11. EBIT growth reached 38.8% in FY12 and 42.0% excluding the one-off cost, in line with the 40% growth guidance provided with 3Q12 results on 15 November 2012. Net profit amounted to EUR 41.7 million in FY12, or +30.2% compared to FY11 (+33.1% excluding the one-off costs), while net profit from operations, excluding dcinex, was EUR 44.6 million in FY12 (+40.8%). **Basic net profit per share amounted to EUR 3.10 in FY12** (EUR 3.17 excluding the one-off costs), compared to EUR 2.38 for FY11.

dcinex group, in which EVS holds a 41,3% share (30.3% fully diluted), closes a record year with sales reaching EUR 88.8 million. dcinex 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 the 35mm value chain is planned to stop soon. dcinex recorded an EBITDA of EUR 23.8 million, or 26.8% of revenues. dcinex had a group share (41.3%) contribution to the FY12 results of EVS of EUR 0.4 million.

Staff

At the end of December 2012, EVS employed 463 people (FTE), an increase of 11.6% (+48 FTE) over December 2011. The group has recruited 25 FTEs over 4Q12 partly to accelerate some strategic R&D developments. On average, EVS employed 439 FTE in 2012, compared to 386 in 2011, a 13.7% increase. One third of EVS' headcount are located in one of the company's 20 foreign sale offices or development business units.

Balance sheet and cash flow statement

EVS returned 75% of net equity over 2012. Total assets are EUR 95.0 million and net equity represents 70.8% of the balance sheet. At the end of 2011, EVS started the construction of a new integrated building in the same area in Liège, in order to gather all employees of EVS headquarters, split today in 6 different buildings. EUR 11.7 million have been invested by year-end 2012 out of a total budget of slightly more than EUR 40 million. That project will be partly financed through financial debt but stronger cash generation than expected has allowed the company to finance the investments over 2012 without drawing down on the EUR 14 million credit line, put in place earlier in 2012. Inventories amounted to EUR 15.9 million at the end of December, a 8.3% increase compared to the end of 2011, but a slight decrease compared to September 2012. It includes EUR 4.0 million value of own equipment used for own R&D and demos of EVS successful products. In the liabilities, provisions include mainly the repositioning accruals as well as the provision for technical warranty on EVS products for labor and parts.

The net cash from operating activities amounted to EUR 42.7 million in FY12. On December 31, 2012, the group balance sheet showed **EUR 21.4 million in cash** and cash equivalents, and EUR 0.8 million in long-term financial debts (including short term portion of it).

At the end of December 2012, there were 13,625,000 EVS outstanding shares, of which 170,053 were owned by the company. In 2012, 11,069 shares were granted or sold to employees in the framework of share-based incentives. On December 31, 2012, 440.900 warrants were outstanding with an average strike price of EUR 38.49 and an average maturity in 2015, after the bi-annual global grant made in July.

New strategy

Today, EVS also announces its new strategy (see separate press release for more information), with:

- A focus on four key markets: Sports, Entertainment, News and Media
- An new internal structure led by a reinforced Executive Committee
- A new brand and visual identity to support the new vision of the company

The ambition of the company is to accelerate its growth and reach a wider range of customers more quickly through a more focused strategy. Each market has its own specific challenges and opportunities, so by aligning the structure of EVS with the particular market demands of our customers, the company aims to help them continue to be successful, both now and in the future.

With this new strategy EVS aims to accelerate its revenue growth and continue to outperform the expected annual market growth rate of between 0 to 5% (CAGR) in coming 4 years by at least a factor of two to three. The company plans this growth with premium EBIT margins.

Long-term drivers and strategy

While sport is still a significant part of the total business, less cyclical segments i.e. Entertainment, News and Media are growing more rapidly. 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 and more efficient production workflows, benefiting from the flexibility of tapeless server technologies. The other main reasons of investments in TV stations are the transition from standard definition (SD) to high definition (HD), the remote production, more TV demand in emerging markets, 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. More advanced camera and display technologies such as UltraHD (4K) and 3D technologies appear to speed up the conversion to and subsequent upgrades in tapeless production facilities. In the medium to long term, EVS targets the Entertainment, News and Media markets, in addition to its historical sport business.

In its strategy review, EVS has revisited industry numbers and estimates the total addressable market for its four different markets to be around EUR 1.6 billion. Therefore, taking into account usual business risks and uncertainties, the EVS Board believes 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 cycles.

Outlook 2013

The global **winter order book** (to be invoiced in 2013) at February 15, 2013 amounts to **EUR 37.4 million**, which is 18.8% lower compared to EUR 46.1 million on the same date one year ago (-12.4% vs last year, excl. big events rentals). This is a record order book for EVS in an uneven year. Studio orders represent 50.5% of the EUR 37.4 million order book. In addition to this EUR 37.4 million order book, EVS already has orders for EUR 5.6 million that should be invoiced in 2014 and beyond, compared to EUR 3.6 million in 2012. EVS is increasing progressively its recurring service revenues.

After the anticipated lower order intake in 3Q12 due to the usual market slowdown following the big events, the order intake was again steady in the last quarter of 2012. In Outside Broadcast, the company defends its market share despite competition and even consolidates its position in that segment, with orders up 22.4% in FY12. Studio orders increased by 9.0% in FY12. EVS continues to gain market shares and significant customers in this promising and quite competitive segment.

EVS starts 2013 with a quite strong order book for an uneven year even if it is slightly lower than early 2012 on a comparable basis. The Management and the Board of Directors are optimistic about the long term prospects of the group, underpinned by robust long term growth drivers. The company reiterates its low visibility in the current state of the economy even if many initiatives are ongoing in the exciting digital media industry. In addition, EUR 10 million of rental agreements relating to big sporting events were booked in 2012 and are not repeatable as such in 2013 which shall be a repositioning year. For 2013, operating expenses should grow by a low double digit rate, which could translate in lower margins. Second half of the year should be better than first half as it shall start benefiting from the traction of big sporting events in 2014 (also in emerging countries) as well as the first impacts of the new strategy. EVS targets small niches where the combination of infrastructure reliability, applications agility and service quality are essential success criteria. It should be clear that risk factors such as economic uncertainties, balance-sheets constraints of clients or major currencies fluctuations do not make short-term forecasting easy.

Status of the control by the Statutory Auditors
The statutory Auditor BDO Réviseurs d'Entreprises Soc. Civ. SCRL confirmed that its controls which are substantially finished did not reveal material misstatement that should be brought to accounting information mentioned in the press release.

EVS will hold today the following events:
- A press conference French/Dutch in EVS offices in Liège at 10:30 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, VP IR.

Corporate Calendar:

Thursday May 16, 2013	1Q13 earnings
Tuesday May 21, 2013	Ordinary General Meeting
Tuesday May 28, 2013	Final dividend: ex-date
Thursday August 29, 2013	2Q13 earnings
Thursday November 14, 2013	3Q13 earnings

For more information, please contact:

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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

EVS provides its customers with reliable and innovative technology to enable the production of live, enriched video programming, allowing them to work more efficiently and boost their revenue streams. Its industry-leading broadcast and media production systems are used by broadcasters, production companies, post-production facilities, film studios, content owners and archive libraries around the globe. It spans four key markets – Sports, Entertainment, News and Media.

Founded in 1994, its innovative Live Slow Motion system revolutionised live broadcasting. Its reliable and integrated tapeless solutions, based around its market-leading XT server range, are now widely used to deliver live productions worldwide. Today, it continues to develop practical innovations, such as its C-Cast second-screen delivery platform, to help customers maximise the value of their media content.

The company is headquartered in Belgium and has offices in Europe, the Middle East, Asia and North America. Approximately 465 EVS professionals from 20 offices are selling its branded products in over 100 countries, and provide customer support globally. EVS is a public company traded on Euronext Brussels: EVS, ISIN: BE0003820371. For more information, please visit www.evs.com.

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 financial statements

ANNEX 1: CONDENSED CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Note	2012 Audited	2011 Audited	4Q12 Unaudited	4Q11 Unaudited
Revenue	5.4	137,895	106,898	25,560	30,964
Costs of sales		-31,270	-23,080	-8,350	-6,824
Gross profit		**106,625**	**83,818**	**17,210**	**24,140**
Gross margin %		**77.3%**	**78.4%**	**67.3%**	**78.0%**
Selling and administrative expenses		-20,214	-19,585	-3,947	-5,453
Research and development expenses	5.8	-22,292	-18,494	-6,378	-5,283
Other revenue		470	543	94	181
Other expenses		-337	-373	-90	-112
Stock based compensation and ESOP plan		-1,062	-958	-208	-117
Amortization and impairment on goodwill, acquired technology and IP		-580	-855	-96	-371
EBIT before repositioning costs		**62,610**	**44,096**	**6,586**	**12,985**
EBIT %, before repositioning costs		**45.4%**	**41.3%**	**25.8%**	**41.9%**
Repositioning costs		-1,405	-	-1,405	-
Operating profit (EBIT)		**61,205**	**44,096**	**5,181**	**12,985**
Operating margin (EBIT) %		**44.4%**	**41.3%**	**20.3%**	**41.9%**
Net interest		-118	28	1	52
Other net financial income / (expenses)	5.9	-1,534	-142	-110	-82
Share in the result of the enterprise accounted for using the equity method	5.11	540	2,369	433	-685
Profit before taxes (PBT)		**60,093**	**46,350**	**5,505**	**12,269**
Income taxes	5.10	-18,350	-14,282	-1,134	-4,736
Net profit from continuing operations		**41,743**	**32,068**	**4,371**	**7,534**
Net profit		**41,743**	**32,068**	**4,371**	**7,534**
Attributable to :					
Non controlling interests		-	-	-	-
Equity holders of the parent company		**41,743**	**32,068**	**4,371**	**7,534**
Net profit from operations, excl dcinex – share of the group (1)	**5.3**	**44,567**	**31,663**	**5,754**	**8,750**

EARNINGS PER SHARE *(in number of shares and in EUR)*	**5.7**	**2012**	**2011**	**4Q12**	**4Q11**
Weighted average number of subscribed shares for the period less treasury shares		13,449,081	13,465,244	13,453,905	13,447,403
Weighted average fully diluted number of shares (2)		13,813,198	13,755,205	13,915,786	13,732,317
Basic earnings – share of the group		**3.10**	**2.38**	**0.32**	**0.56**
Fully diluted earnings – share of the group (2)		**3.02**	**2.33**	**0.31**	**0.55**
Basic net profit from operations, excl dcinex – group share		**3.31**	**2.35**	**0.43**	**0.65**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR thousands)	2012 Audited	2011 Audited	4Q12 Unaudited	4Q11 Unaudited
Net profit	**41,743**	**32,068**	**4,371**	**7,534**
Other comprehensive income of the period				
Currency translation differences	-46	79	-46	-113
Other increase/(decrease)	609	-619	432	-416
Total comprehensive income for the period	**42,306**	**31,528**	**4,757**	**7,005**
Attributable to :				
Non controlling interests	-	-	-	-
Equity holders of the parent company	**42,306**	**31,528**	**4,757**	**7,005**

(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.

(2) Excluding 58,050 warrants that were out of money at the end of December 2012, fully diluted earnings per share in FY12 would have been EUR 3.03.

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

ASSETS (EUR thousands)	Note	Dec. 31, 2012 Audited	Dec. 31, 2011 Audited
Non-current assets :			
Goodwill		610	610
Acquired technology and IP		479	1,059
Other intangible assets		534	328
Lands and buildings	5.15	19,261	11,899
Other tangible assets		1,846	2,056
Investment accounted for using equity method	5.11	7,717	7,784
Subordinated loans	5.11	830	830
Other financial assets		178	338
Total non-current assets		**31,455**	**24,903**
Current assets :			
Inventories		15,868	14,657
Trade receivables		21,101	23,994
Other amounts receivable, deferred charges and accrued income		5,111	2,983
Cash and cash equivalents		21,426	19,932
Total current assets		**63,507**	**61,565**
Total assets		**94,962**	**86,468**

EQUITY AND LIABILITIES (EUR thousands)	Annex	Dec. 31, 2012 Audited	Dec. 31, 2011 Audited
Equity :			
Capital		**8,342**	**8,342**
Reserves		80,861	69,704
Interim dividends		-15,606	-15,592
Treasury shares		-6,412	-6,915
Total consolidated reserves		**58,843**	**47,197**
Translation differences		81	127
Equity attributable to equity holders of the parent company		**67,266**	**55,666**
Minority interests		**8**	**8**
Total equity	**4**	**67,274**	**55,674**
Long term provisions		2,035	1,050
Deferred taxes liabilities		1,036	1,083
Financial long term debts	5.15	541	875
Non-current liabilities		**3,612**	**3,008**
Short term portion of financial long term debts		291	291
Trade payables		6,626	5,499
Amounts payable regarding remuneration and social security		8,899	7,501
Income tax payable		1,367	6,139
Other amounts payable, advances received, accrued charges and deferred income		6,893	8,357
Current liabilities		**24,076**	**27,787**
Total equity and liabilities		**94,962**	**86,468**

ANNEX 3: CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR thousands)	2012 Audited	2011 Audited
Cash flows from operating activities		
Operating Profit (EBIT)	61,205	44,096
Adjustment for non cash items :		
- Amortization, depreciation and write-offs on fixed assets	3,381	3,367
- Foreign exchange result	-1,307	-16
- Stock based compensation and ESOP	1,062	958
- Provisions and deferred taxes increase/(decrease)	938	-38
	65,278	**48,367**
Increase (+)/decrease (-) of cash flows		
- Amounts receivable	579	-6,139
- Accruals	-152	373
- Trade debts and prepayments	3,123	3,138
- Taxes, remuneration and social security debts	-3,374	2,372
- Other amounts payable	-3,355	1,725
- Inventories	-1,211	-2,237
Cash generated from operations	*60,888*	*47,599*
Interest received	149	295
Income taxes	-18,350	-14,282
Net cash from operating activities	**42,687**	**33,612**
Cash flows from investing activities		
Purchase (-)/disposal (+) of intangible assets	-526	-516
Purchase (-)/disposal (+) of property, plant and equipment	-9,633	-3,092
Purchase (-)/disposal (+) of other financial assets	184	78
Net cash used in investing activities	**-9,975**	**-3,530**
Cash flows from financing activities		
Operations with treasury shares	502	-1,662
Other net equity variations	611	-345
Interest paid	-267	-267
Movements on long-term borrowings	-334	-304
Interim dividend paid	-15,600	-15,592
Final dividend paid	-16,130	-19,927
Net cash used in financing activities	**-31,218**	**-38,097**
Net increase/(decrease) in cash and cash equivalents	**1,494**	**-8,015**
Cash and cash equivalents at beginning of period	**19,932**	**27,946**
Cash and cash equivalents at end of period	**21,426**	**19,932**

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		31,449		78	31,527	2	31,529
Share-based payments		521			521		521
Operations with treasury shares			-1,662		-1,662		-1,662
Final dividend		-19,927			-19,927		-19,927
Interim dividend		-15,592			-15,592		-15,592
Balance as per December 31, 2011	**8,342**	**54,112**	**-6,915**	**127**	**55,666**	**8**	**55,674**

(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		42,352		-46	42,306		42,306
Share-based payments		528			528		528
Operations with treasury shares			502		502		502
Final dividend		-16,130			-16,130		-16,130
Interim dividend		-15,606			-15,606		-15,606
Balance as per December 31, 2012	**8,342**	**65,255**	**-6,413**	**81**	**67,266**	**8**	**67,274**

ANNEX 5: NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of EVS Group for the 12 months period ended December 31, 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.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)	**FY12**	**FY11**
Net profit for the period – IFRS	41,743	32,068
Allocation to Employees Profit Sharing Plan	507	507
Stock Option Plan	555	451
Amortization and impairment on acquired technology and IP	580	855
Amortization/impairment on Tax Shelter rights assets	192	91
Contribution of dcinex	-415	-2,310
Repositioning costs	1,405	-
Net profit from operations, excl. dcinex	**44,567**	**31,663**

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.

The group's activities are in one segment, broadcast production equipment. There are no other significant classes of business, either singularly or in aggregate. The Chief Operating Decision Makers, that being the Executive Committee, review the operating results and operating plans, and make resource allocation decisions on a company-wide basis, therefore EVS operates as one segment. Enterprise-wide disclosures about product sales, geographic areas and revenues from major customers are presented below.

However, it does not exclude a future evolution of the segmentation following the development of the company, its products and its internal performance indicators.

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 following three dimensions: by geographical market, by use and by nature.

First, the activities are divided in three regions: Asia-Pacific (“APAC”), Europe, Middle East and Africa (“EMEA”), and America (“NALA”). This division follows the organization of the commercial and support services within the group, which operates worldwide.

Then, revenue are 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. Rental contracts for big sporting events are spread quasi equally between the two destinations.

Finally, sales are presented by nature: systems and services.

From fiscal year 2013, sales will be presented according to 3 destinations: Sport, Entertainement/News/Media and Big Events. “NALA” region is renamed “Americas”.

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.

4.2. Additional information

4.2.1. Information on sales by destination

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.

4Q12	4Q11	% 4Q12/4Q11	Revenue (EUR thousands)	FY12	FY11	% FY12/FY11
11,993	15,134	-20.8%	Mobile production trucks / outside broadcast	74,618	58,553	+27.4%
13,567	15,830	-14.3%	TV production studios	63,277	48,345	+30.9%
25,560	**30,964**	**-17.5%**	**Total Revenue**	**137,895**	**106,898**	**+29.0%**

4.2.2. Information on sales by geographical information

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

4.2.2.1. Revenue

Revenue for the 12-months period (EUR thousands)	APAC	EMEA	Americas	TOTAL
FY12 revenue	**26,564**	**74,614**	**36,717**	**137,895**
Evolution versus FY11 (%)	+13.0%	+29.0%	+43.8%	**+29.0%**
Segment revenue at constant currency	26,564	74,614	33,896	**135,074**
Variation versus FY11 (%) at constant currency	+13.0%	+29.0%	+32.7%	**+26.4%**
Variation versus FY11 (%) at constant currency and excluding big event rentals	+8.9%	+15.1%	+32.9%	**+18.0%**
FY11 revenue	**23,516**	**57,841**	**25,541**	**106,898**

Revenue for the quarter (EUR thousands)	APAC	EMEA	Americas	TOTAL
4Q12 revenue	**4,611**	**14,013**	**6,937**	**25,560**
Evolution versus 4Q11 (%)	-36.3%	-20.6%	+14.2%	**-17.5%**
Segment revenue at constant currency	4,611	14,012	6,686	**25,309**
Variation versus 4Q11 (%) at constant currency	-36.3%	-20.6%	+10.1%	**-18.3%**
Variation versus 4Q11 (%) at constant currency and excluding big event rentals	-36.3%	-20.6%	+16.9%	**-17.3%**
4Q11 revenue	**7,234**	**17,656**	**6,074**	**30,964**

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 (Americas, EUR 26.8 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 sales by nature

Revenue can be presented by nature: systems and services.

4Q12	4Q11	% 4Q12/4Q11	Revenue (EUR millions)	FY12	FY11	% FY12/FY11
24.0	29.4	-18.7%	Systems	129.5	102.0	+26.9%
1.6	1.5	+6.0%	Services	8.4	4.9	+72.4%
25.6	**31.0**	**-17.5%**	**Total Revenue**	**137.9**	**106.9**	**+29.0%**

4.2.4. 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 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	-	60,228
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	-2,250	-7,850
Own shares cancellation	-	-
Number of own shares at December 31	**170,053**	**183,372**
Outstanding warrants at December 31	**440,900**	**286,550**

In 2012, 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 2,250 shares were used to satisfy the exercise of warrants by employees. At the end of December 2012, the company owned 170,053 own shares at an average historical price of EUR 37.71. At the end of December, 440,900 warrants were outstanding with an average strike price of EUR 38.49 and an average maturity of October 2015.

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)	**FY12**	**FY11**
Gross R&D expenses	23,575	20,545
R&D tax credits for current fiscal year	-1,283	-937
R&D tax credits for past fiscal years (2006 to 2009)	0	-1,114
R&D expenses	**22,292**	**18,494**

NOTE 9: OTHER NET FINANCIAL INCOME / (EXPENSES)

(EUR thousands)	**FY12**	**FY11**
Exchange results from statutory accounts	-237	-293
Exchange results relating to IFRS consolidation methodology	-1,069	277
Impairment on Tax Shelter investments	-192	-91
Other financial results	-36	-35
Other net financial income / (expenses)	**-1,534**	**-142**

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)	**FY12**	**FY11**
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	59,553	43,982
Reported tax charge based on the effective tax rate	-18,350	-14,282
Effective tax rate	**30.8%**	**32.5%**
Reconciliation items for the theoretical tax charge		
Tax effect of Tax Shelter	-255	0
Tax effect of deduction for notional interests	-177	-157
Tax effect of non deductible expenditures	531	578
Other increase (decrease)	93	401
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-18,158	-13,460
Theoretical tax rate (relating to EVS operations, excl. dcinex)	**30.5%**	**30.6%**

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 30.3% in the company. As of December 31, 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 7.9 million.

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

(EUR thousands)	**FY12**	**FY11**
Revenue	88,809	84,307
EBITDA	23,795	17,825
One-time profit on CineStore disposal	-	4,400
Net result for the period	**1,004**	**5,592**
Part of dcinex capital held by EVS	41.3%	41.3%
Net result – share of EVS	**415**	**2,310**

The cumulated Tax Loss Carry Forward of dcinex S.A. amounts to EUR 29.5 million on December 31, 2012. Deferred tax assets are being progressively recognized as the business plan materializes. As at December 31, 2012, 60% of deferred tax assets relating to these losses have been recognized.

NOTE 12: HEADCOUNT

(in full time equivalents)	**At December 31**	**Twelve-months average**
2012	463	439
2011	415	386
Variation	*+11.6%*	*+13.7%*

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 FY	Average exch. rate 4Q	At December 31
Exchange rate 2012	1.2848	1.2973	1.3194
Exchange rate 2011	1.3917	1.3460	1.2939
Variation	*+8.3%*	*+3.8%*	*-1.9%*

For 2012, the average US dollar exchange rate against the Euro has increased by 8.3% compared to 2011. It had a positive impact of EUR 2.8 million on revenue (2.0%). This was offset by both the natural hedge (on costs of materials and electronics, foreign operating expenses and foreign taxes) and the financial hedge which covers 50% of EVS net long position on 12 month forward horizon.

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 December 31, 2012, the group held USD 7.5 million in forward exchange contracts earmarked to hedge 50% of the net future cash-flows in dollars with an average maturity date of November 8, 2013 and with an average exchange rate EUR/USD of 1.2958.

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 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 December 31, 2012, EVS has financed EUR 11.7 million with own cash without drawing this straight loan.

NOTE 16: SUBSEQUENT EVENTS

In January 2013, EVS bought back EUR 0.5 million subordinated loan associated with warrants in dcinex S.A. from another former minority shareholder of the company. This brings EVS fully diluted share in dcinex from 30.3% up to 31.2% while the number of shares EVS holds in dcinex S.A. remains 41.3%.

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 2013 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.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 2012.

Certification of responsible persons

Joop Janssen, Managing Director and CEO
and Jacques Galloy, Director and CFO

Certify that, based on their knowledge,

a) the 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 2012, including their impact on the condensed financial statements, and a description of the existing risks and uncertainties.